

Why Was the American Revolution a War? A Rationalist Interpretation

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This paper poses a rationalist account of the American Revolution that locates the turn to war in problems of credible commitment on both sides of the Atlantic. On the one hand, Britain could not commit credibly to restrain its authority, especially once the political equipoise that had prevailed before the Seven Years War was broken. To render a new colonial bargain credible required tying the hands of Parliament, but any form of colonial representation would have severely disrupted politics in Britain in a period of political change and conflict. On the other hand, Americans could not credibly commit to follow rules set in London, especially those restricting trade and Westward expansion. Neither settlers nor elites had an incentive to comply with imperial edicts and, more importantly, the colonies lacked any means to enforce any potential agreement.


The historiography of the American Revolution is rich and complex. Theodore Draper (1997, xiii) writes that the literature “is so great that it is almost impossible for a single human being to master all of it.”¹ Yet, to fully explain the Revolutionary War requires answers to three related puzzles left unaddressed in most historical accounts. First, why do some conflicts of interest turn violent? Though they differ in perspective, what unites virtually all explanations by historians is that they identify fundamental conflicts of interest, whether material or ideological, that evolved and accumulated over time between the colonies and Britain. Though they locate the origins of the grievances held on both sides of the Atlantic in different parties and issues, each explanation points to emerging tensions within the empire. Yet, conflicts of interest are ubiquitous in politics—indeed, it might be argued that such conflicts lie at the core of what makes something “political”—and every war has a conflict of interest at its heart. Only rarely, however, do conflicts of interest turn violent. What tipped the disputes that divided Britain and the colonies into war?

Second, given the conflicts of interest, why was a compromise between Britain and the colonies not attainable? All wars are costly—and the American Revolutionary War is no exception. The war produced

enormous casualties relative to the population (25,534 on the colonial side, perhaps 25,000 on the British side), displaced over 60,000 loyalists, and set off an economic decline that was surpassed only by the Great Depression of the 1930s (Peckham 1974). Colonial casualties were about 1% of the population in 1770, more than three times the casualties relative to population as in World War II. Britain spent over £20 million per year on the war, more than in the Seven Years War that left it nearly bankrupt. At this price, bargains were certainly feasible. Given the costs of the war for both sides and the eventual outcome in which the empire was lost, surely some compromise short of war was possible. In fact, many on both sides of the Atlantic tried to reach a new accommodation before and during the hostilities. The question then becomes why a new imperial bargain was impossible to reach. As Draper (1997, 212) again writes, “Why there was no way to avoid an armed struggle is the most demanding question of the American Revolution.”

Third, why did only some colonies in North America rebel? Britain possessed 26 colonies in the New World, but only 13 joined the Revolutionary War. The other colonies in the Caribbean and Canada suffered many of the same grievances, yet they chose to remain part of the empire. Why did only 13 colonies ultimately choose to pursue independence? Any adequate explanation for why some colonies went to war must also account for why other, relatively similar colonies did not.

This essay poses a rationalist account that emphasizes problems of credible commitment on both sides of the Atlantic.² It is not that effective compromises between Britain and the colonies were impossible to

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¹ For an overview, see Lynd and Waldstreicher (2011), Waldstreicher (2014), and Young and Nobles (2011). Countryman (2003) attempts a synthesis and outlines the debates concisely in the Preface to the revised edition of his original 1985 volume. More recent work examines the role of emotions (Elster 2023; Eustace 2011) and culture (Rozbicki 2011). While relying on a cross-section of works by historians, I aim to exploit my (I hope) comparative advantage in theories of conflict to offer a new interpretation.

² This is, of course, not the first rationalist interpretation of the Revolution. De Figueiredo, Rakove, and Weingast (2006) explain how different constitutional conceptions held by the British and Americans could be sustained for a century but then lead to the Revolution; nonetheless they fail to explain Britain’s intransigence once the differences were manifested (see Rakove, Rutten, and

imagine, and many were actively discussed. Rather, it was the lack of effective enforcement mechanisms that thwarted successful bargaining.³ Understood as a problem of credible commitment, the Revolutionary War appears less a case of American exceptionalism—the first democratic revolution pursued in the name of liberty, though only white males could vote—and more similar to other wars, civil wars, and insurgencies that have played out around the world.

Importantly, the barriers to effective enforcement and compromise lay in the domestic politics of Britain and the internal politics of the colonies. That is, the problems of credible commitment that plagued relations between the metropole and colonies arose not from anarchy, shifts in power, security dilemmas, or failures of institutional design between the actors, as usually assumed in models of credible commitment and war.⁴ Rather, the inability to commit to any compromise was rooted in the domestic political cleavages on both sides. On the one hand, Britain could not commit credibly to restrain its authority for reasons within England at that time. The problem was that if taxes for revenue were accepted or Parliamentary supremacy was recognized by the colonies, issues central to any compromise, what would prevent London from increasing its demands in the future? To render any new colonial bargain credible required tying the hands of Parliament, and this in turn required some form of effective colonial participation in decision-making. As every American schoolchild learns, “no taxation without representation” was the rallying cry. However, any form of political representation would have severely disrupted politics within Britain in a period of political change and conflict. Given the struggle within Parliament and British society more generally over the

franchise and related issues, London could not yield on this central colonial demand.

On the other hand, Americans could not credibly commit to following imperial rules set in Britain. Here, the problem was London’s attempts to restrict trade and Westward expansion. Merchants had long accommodated themselves to the Navigation Acts that tied the colonies to the empire, but new duties on imports and stricter enforcement of the Acts alienated traders. At the same time, given a long coastline and considerable practice, smuggling was nearly impossible to police. To avoid entrapment into peripheral wars with Native Americans, Britain also sought to prohibit settlement West of the Appalachia Mountains, defined by the Proclamation Line of 1783 and, later, the Quebec Act of 1774. Settlers and, in turn, elite land speculators wanted access to the fertile Ohio Valley and beyond. As with the coastline, the frontier was too extensive to close entirely, as evidenced by the large number of squatters who moved West in defiance of the prohibition. Even if the colonies succeeded in loosening the restrictions of the Navigation Acts or moving the Proclamation Line further West in some negotiated compromise, no colonial assembly would have had incentives to actually abide by any agreement to restrict its citizens. Equally, with each colony jealously guarding its Western land claims, none would limit its citizens unless the others did so as well. There was, as of yet, no institution or mechanism through which the colonies could bind one another. As a result, there was no way in which the colonies could commit to any compromise with London. Lacking any ability to police themselves, the colonies would have had to rely on Britain to enforce any restrictions on trade or migration. To accept enforcement by British administrators and troops, however, raised the question of taxes and Parliamentary supremacy that could not be solved in the absence of colonial representation, linking this second problem of credible commitment to the first.

Either of these problems of credible commitment would have been sufficient to thwart effective compromises between London and the colonies, though if the colonies had been successful in tying the hands of Parliament they might have been more open to a role for Britain in North America in enforcing a compromise. In the end, the colonies could strive for independence or face continued repression. Britain could aim to crush the rebellion and impose direct rule or capitulate, as it eventually did as the enormous costs of war were realized. Together, the choices for independence and direct rule led to war.

My ambition is not to present a new history of the Revolution nor to refine and extend theories of conflict, though I emphasize the internal or “domestic” impediments to credible commitment that are usually ignored in the latter. In a more limited way, I aim only to explain the puzzle of “why war” in this important historical case. Had the empire held together in some negotiated compromise even for a few more decades, the trajectory of the United States would likely have been quite different. The war itself dramatically reconfigured American society and its political culture, a subject on

Weingast 2000, 33). Andrew Coe (2011) argues that, though the taxes were minimal but possibly increasing, they created sufficient distortions in the colonial economy that war was preferred to any extended “peace,” though he does not show that Britain’s taxes were more distortionary than the higher taxes likely to be imposed under American self-rule. Galiani and Torrens (2019) demonstrate how splits within the British political system impeded potential bargains with the colonists, and I build on this work below. These are all pieces of the larger credible commitment problems that faced Britain and its colonies in 1776, though I place Westward expansion more at the center of the narrative.

³ On how enforcement problems undermine bargaining, see Fearon (1998). Indeed, without any means to enforce compromises, bargaining was stymied and possibly less prevalent than we might otherwise expect. How much bargaining we “should” have seen, of course, remains difficult to estimate. Though some bargaining is clearly evident in the documentary record, and we will never have a complete accounting of the informal conversations between colonial agents and officials in London, if any enforcement mechanism had seemed promising Britain and the colonies might have engaged in more extensive and “serious” bargaining. In this way, the written records central to historical accounts may actually be misleading when viewed through a more analytic lens: had enforcement been easier, we might have seen greater and more intense efforts to reach a compromise rather than the absolutist, “non-negotiable” positions taken by both sides.

⁴ On rationalist theories of war, see Fearon (1995) and Powell (2002). On war from commitment problems, see Coe (2011), Leventoglu and Slantchev (2007), Monteiro and Debs (2020), and Powell (2006).

which historians have written extensively.⁵ Though this is not the purpose of this essay, explaining why the Revolution turned violent remains relevant to our understanding of American politics today, especially in how the forces mobilized in the conflict shaped the Constitution of 1787. The first section summarizes the traditional explanations for the Revolution and, in the process, provides some of the necessary background for analysis. The second section examines problems of credible commitment in both Britain and the colonies. The third section briefly compares the 13 North American colonies that did revolt to the 13 that did not.

COLONIAL GRIEVANCES

A common explanation for the American Revolution is that, after the Seven Years War (or the French-and-Indian Wars, as it was known in the colonies), Britain sought to raise taxes on the colonists to cover the costs of providing security in North America. Previously governed under a policy the British themselves called “salutary neglect,” with the King ruling with an extremely light hand and the colonies enjoying considerable autonomy, London now sought to renegotiate the financial structure of the empire. Simply, Britain wanted the colonies to pay more for their own defense and government while the colonies did not. As Alan Taylor (2001, 442) writes, “The colonists wanted to preserve their privileged position within the empire as virtually untaxed beneficiaries of imperial trade and protection.” In this view, the conflict was largely caused by Britain’s ambition to change the terms of the imperial compact.⁶

The Seven Years War, until then the most expensive in Britain’s history (du Rivage 2017, 17; see also Taylor 2016, 51), threw the previous political equilibrium into disarray. On the one hand, the demand for protection in the colonies declined after the war. Previously, Britain and France had competed for control of North America, often by recruiting Native Americans as allies and proxies. As the sole North American power after the war, Britain was both able to control better the flow of arms to the Indian nations and reduce threats to colonial settlers. Thus, the insecurity previously facing the colonies was greatly abated (Taylor 2001, 438–40). State militias also expanded during the Seven Years War, giving the colonies greater confidence in their own abilities.

On the other hand, facing large debts from the War, Parliament sought to impose direct taxes for the first time, justified by the enormous costs of defending the distant colonies and intended to defray the expense of future efforts. As Gordon Wood (2002, 18) observes, “it seemed reasonable to the British government to

seek new sources of revenue in the colonies and to make the navigation system more efficient in ways that royal officials had long advocated...The delicate balance of this rickety empire was therefore bound to be disrupted.” Paying for security in North America from Britain’s own resources was also out of the question (Tucker and Hendrickson 1982, 87; Draper 1997, 210). At war’s end, England owed £140 million, which translated to a per capita debt of £18; by comparison, the colonies owed only an estimated 18 shillings per capita (Cook 1995, 56).⁷ In Britain’s view, new taxes on the colonies were entirely fair.

Though the colonists had long recognized Britain’s right to control and tax trade through the Navigation Acts, they refused to recognize that right for internal or revenue taxes.⁸ The infamous Sugar Act of 1764, revising the Molasses Act of 1733, was explicitly intended to raise revenue for the defense of the colonies and, especially, the territory acquired from France in North America (Draper 1997, 204). Although it actually lowered taxes on imported sugar, it raised taxes on other products and aimed to enforce more strictly the Navigation Acts and thereby raise more money than previously (Countryman 2003, 39). The Stamp Act of 1765 sought to raise revenue by taxing printed materials and was particularly irksome because it required stamps to be purchased in British currency, then in short supply (Countryman 2003, 40–2). Finally, in the Townshend Acts of 1767, Britain raised tariffs on tea, glass, paper, and paints, and perhaps most importantly cracked down on smuggling and contraband by which colonists had circumvented prior trade restrictions (du Rivage 2017, 103). In the Tea Act of 1773, Parliament also granted the British East India Company a preferential tariff on tea sold in the colonies that would provide a significant advantage over tea smuggled from the Netherlands and was thereby expected to raise actual revenue (Curtis 2014, 587).

Colonists resisted the new imposts, famously and perhaps most colorfully in the Boston Tea Party when protestors dumped the cargos of three British East India ships into the harbor. The colonial boycotts of British goods, initially enacted after the Stamp Act (lasting 1765–1766) and Townshend Acts (1767–1770), struck at the heart of British manufacturers and shippers. Riots also blocked the implementation of the revenue acts, with customs officials either forced to resign or ignore the new regulations. Governors could

⁷ Britain’s debt approximately doubled during the war, with subsequent financing consuming approximately 60% of government revenue (Taylor 2016, 51). Higher taxes were perhaps also justified by the higher standards of living in the colonies at the time. In 1774, average incomes for free colonists were £13 per capita, compared to £11 in Great Britain (Taylor 2001, 307).

⁸ The Currency Act of 1764 was not strictly speaking a tax, but is often grouped with these other impositions as a source of colonial grievance. In the act, London banned paper money in the colonies, which was seen as inflationary, thereby benefiting British lenders (Taylor 2016, 96). The Quartering Act (1765) required colonial authorities to provision British forces stationed in their towns or villages or in transit to British territory in the West, a pernicious form of indirect taxation though not, in this case, a revenue tax.

⁵ On the evolving tensions within American society before and after the war, see among others, Young (1976) and the many contributions described in Young and Nobles (2011). “New Left” historians of the Revolution focus on groups within American society that are often underrepresented in the earlier histories but are now seen to have played a significant role; see Holton (2022) and Nash (2005).

⁶ For a particularly clear version of this argument, see Cook (1995).

not call upon the local militias, as in the past, for fear that they would side with the rioters (Marshall 2005, 292–3). While Parliament eventually capitulated in almost all cases, removing the taxes and impositions it enacted (except the duty on tea, which actually did raise real revenue), it insisted on the right to tax the colonies in the Declaratory Act of 1766, ultimately leaving the question of taxation unresolved. By 1774, Britain had decided to abandon negotiations and to impose its will on the colonies by making an example of Boston, already in open revolt, passing the Coercive Acts that closed Boston's harbor and abrogated Massachusetts's charter by giving London the power to appoint all members of its council, which served as an "upper" house of the colonial legislature. In response, the First Continental Congress met and formally agreed to cooperate in, once again, banning imports of goods from Britain (Draper 1997, 433).

The taxes imposed by London, however, were eminently negotiable. Parliament sought to shift the previous imperial bargain in its favor. The colonies wanted to retain the status quo. But some compromise was possible and, indeed, expected, as suggested by the various taxes that were imposed and then repealed and splits between Whigs and Tories in Parliament over this question (discussed below).⁹ While the colonists certainly feared living under a new, more onerous tax regime (Coe 2011), the colonies and London were at one level merely seeking a new equilibrium. Moreover, as explained below, taxes and Parliament's right to tax applied to all 26 North American colonies not only those which chose to revolt, again suggesting that some new bargain must have been feasible. Had Parliament not passed the Sugar Act, the Stamp Act, the Townshend duties, and the Tea Act, "there certainly would have been no American Revolution" (Countryman 2003, 47), but these same acts cannot by themselves explain the turn to war.

A second common explanation posits that this conflict over taxes ultimately grew into a principled disagreement over sovereignty and the political rights of the colonists. Since the taxes themselves were trivial (Egnal 1988, 1; Tucker and Hendrickson 1982, 200), and quickly repealed in most cases, they hardly seem a sufficient cause for war and the breaking of the empire. Thus, scholars have looked toward a larger ideological battle (see especially Bailyn 2017). The central issue in this interpretation was whether the colonies possessed certain customary rights or only those delegated by Parliament. In this "consensus" approach, as it is called by some historians, Britain provoked the conflict by trying to impose its (possibly new) understanding of the imperial relationship on the colonies.

With the colonies long enjoying considerable autonomy in practice, this question came to a head after the Seven Years War as Parliament sought to assert its

prerogatives. Parliament and its defenders claimed that sovereignty resided in the King-in-Parliament and, under prevailing theory, was indivisible (Bailyn 2017, 198–204; Greene 1986, 106–8; Wood 2002, 42). In this view, the colonies were emanations of England and subordinate to it, and therefore Parliament had every right to legislate taxes on the colonies without their participation. The colonists disagreed, harkening back to earlier conceptions of traditional authority (Taylor 2001, 271). In their view, the colonial assemblies were legislative bodies co-equal with Parliament (Taylor 2016, 91 and 123–4), a view that was almost universal in the colonies by 1774 (Greene 1986, 134).

While the colonists recognized the King as their sovereign, they nonetheless claimed all rights inherent to Englishmen as well as the rights acquired through 150 years of imperial practice (Greene 1986, 15 and 40–1; Gould 2000, 135). The colonists argued that actual relations between the colonies and London had established a form of hybrid or divided sovereignty in which they had authority over internal affairs, including taxes, even as the King on behalf of the empire possessed authority over external affairs.¹⁰ In disputes over which governing body possessed which rights, the colonies generally recognized the King as the ultimate arbiter, but expected him to recognize the rights acquired over time by the colonies (Greene 1986, 141). In this way, and contrary to the principle of Parliamentary supremacy established in the Glorious Revolution, the colonies expected the King to protect their rights against encroachments by Parliament, not just side with Parliament against them.¹¹ Though Parliament declared that the current practice was impractical, almost a contradiction in terms, this form of hybrid sovereignty had worked for over a century. While Parliament asserted that sovereignty was indivisible, such claims are not proof of actual indivisibility. Colonial practice showed that it could be divided, and indeed had been since the first settlements. Parliament was making a principled argument about the nature of sovereignty in defense of a powerplay that sought to establish greater control over the colonies (Bailyn 2017, 219). Both past and future history—including both the U.S. federal system and the later British Commonwealth—demonstrate that sovereignty could be apportioned

⁹ Formally, the Tories ceased to exist as an organized political party between 1760 and 1783, the period covered here. Nonetheless, historians often refer to conservatives of this period by the previous and future appellation. For convenience, I follow this practice.

¹⁰ On hybrid sovereignty, see Srivastava (2022) and Strang (1996). Relations evolved over time. In 1684, King James created the crown colony of the Dominion of New England (all five New England states, New York, and East and West New Jersey) that displaced the local assemblies and was led by a governor-general. The higher taxes enacted by the King led to widespread dissent in the Dominion. The Dominion was abandoned after the Glorious Revolution and colonial rights and assemblies were restored, though all colonial legislation now needed approval by the governors and then by the king and his privy council (Taylor 2001, 276–88). Nonetheless, the colonies held tenaciously to the royal privileges granted them under their original charters (Draper 1997, 35, 55).

¹¹ The empire was the one area in which Parliamentary supremacy was still contested. The colonies were governed under royal charters, giving the King a presumptive claim to supremacy in their governance (Countryman 2003, 12; Draper 1997, 216; Gould 2000, 15 and 129; Marshall 2005, 9, 113, and 167).

and shared across different levels of government, once again suggesting that a bargain between London and the colonies should have been feasible.

While taxes and sovereignty were difficult issues, they did not in principle form impossible barriers to peaceful settlement. The disputes mobilized colonists, creating a revolutionary fervor, and the Revolution could not have occurred without the support of common folk who demonstrated against the British, participated in the embargoes against British goods, and ultimately fought in the war (Countryman 2003, chapter 3). Excited crowds may demand change—or in this case, the preservation of a relatively favorable status quo—but this only opens the door to bargaining and possible compromise, not necessarily war. Indeed, ideas and various compromises were, in fact, floated on both sides of the Atlantic, including John Galloway’s “Plan of Union” which proposed a Congress of all colonies that could legislate on matters affecting all only with the concurrence of Parliament and a president-general appointed by the Crown who could veto legislation (Taylor 2016, 124–5). Colonial Governors were in active discussions with their assemblies. Lord Chatham (formerly William Pitt the Elder) and Benjamin Franklin, then living in England for the past 10 years, worked tirelessly to forge a compromise, yet their plans were soundly defeated in the House of Commons (du Rivage 2017, 171–3; Cook 1995, 203–5 and 212–3). Negotiations were episodic but continuing. Both sides sought compromise even after the “shot heard round the world” in Lexington and Concord in 1775. Indeed, after two years of war, Prime Minister North in 1778 basically conceded to colonial demands to preserve the empire, but by this time the colonists refused any formal ties to Britain (Taylor 2016, 188–9). As in any rationalist account of war, the question turns to why such feasible bargains could not be reached.

PROBLEMS OF EMPIRE

The British Empire was, to state the obvious, an empire, a form of international hierarchy characterized by rule from a metropole even if certain powers were delegated or, in forms of hybrid sovereignty, transferred to the colonies. Hierarchies in general and empires in particular have two essential characteristics relevant to the present case.¹² First, to induce compliance, the metropole must commit credibly not to abuse its authority over its subordinate. Coercion and repression may work for a time, but any long-lasting empire must govern with the quasi-voluntary compliance of a significant fraction of the subject population (Levi 1988). To willingly subordinate oneself to the authority of another requires some assurance that the authority so granted will not be used against you. In the end, London could not commit credibly not to exploit the colonies not because a commitment mechanism was unimaginable—colonial representation was in fact suggested and

discussed—but because of the delicate balance of political power within Britain at the time.

Second, and related, there must be an expectation of compliance by the colonies. Metropoles form and bear the costs of imperial rule to alter the policies of the colonies from what might otherwise be chosen. That is, hierarchies exist to control the actions of subordinate units, in this case, to secure the colonies into the mercantilist system that favored British merchants and manufacturers. To make control feasible, however, colonies must have incentives to comply with imperial edicts and, in turn, the metropole must have an expectation that the colonies will, on average, follow the rules it issues without the need for constant or undue coercion. The term “expectation” is important. Colonies may ignore some rules, shirk in implementing others, or engage in everyday acts of resistance (Scott 1985), but both metropole and colony must expect that rules will generally be followed. After 1763, the colonists increasingly lacked incentives to follow the tighter rules of empire that Britain sought to impose and lacked the means necessary to enforce any bargain that might have been agreed upon. In short, the colonies could not commit credibly to any imperial compromise. As Alison Gilbert Olson (1992, 134) writes, for most of its history, the empire functioned effectively not by command but by “voluntary compliance by the Americans... based on the expectation of responsive restraint on the part of the British.” The Revolutionary War arose when both of these essential characteristics broke down.

The Imperial Commitment Problem

After the Seven Years War, as explained above, Parliament increasingly insisted on the *right* to tax the colonies for purposes of revenue. Colonists feared that conceding on the principle would allow London to increase taxes in the future without input from the colonies, eventually shifting “the burdens of the state from its constituents in England to unrepresented colonies.” Indeed, in arguing for his duties on imports, Charles Townshend “made it clear that this was only the beginning of a much broader tax regime for the colonies, what he called ‘real American revenue’” (du Rivage 2017, 119 and 151). A young Alexander Hamilton put the point in a typically colorful fashion. “This you may depend upon,” the recently arrived immigrant declared, “before long, your tables, chairs, planters, and dishes, and knives and forks, and everything else would be taxed.” Britain would find a way to tax colonists “for every child you got, and for every kiss your daughter received from their sweat-hearts, and God knows,” the well-known philander declared, “this would soon ruin you” (du Rivage 2017, 178). Colonists enlarged this fear, seeing Parliament as engaged in a conspiracy against liberty in general, threatening to turn Englishmen in North America into “slaves” (Bailyn 2017, esp. 95; Greene 1986, 126).

Under the British constitution, of course, no parliamentary majority can bind a future parliamentary majority. Any agreement reached with the colonies might be overturned in the future by new legislation. This is a

¹² On empires and hierarchies, see Burbank and Cooper (2010), Doyle (1986), Howe (2002), Lake (2009; 2024), and Muthu (2012).

problem in all legislatures. Yet, taxation for purposes of revenue was opposed not just on principal but also because it would allow Britain to free governors from their dependence on their colonial assemblies, breaking the fetters that had previously constrained officials from implementing edicts from London on which the colonists—and especially the elites—disagreed. In principle, colonial governors possessed extensive powers but were dependent in practice on their local assemblies for their personal salaries as well as all expenses of government (Greene 1986, 14; Taylor 2016, 34–5; Draper 1997, 36–41 and 379). This granted the assemblies considerable power over the governors, preventing them from being reliable agents for the crown. The assemblies were not shy about denying funds when they disagreed with either London’s policies or the personal conduct of governors (see Elster 2023, 229–38). “Independent” revenue that paid the governor’s salaries and for British troops stationed in North America would have substantially altered the balance of political power between the metropole and colonies. Britain could then legislate more easily for the colonies, exactly what colonists feared. In short, “profoundly suspicious of the intentions of Britain’s political leadership and increasingly despaired of the society that tolerated that leadership” (Marshall 2005, 314), colonists feared unrestrained British power. Thus, colonial taxes were not just an economic issue, driven by Britain’s debts after the Seven Years War, but also a political question that would affect the autonomy enjoyed by the colonies.

To constrain Parliament required some formal voice in decision-making. Previously, relations between the mother country and the colonies were reconciled, at least in the minds of British Parliamentarians, through the myth of “virtual representation” (Greene 1986, 80–1). Originating at home, the idea was that landowners, represented in Parliament, only prospered when their tenants prospered, and therefore the interests of elites and peasants were well aligned. The idea was extended to the empire, where the assumption prevailed that Britain prospered only when the colonies did so as well. With aligned interests, it was supposed, the colonies were represented virtually by British Members of Parliament who would suffer if they transgressed colonial interests. Once Britain began to insist on direct taxation, however, any “natural identity of interests” evaporated, and “the idea of virtual representation lost any force it might have had” (Bailyn 2017, 168). If they were to be taxed for revenue, the colonies now demanded real representation as a check on Parliament.¹³ A republican empire, John Adams observed, would either allow the colonists to tax themselves or grant their representatives one-quarter of the seats in the House of Commons and require Parliament to meet every four years in North America (du Rivage 2017, 201). Thus, the issue was reduced to the problem

of “no taxation without representation.” But the key question was how to tie the hands of Parliament on taxes in the future. As Douglass North and Barry Weingast (1989) explain, of course, the problem of tying the King’s hands had been progressively solved by establishing Parliamentary supremacy, culminating in the Glorious Revolution in 1688. Likewise, as Daron Acemoglu and James Robinson (2006) argue, democracy ties the hands of elites by granting representation to the poor and otherwise disenfranchised segments of society. By analogy here, Britain can be understood as the elite, the colonies as the poor, and representation in Parliament as a form of democratization that would inhibit the legislature from reneging on any colonial compromise. Though a possible solution to the conflict over taxation, the question of colonial representation and democratizing the empire was blocked by Britain’s domestic politics.

The period following the Seven Years War was one of turmoil in British politics. In Parliament, there was a deep split between Tories, conservatives who sought to preserve the power and status of the landed aristocracy in the face of massive social and economic changes unfolding in Britain; establishment Whigs, long in power who favored the status quo; and radical Whigs who advocated enlarging the franchise and other political reforms.¹⁴

On colonial relations, Tories saw the colonies not only as democratic threats to the old order but as restive, disobedient offspring who needed to be disciplined. Greater taxes were not only a means of raising revenue but also a way to subordinate the colonies economically and politically to their superiors in London. While all empires are the products of bargaining between metropole and colony, by mid-century many in Britain “were coming to believe there was too much negotiation and too little obedience” (Marshall 2005, 76; see also 85). For such conservatives, “Parliament’s sovereignty over the colonies was absolute” and Britain’s legislature “had no choice but to enforce its sovereignty through taxation” (du Rivage 2017, 157; see also 36–44). In this way, disciplining the colonies was an end in itself. When George III ascended the throne in 1760, he sided with the Tories, reinforcing their aristocratic interests and inclinations and tipping the balance of power in Parliament in their favor.

Conversely, Whigs of all persuasions, the largest opposition party and backed by the merchant community, saw the colonies as essential to British prosperity, sought to encourage good relations and greater trade, and therefore were willing to recognize they possessed certain rights.¹⁵ In this view, London did not need to tax the colonies directly but could tax those British manufacturers and merchants who benefited from colonial

¹³ Five Americans did sit in the House of Commons between 1763 and 1775. As English subjects, colonists could be nominated and elected from English constituencies. One of the five, Barlow Trecothick, even served as Mayor of London (Cook 1995, 28).

¹⁴ On social, economic, and cultural changes in British society during this period, see among others Colley (1992), Gould (2000), Vaughn (2019), and Wilson (1998).

¹⁵ Merchants in Britain were an important lobby in favor of settling disputes with the colonies, although this support waned with the non-importation agreements enacted by the colonies; see Marshall (2005, 296 and 318).

trade. Sustaining British exports would raise more revenue for the crown, Whigs believed, than whatever taxes could be raised from the colonies (du Rivage 2017, 44–52, 89). While establishment Whigs agreed Parliament had the right to tax though it was impractical, radical Whigs “flatly denied that parliament had any right to tax the colonies” (du Rivage 2017, 157). Indeed, in a historic speech, William Pitt the Elder, the leading radical of the time, openly declared in Parliament “this Kingdom has no right to lay a tax upon the colonies” (quoted in Cook 1995, 84). In this way, the interests of the Whigs and the colonies were relatively well aligned, at least on the substance of imperial rules (Marshall 2005, 300).

In an argument similar to that here, Sebastian Galiani and Gustavo Torrens (2019) develop a model and present evidence that a compromise failed because colonial representation in Parliament would have strengthened the hands of political reformers at the expense of the landed gentry. The key problem identified by Galiani and Torrens is that colonial representatives would vote with the Whigs in favor of reform, and even as a minority in Parliament such representation would be pivotal (Elster 2023, 247). This is likely correct but requires some refinement. First, it is not clear that colonial representatives would have always voted as Galiani and Torrens expected. No mechanism was ever proposed to choose colonial representatives in Parliament, so this analysis must rest on hypotheticals. Much hinges on who the representatives would be and how they would be monitored and controlled by the colonies. In practice, only wealthy elites participated actively in colonial politics. The assemblies, in turn, were dominated by landed and merchant elites who had the time and resources to engage in extended political activity (Marshall 2005, 48 and 73; Taylor 2016, 37). Small farmers might participate in local politics, forming the stereotype of vigorous town meetings (limited to New England), but few could afford to be away from their farms and labor for extended periods. Only those with large holdings, managers, and workers could usually afford to engage in colony-level politics for extended periods. As historian Alan Taylor (2001, 140) writes, “the assemblies were oligarchical rather than democratic.” What held for the assemblies would hold even more so for imperial representation. Any representative who could go to London for an extended term (likely at his own expense) would have had to be from the colonial elite. Such elites, at least before the war, were probably closer as a class to the aristocrats in Britain than the reformers, or like Benjamin Franklin and Thomas Jefferson during their time representing the colonies in Europe, easily seduced into high society. Long communication delays and colonial assemblies that were themselves dominated by elites would have had difficulty holding representatives in Parliament to account; even if a representative was disciplined, he would have likely been replaced by another of the same class. Exactly how representation would have functioned is not entirely obvious.

Second, and more important it would seem, is the likely effect of the *principle* of broader democracy in the colonies on the demands for political reform in

Parliament itself. Though there were some property restrictions on voting in the colonies (they varied), they were much lower than those in Britain at that time. Allowing yeomen farmers in the colonies to elect representatives to Parliament, even if indirectly through their assemblies, would greatly strengthen demands for enlarging the franchise in Britain. Given the unevenness of representation and the large number of “non-electors” in Britain prior to the Reform Act of 1832, the principle of “no taxation without representation” would have applied equally well to many ordinary citizens in Britain. It was not just how these representatives might vote in Parliament that was important but how any representation at all would disrupt the political equipoise in Britain, already under assault.

Thus, the question of colonial taxation got tangled up in domestic political struggles within Britain. Colonial representation as a mechanism for tying the hands of Parliament was not unimaginable. The Governor of Massachusetts, Francis Bernard, thought such a scheme was “not impracticable” (quoted in Elster 2023, 21) and Prime Minister Grenville thought colonial representation was entitled to “the most serious and favorable consideration” (quoted in Marshall 2005, 173). Nonetheless, representation was blocked by competing factions within Britain itself. There were, of course, other ways of limiting Parliamentary power. Parliament could have allowed the colonies to set taxes themselves and made them responsible for their own defense, but this autonomy would have rendered the principle of Parliamentary supremacy moot—a point on which all in Parliament would not bend. Alternatively, Parliament could have legislated that the colonies could only be taxed under a supermajority of some sort, which would have maintained the principle of Parliamentary supremacy while blocking greater taxes in practice. Whether this would have been satisfactory to the colonies is unknown, but such a move might have taken some of the wind out of the sails of revolutionaries, at least in the 1760s before the principle of supremacy was deeply contested. Once the question was defined as one of direct representation in Parliament, however, there was no way out of the domestic impasse in Britain. In summary, while taxes themselves were eminently negotiable, tying the hands of Parliament to any bargain with the colonies was impossible under the current political rivalries within Britain. Perhaps correctly fearing a slippery slope of democratization more broadly, the Tories blocked any attempt at colonial representation.

The Colonial Commitment Problem

If the interests of a metropole and colony are perfectly aligned, no empire is necessary. When interests are not well aligned, the metropole seeks to control or influence the actions of the colony in ways that accord with its preferences. To induce compliance, the metropole can coerce the colony into submission, an extremely costly and typically unsuccessful strategy, especially with overseas colonies at great distances from the metropole. Britain never stationed enough soldiers in North America to coerce the colonies effectively, even

after increasing troop levels after 1763. Though it aspired to enforce imperial law, it could not do so in the face of resistance nor protect those loyalists who attempted to do so themselves (Tucker and Hendrickson 1982, 262). Alternatively, the metropole can favor the group within the colony whose interests are more closely aligned with its own, ensure the group comes to or retains political power, and thus is enabled to enact policies in their joint interest (Lake 2024). After the Seven Years War, Britain not only disrupted the prior imperial bargain, as described above, but also failed to support and indeed alienated colonial elites who had previously supported the empire. Once it lost the support of the elite, who dominated the colonial assemblies, gaining compliance with imperial edicts became impossible.

Two key changes in British policy antagonized colonial elites and led some—not all—to flip to revolution. First, the Sugar Act, Townshed Duties, and especially the more rigorous enforcement of the Navigation Acts disrupted merchant communities in the coastal cities, many of whom thrived through smuggling (Draper 1997, 184–5 and 390). The Navigation Acts, first imposed in 1651, required all imports and exports to the colonies to be carried on British ships (a means of strengthening the British navy), imposed taxes on all imports in the colonies, and required certain enumerated commodities, principally sugar and tobacco, to be sold only to Britain—although other goods like wheat from Pennsylvania and fish from New England could be sold freely. Overall, the Acts were intended to restrict trade with other European states, ensure dependence of the colonies on the British market, and prevent the rise of manufacturing within North America (Marshall 2005, 274; Countryman 2003, 19–20). Colonists periodically protested the Navigation Acts, especially as they were expanded, but by 1720 they were largely accepted (Taylor 2001, 23–5). Disputes arose with the Molasses Act of 1733, imposing a high tax on imports from outside the empire, mostly from the French-controlled Caribbean islands. This act was largely undermined by widespread smuggling. When the Molasses Act was replaced by the more restrictive Sugar Act of 1764, and Prime Minister Grenville ordered tighter enforcement of the Navigation Acts, merchants and importantly smugglers joined the movement for independence (Marshall 2005, 281). Where previously merchants had been willing to live within the Navigation Acts, by 1770 or so they were no longer disposed to comply with its restrictions (Countryman 2003, 52).

Second, and more often overlooked in the histories, restrictions on Westward expansion threatened to devastate both settlers and elites heavily invested in land speculation (Curtis 2014, 507–18; Rhodes 2014). As background, it is important to understand the complicated colonial politics and territorial claims at stake. As noted, the colonial assemblies were both oligarchic, dominated by elites, and powerful, controlling the revenues needed by governors to implement British rule on the ground, so to speak. To ensure the assemblies appropriated the necessary funds, governors sought to coopt local elites through patronage, typically by conferring offices and more importantly land grants either outright or on concessionary terms. Indeed, land was one of the

few real resources the governors had to distribute at their discretion (Taylor 2001, 140, 287; Draper 1997, 51, 54).¹⁶ Offices and especially land grants were the “glue” that held the coalition of political elites and colonial governors together and allowed the imperial system to work effectively for over a century.

In turn, the land claimed by various colonies was often unclear. The original colonial charters were often vague, written before much of the continent had been mapped. Indeed, the borders of what we now recognize as states were only finalized well after the Revolution. Several colonies also had extensive land holdings in the West, granted in charters that contained “sea-to-sea” grants at a time when no one knew just how vast the continent was (Paxson 1924, chapters 2 and 3). Connecticut, Massachusetts, Virginia, North Carolina, and Georgia all had extensive claims on land West of the Appalachia Mountains.¹⁷ Though largely unsettled by white immigrants, these various possessions were administered separately by the several colonies. The land grants made by colonial Governors were typically in the unsettled Western areas of the future states or, equally, in the distant land claims. Indeed, the Western territories were important sites of land speculation by many leading figures in the Revolution, including George Washington, Benjamin Franklin, Thomas Jefferson, George Mason, Henry Lee, Robert Morris, and James Wilson.¹⁸

As the population of the colonies expanded from approximately 250,000 in 1700 to 2.1 million in 1770, land hunger as it was known grew accordingly.¹⁹ In the 13 colonies, land was hardly scarce in any absolute sense, but the best land along the major waterways was quickly settled. Newly arrived immigrants, indentured servants who had lived long enough to fulfill their

¹⁶ Governors often granted land to themselves as well. Larger land grants, typically in the West, often ran afoul of the Privy Council after 1763. Since these exceeded the resources of individual elites, they were often given to private consortia of elites but which also contained members of Parliament in Britain, who were granted shares for little or no investment. This was a form of reverse cooptation necessary to get approval of large land cessions in London. See Curtis (2014, 518–20).

¹⁷ In terms of modern states, Connecticut claimed northern Pennsylvania, and parts of Michigan, Ohio, Indiana and Illinois; Massachusetts claimed western New York and part of lower Michigan; Virginia claimed Kentucky and West Virginia; North Carolina claimed Tennessee; and Georgia claimed northern Alabama and Mississippi. These claims were ceded to the federal government in the 1780s and 1790s.

¹⁸ As one perhaps extreme but telling example, George Washington, already wealthy in part from his holdings but especially from those of his wife Martha, served as a Colonel in the Virginia militia during the Seven Years War. He was paid by Virginia in land grants in the West. Washington eventually became the richest person in America—and by some measures, eventually the richest president ever—by selling small plots of land to those wishing to settle on the frontier. Often described in children’s history books as a “surveyor,” Washington would be more accurately described as a land speculator with a vested interest in enabling Westward expansion. See Bueno de Mesquita and Smith (2016, chapter 1), Draper (1997, 198), and Library of Congress (N.d.).

¹⁹ See US Census Bureau (1975), in particular Part 2, Table Z1-19, Estimated Population of American Colonies: 1610–1780 (1168).

contracts, nth sons who would not inherit their parent's homestead, or simply adventurers who wanted or needed a new start, lusted after the unsettled territories. With tobacco quickly exhausting the soil, large plantation owners also needed "virgin" land to remain profitable, increasing the appetite for expansion. Some settlers moved with authorization from the colonial assemblies, while others just moved and squatted on lands they hoped would be authorized ex-post on the basis of improvements they had made. Native Americans were displaced—often fraudulently, sometimes violently—under the justification that they had not themselves made similar improvements.²⁰

After the Seven Years War and immediately after Pontiac's War—one of the largest Indian uprisings (Cook 1995, 36)—Britain attempted to stabilize relations with the Native American nations by restricting new settlements on the frontier, establishing the Proclamation Line that limited the colonies to East of the Appalachian Mountains (Curtis 2014, 529; Draper 1997, 197). For the first time, Britain assumed control over the disposition of Indian territory, which had been previously left to the colonies (Tucker and Hendrickson 1982, 75), and prohibited land purchases from the Indians without a license from the crown (Curtis 2014, 530, 536). The Proclamation Line prohibited settlement not only in the Western territories claimed by the various colonies but included lands within the established colonies as well (Paxson 1924, 12). The land available for legal settlement in New York, for instance, was only a fraction of what later became the state. Pennsylvania and Virginia were similarly constrained. By limiting encroachments on Indian lands, London hoped to avoid being entrapped into extended peripheral wars defending settlers against its Native American allies (Taylor 2001, 421; Marshall 2005, 280–1 and 322). Indeed, Britain set the Proclamation Line largely to protect its alliance with the powerful Iroquois League (Haudenosaunee), formed during the Seven Years War.²¹ Better relations with the nations were also necessary to preclude France from reentering the region through its continuing trading ties or Spain from expanding East from its lands in the Southwest (Taylor 2016, 61). Along with the restrictions on the colonists, and despite their proven militias from the war, Britain "concluded that only the presence of regular troops of the British army could maintain peace in the American borderlands of the empire" (Wood 2002, 11).

The Proclamation Line was expected to be temporary, a short-term fix while Parliament worked out

a longer-term solution (Curtis 2014, 537–9; Holton 1994, 475). In fact, the Line was moved approximately 400 miles to the West in the Treaty of Fort Stanwix, signed with the Iroquois in 1768 (Lennox 2022, 5). This episode suggests that the area opened by Britain for settlement was, indeed, negotiable. The restriction was to be made "permanent" in the Quebec Act of 1774, however, which ceded all of the land West of the Ohio River, including land claimed by the colonies, to the royal colony of Quebec (Lennox 2022; Hubert and Furstenberg 2020). Revoking all previous land grants, the Act also required that all future land sales were to be conducted only on the basis of competitive bidding, eliminating the favored position of the large speculators (Curtis 2014, 552). While recognizing French law and special privileges for the Catholic Church, provisions that further alienated Protestant colonists, the entire region coveted by the colonies was now incorporated into a colony ruled directly by Britain. Land speculators saw the stock of their land companies rendered worthless (Curtis 2014, 560), and no companies succeeded in gaining new land grants after 1763 (Del Papa 1975).

Nearly all in the colonies opposed the Proclamation Line and Quebec Act. As Taylor (2016, 251) succinctly summarizes the point, "patriots regarded the British alliance with native peoples as a tyrannical obstacle to the colonists' right to make private property from Indian lands." Potential settlers opposed the new restrictions on migration for obvious reasons. While squatters could still move across the Proclamation Line or into the greatly enlarged colony of Quebec, they feared being unable to acquire title to land they improved and forfeited any claim to protection by Britain from Indian attacks (Holton 1994). Colonial elites opposed the restrictions because they lost the land grants that had been previously conferred upon them (Paxson 1924). Even if previous land grants were recognized by Britain, and those West of the Proclamation Line were not, land-speculating elites could only profit by selling their grants to settlers in smaller allotments, and this was possible only if settlers were allowed to migrate West. In restricting Westward migration, Britain broke the coalition of colonial elites and governors. In renegeing on past concessions, Britain alienated local leaders within the colonies, and in reestablishing control over the Western lands it deprived governors of a primary means of controlling the assemblies. Perhaps unwittingly, in seeking to reduce demands on itself to protect colonists from Native American opposition to the steady encroachment on their lands, Britain fractured the political coalition in the colonies that had sustained the empire.

In principle, the colonies could have compromised on trade and Western settlement and enforced restrictions on their own, periodically renegotiating the limits as the balance of power between the metropole and colonies or the facts on the ground changed. Yet for reasons just explained, no colonial assembly was likely to restrict its merchants and settlers, with elites who controlled the assemblies more than willing to block any such move. Even had the colonies been able to

²⁰ On the frontier, see Paxson (1924). Space prevents an in-depth analysis of struggles between Native Americans and colonists on the frontier. For three recent and expansive discussions, see Blackhawk (2023), Dunbar-Ortiz (2014), and Hamalainen (2022).

²¹ This was particularly important as the Iroquois League (Haudenosaunee), one of the most organized political confederations in Native American history, dominated from approximately 1670 onwards the area from Canada through upper New York and the southern Great Lakes region into present-day Virginia, West Virginia, and Kentucky.

negotiate with Britain for the sole right to tax for revenue, it is unlikely they would have used that right to enforce restrictions on which they disagreed with London.

Equally, the various colonies faced significant collective action problems in which the “weakest link” determined the level of possible cooperation with each other and with Britain (Hirshleifer 1987, chapter 5; Elster 2023, chapter 6). Both the coast and the frontier were extremely porous, ungoverned, and perhaps ungovernable. If New York controlled its port and frontier, smugglers and settlers could simply shift to Pennsylvania, shipping through Philadelphia or crossing the Proclamation Line further south. Moreover, the colonies were extremely jealous of one another and concerned about protecting their Western land claims, many of which overlapped (Onuf 1983; Hendrickson 2003). To allow settlers to migrate through one colony threatened to strengthen that colony’s claim at the expense of others. All needed to act together or not at all, and the latter prevailed as each colony free-rode on the others and permitted and in some cases encouraged its citizens to move West. To enforce any negotiated compromise themselves required some centralized institutional mechanism that was at that time lacking.²² The most ambitious attempt was Benjamin Franklin’s Albany Plan, proposed at the Albany Congress in 1754 to coordinate action during the Seven Years War. The plan called for a general government to be led by a President-General, appointed by the Crown, and a Council to consist of representatives from the various colonial assemblies proportionate to size that would have the power to coordinate defense and Indian affairs and levy taxes. The plan was stillborn. Only the Massachusetts assembly ever gave the plan serious consideration. Likewise, the First Continental Congress held in 1774 only recommended that the member colonies consider an embargo on British goods, to take effect after one year if conditions did not change. Only after the war began with the battles of Concord and Lexington and the blockade of Boston Harbor did the Second Continental Congress begin to coalesce as an effective body. Even then, Congress suffered from collective action problems during the war, pleading with the new states for money and supplies that the assemblies either ignored or fulfilled only in part.

As a consequence of these internal divisions, the several colonies lacked the incentive and certainly the ability to cooperate effectively in enforcing even limited restrictions on trade and migration. Even if a compromise with Britain were possible, it would have failed had it depended on the colonies for implementation. To restrain smuggling and Western movement would have required an effective role by Britain in policing the coast and frontier, which would have entailed stationing British troops in the ports and West and likely taxing the colonists for this effort. This would, of course, have run into the same problems of credible

commitment in Britain discussed above. Accepting the need for revenue taxes and recognizing Parliamentary sovereignty would make the colonies vulnerable to imperial predation in the future absent colonial representation, which could not be granted due to conflicts within Britain. Once again, the compromise failed not because it was impossible to agree on terms but because the metropole and colonies were unable to enforce any new compact. In this case, the colonies lacked both any incentive and the means to enforce any compromise, rendering bargaining over the Navigation Acts or Western lands moot.

The War

At least through 1774, many if not most colonists remained loyal to Britain. Importantly, the first Continental Congress declared its independence only from Parliament, not the crown. The venerable Declaration of Independence in July 1776 occurred only after 15 months of war and long after the King had proclaimed the colonies in a state of rebellion (Countryman 2003, 102). Given the problems of credible commitment both in Britain and the colonies, no negotiated or compromise solution was possible. As noted, either the commitment problem faced by Britain or that in the colonies was sufficient to thwart any bargain and drive the metropole and colonies to war. Together, they made war virtually certain. Britain could only either dissolve the empire or each could attempt to impose its will on the other. Victory would allow Britain to impose direct taxes on the colonies, which would free colonial governors from their reliance on colonial assemblies and, especially, elite land speculators. Colonial governors would then be able to rule more freely and mobilize their own forces to enforce the rules of empire governing trade and migration, though this would likely have required an extended occupation to ensure compliance with rules the colonists had every incentive to violate. For the colonies, victory promised independence and the right to limit taxes and other laws to only those they chose to impose on themselves.

Filled with imperial hubris, and counting on their Indian allies once again (Marshall 2005, 343), Britain expected the costs of war to be low relative to the issues in dispute, and in fact, the colonies were well on their way to defeat before France joined the war. Misinformation and misperception played a role in the outbreak of the war. The resolve of the colonies was difficult to assess and rapidly changing, at least partly as a result of Britain’s own coercive actions. Yet, the resolve of the colonies to fight for independence should have been at least somewhat clear from the first “blooding” at Lexington and Concord in 1775, and it surely did not require eight years of war to discern. The colonists were, perhaps, more realistic in their assessments, though problems of free riding and the failure of the Continental Congress to provide the promised resources severely undermined the efforts of General Washington and the Continental Army. Britain also recognized that it had a narrow window if it chose to fight due to the rising power and prosperity of the colonies. Time was clearly on the

²² On institutions as facilitating cooperation under anarchy, see Keohane (1984).

side of the colonies (Countryman 2003, 36; Draper 1997). As Thomas Cushing, a leader in the movement for Westward expansion, wrote to a colleague in 1773, “you justly observe that the government at home (Britain) are daily growing weaker, while we in America are continually growing stronger. Our national increase in wealth and population will in the course of years effectually settle this dispute in our favor” (quoted in Egnal 1988, 14; see also 248). For Britain, its waning power implied defeating the colonies and asserting Parliamentary sovereignty now before the colonies grew even stronger and more defiant.

Nonetheless, as the war dragged on and the costs of fighting escalated for Britain once France entered the conflict, London came to accept defeat and withdrew. Britain could have continued to fight. The Revolution was not a total war nor a total defeat. In the end, “the systematic conquest of all the colonies could not be contemplated with the resources available, nor would most British opinion have thought it desirable if it had been possible” (Marshall 2005, 354). The costs of fighting and the likely occupation eventually implied the game was not worth the candle. If it could not “win” and destroy the colonies’ will to resist at a cost it was willing to pay, and the colonies would not enforce any compromise, Britain had little choice but to let the 13 colonies go free.

THE OTHER COLONIES

Covered by mostly the same laws and engulfed in the same struggles with Parliament, 13 “other” British colonies in the Caribbean and Canada did not join their cousins in rebellion in 1776.²³ As Andrew O’Shaughnessy (2000, xi) writes, “the Caribbean colonies shared to a large degree the essential preconditions of the American Revolution but did not rebel. They shared similar political developments and a similar political ideology to North America and were closely associated with the mainland colonies by their proximity and trade.” Indeed, the Stamp Act taxed land transactions more heavily in the Caribbean than in the 13 continental colonies and many in the West Indies detested the act and rioted against it (du Rivage 2017, 114, 130). Jamaica in particular was particularly militant, protested the taxes imposed by Parliament, and signed many of the petitions circulated by its North American cousins (Greene 1986, 139; Marshall 2005, 39). Nonetheless, while some rejected the right of Parliament to tax the colonies, there was no real opposition to Britain and, in turn, high compliance with its rules (O’Shaughnessy 2000, 81–7; Marshall 2005, 299). The

absence of revolution in these colonies can shed light on the causes of revolution in the 13 North American colonies that later became the United States. Most importantly, the commitment problems that plagued the compromise between the metropole and the 13 continental colonies were missing or, at least, greatly abated in the Caribbean and Canadian colonies, rendering revolution and war unnecessary.

There were four key differences between the Caribbean and rebellious continental colonies. First, the Caribbean colonies suffered under constant fear of slave revolts and were dependent on Britain for continuing protection (O’Shaughnessy 2000, 38–9; Tucker and Hendrickson 1982, 60). The ratio of slaves to whites in the Caribbean colonies varied from a low of 4:1 (Barbados, one of the more rebellious colonies; (Greene 1986, 19 and 55) to a high of more than 22:1 (O’Shaughnessy 2000, 9). Anywhere along this continuum, whites were incapable of defending themselves against their slaves (O’Shaughnessy 2000, 34; Marshall 2005, 89). In response, Britain stationed more troops in the Caribbean than elsewhere in North America and deployed a large naval presence (Shy 1965, 328, 419). Local assemblies often volunteered to pay Britain for its forces on the islands (O’Shaughnessy 2000, 44; see also Taylor 2016, 290). Second, and related, France formed a continuing threat. While largely forced out of Canada in the Seven Years War, France remained a peer competitor in the Caribbean throughout this period and threatened to seize British islands whenever possible. Imperial competition forced Britain at its own expense to maintain a relatively larger military presence in the Caribbean than on the continent.

Third, the islands remained economically dependent on Britain, especially for their main export of sugar. The islands were (and remain) among the world’s smallest and most open economies. Producing cash crops for export, nearly all manufactured goods came from Britain. In turn, sugar produced in the British islands was, on average, more costly than sugar produced on the French islands, implying that the British colonies could only survive by the preferential tariffs in the Navigation Acts (O’Shaughnessy 2000, 58). Britain, in turn, recognized its dependence on the tremendous wealth generated in the island economies. Fearing the loss of the islands during the Revolutionary War, George III “thought it better to risk an invasion of England (from France) than to lose the sugar islands, without which it was ‘impossible to raise money to continue the war’” (O’Shaughnessy 2000, 208). Together, these first three differences created incentives for Caribbean elites to abide by British rule, almost no matter the extractions Parliament imposed upon them. The commitment problem faced by the continental colonies was, therefore, greatly softened. Compliance with British rule was a far lesser problem.

Finally, unlike the continental colonies, the Caribbean colonies had effective representation in Parliament, mitigating the barrier to compromise that plagued the former. Many landowners in the Caribbean colonies actually lived in Britain and were members of Parliament or featured in the infamous West Indies

²³ Historians differ on the number of North American colonies depending on whether they count “territories” or British administrative units. 26 is the lower bound; see O’Shaughnessy (2000, 251, fn 1). I focus on the other North American colonies as they are most comparable to the 13 continental colonies that rebelled. At this time, Ireland was ruled directly from London and Britain’s position in India was just being consolidated; see Dalrymple (2019), Marshall (2005), and Vaughn (2019).

lobby. Unlike in the continental colonies, landowners in the Caribbean did not settle in the Indies but rotated through the islands as necessary (O'Shaughnessy 2000, chapter 1), regarding their time there as a “temporary exile” (Marshall 2005, 38). Due to health conditions, life in the islands was precarious, with up to one-third of whites dying within the first three years of residence. Prosperous landowners wisely stayed in Britain or sent their children to be educated there (O'Shaughnessy 2000, 22–7). In turn, many wealthy landowners were entitled or actually served in Parliament (O'Shaughnessy 2000, 14–7). Along with British investors in the islands, they formed an influential lobby without parallel in the continental colonies. In 1766, it was calculated that there were “in Parliament upwards of 40 members who were either West Indian planters themselves, descended from such, or had concerns that entitled them to preeminence”; by 1781, this number had increased to 48 (quoted in O'Shaughnessy 2000, 17). Virtual representation, which Britain tried to persuade the continental colonies was sufficient, was unnecessary in the islands that enjoyed real representation. This mitigated at least in part the representation problem that prevented compromise with the continental colonies. With an active West Indies lobby, Caribbean elites did not fear future impositions by Parliament. Given the balance of power within Parliament, if the West Indies lobby voted as a block, it would be pivotal on almost all issues.

Likewise, the Canadian colonies differed from their continental cousins in at least one key aspect: the absence of land hunger. The Canadians could easily commit to maintaining good relations with the Native American nations and not migrate to the West, mitigating the compliance problem in the lower colonies.

Seized by Britain in the Seven Years War, Quebec was sparsely settled and had, under the French, consisted mainly of Quebec City, the main port, and outlying trading posts where Indians exchanged furs for manufactured goods. The generally isolated trading posts depended on peaceful relations with their Native American neighbors, supplemented by protection from French and later British forces. Faced with brutal winters and short growing seasons, Quebec was also not a site for extensive agricultural settlement. Newfoundland and Nova Scotia, the two other colonies, mainly supported the fishing industry off the Great Banks, with small coastal villages providing fresh water and repairs for British ships. In no case was the quest for additional land an issue (Taylor 2016, 145). Overall, the continuing need for protection by Britain and the absence of settlers demanding additional land in which to expand reduced incentives for revolution in the Canadian colonies. Like the Caribbean colonies, the continuing dependence of the Canadian colonies on Britain meant that they could easily commit to following rules set in London.

The absence of revolution in Canada was not the result of a lack of effort by the 13 rebellious colonies to the South. Fearful of the British presence in Canada and its ability to inflame Indians against settlers, Canada was seen as essential to the patriot cause. Despite numerous entreaties, including a delegation to Montreal led by

Benjamin Franklin, loyalists refused to break with Britain (Lennox 2022, 20–1, 34–41, 52). If the British in Quebec were a threat to the colonies, Nova Scotia was deeply integrated with New England through geography and trade, and many were developing a shared colonial identity (Lennox 2022, 61). Nonetheless, this was still not enough to draw them into the Revolution.

Thus, the problems of credible commitment that prevented efficient bargains between the 13 revolutionary colonies and Britain were largely absent in those colonies to the North and South. Land hunger was not an issue in the Canadian colonies, and in the Caribbean could be satisfied only by emigration (mostly to South Carolina). In both, taxes were imposed and accepted because of the continuing dependence on Britain. At least in the Caribbean, the need for representation was also mitigated by family and financial ties to the centers of power in Britain. These differing circumstances help confirm the conditions that blocked possible compromise in the 13 colonies and eventually led to war.

CONCLUSION

The Revolution became a war not because compromise was impossible but because neither side could commit to honor any agreement that might be reached. Grievances in both the colonies and Britain were real but, in principle, negotiable. Enforcement was the problem as neither Britain nor the colonies trusted the other to abide by any possible agreement. The colonies could not trust Britain not to increase taxes in the future. This was inherent in Parliamentary rule, under which no Parliament could bind a future Parliament. But revenue taxes would fund the administrative costs of the empire, freeing Governors from their assemblies, and the costs of stationing troops in North America, which could be used not only to control smuggling and migration but to repress future dissent. Had Britain been able to tax, the balance of power between London and the colonies would have shifted to the detriment of the latter. Representation of the colonies in Parliament was a possible solution to this problem of credible commitment, but this was blocked not by its impracticability but by political struggles within Britain itself. From the perspective of the colonies, a war for independence became the only viable alternative to a future of continuing repression.

Conversely, the colonists lost their incentives to follow rules set in London and would therefore defect from any agreement. Merchants wanted to trade more widely than was possible under the Navigation Acts and had developed effective smuggling operations. Settlers and elite land speculators wanted to expand to the West. Once the alliance between governors and elites collapsed, each colony had incentives to cheat on any possible compromise and, in the end, the colonies as a group lacked any means to cooperate in limiting smuggling and migration even had they wanted to. Britain could now only concede or enforce its rules coercively, breaking the ability of the colonies to act autonomously and imposing its will by force. Without a

solution to either problem of credible commitment short of independence or direct rule from London, war was virtually inevitable.

As the product of problems of credible commitment, the American Revolution was very much like many other wars, civil wars, and insurgencies. The social movements that fueled colonial grievances and the Revolution that accelerated demands for greater democracy, liberty, and equality, may have been “exceptional,” or at least trailblazing. But the war itself had a relatively common cause shared with other disputes around the globe that before and since have turned violent. The myth that the war was fought for the noble goals of the Declaration of Independence—equality and unalienable rights—continues to influence America’s conception of itself today, but it ignores the fundamental causes of the war rooted in the inability of either side to honor any compromise agreement. Perhaps rather than seeing the war as a progressive success, it might be better understood as a failure of efficient bargaining that, only with independence and new ideologies forged during the war, set the former colonies on a path towards greater liberty and democracy.

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CONFLICT OF INTEREST

The author declares no ethical issues or conflicts of interest in this research.

ETHICAL STANDARDS

The author affirms this research did not involve human participants.

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