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INTRODUCTION

The Burning Question

FIG. 1. Fifty Shillings, Pennsylvania, 1775, Reverse.

I. Money to Burn

This is the story of how money tore an empire apart, and how a revolution, ironically, brought it back together. It has two fundamental premises. First, to understand the American Revolution, we need to understand American money. This is less implausible than it may at first appear. The American Revolution was a revolt against taxation without representation, and taxes, as we will see, are fundamentally about money. Second, to understand a thing, it is important to lean into the parts of it that feel strangest. As Robert Darnton wrote in his classic study of early modern France, "When we cannot get a proverb, or a joke, or a ritual, or a poem we know we are on to something. By picking at the document where it is most opaque, we may be able to unravel an alien system of meaning. The thread might even lead into a strange and wonderful world view." Early America does not feel weird at times, but it was. So was its money. And perhaps the strangest thing about colonial America's money was the burning, so it is there that we must begin.[1]

Every year for the better part of a century, officials in Britain's North American colonies collected taxes in local paper currencies. In a world where overland transport was difficult and dangerous, each colony was effectively a watershed connected to Britain by the Atlantic Ocean. Taxes held them together. Most taxpayers were farmers who sold part of their annual harvest to a merchant or factor. Others were tradesmen, craftsmen, sailors, millers, coopers, or blacksmiths in the small towns that hugged the coast or lined rivers and streams that flowed towards seaport capitals. Each usually traded time, sweat, or property for tiny slips of paper that colonial treasurers and other officials had painstakingly signed by hand and printed with strange devices to prevent forgery. These treasurers in turn counted each note, checking its serial number against a list, sometimes punching a hole to prevent it from being reissued. Then, once each note had been counted, the treasurer would bundle them up and burn them in the presence of witnesses, including sometimes the governor himself. Rhode Islanders were typical in 1778 when they appointed a committee of three men—Paul Allen, Jabez Bowen, and John Updike—to gather the paper money paid in taxes over the previous three years—73,193 pounds, 15 shillings, and 5 pence—to see that it was "carefully counted and burnt."[2]

In the decades leading up to the Revolution, the colonies printed 53 million pounds-worth of paper money in a variety of shapes, denominations, and values. By the mid-eighteenth century, bills of credit, as they were called, were the dominant medium of exchange in colonial America. They were also, in virtually every colony before and during the Revolution, the primary means of financing war. They were central to what colonial America was, how it was organized, how it fought, and how it did business. And yet the colonies burned them. In some, the burning was an event, advertised in public newspapers and marked in legislative records.[3]

So why did Revolutionary Americans burn their money? And what can we learn from the fact that they did? The first question is relatively easy to answer. Colonial Americans burned their money because each bill represented a tax debt that had been repaid. Their money was called a 'bill of credit' precisely because each bill was a credit against a tax debt owed by colonial taxpayers. Each bill was matched by an equal and opposite tax. When the taxes were collected and the bills were received, colonial treasurers burned them because the debt had been repaid. The logic may be counterintuitive. We tend to think of governments as borrowing money from citizens and issuing IOUs, government debt, in return. Bills of credit were the opposite: UO-Me's, if you like. Each bill represented a debt owed by a colonial taxpayer. The debt had real power. If a colonist failed to pay their taxes, their land and property were forfeit. I remember reading through a rural court archive at the Maine Historical Society, where sheriffs in the 1760s were recorded collecting debts on tiny rocky islands, sailing away with whatever they could fit in their skiff. Payment included "six pair of gloves," chairs, and "a small calf," because the family in question did not have any money. With bills of credit, the government owed nothing. The citizens owed everything. The modern relationship was reversed.[4]

A second burning question is harder to answer. What can we learn from the fact that colonial Americans burned their money? Any adequate answer is broad. The burning reflected a different approach to money in general. Money for colonial Americans was a temporary means to social ends, a way of tackling projects bigger than any individual. Most of the money printed, signed, spent, taxed, and burned in the eighteenth century went to support colonial armies, but war was not their only collective project. Colonial governments also created money to protect farming families from short-term cash demands with state-issued mortgages, and to build lighthouses, prisons, and fortifications, often printing brilliant illustrations of their work on the notes themselves. In short, colonial money was not primarily a form of wealth. It was a way of making things happen.[5]

Money was a central economic institution in colonial America, just as it is now. It was "the Blood of the Body-Politick," as one Boston writer put it in 1739, diffused throughout the social fabric. The way it was organized had profound implications for the way power worked in the colonial world. Before a formal constitution was written, money was, in effect, constitutional. Everything money touched was shaped by the way colonial legislatures created it and colonists used it, and money touched everything. Thus the second "burning question" bleeds into every adjacent aspect of colonial life, where money shaped gender and class relations, helped organize violence and facilitate the theft of Native American land, and motivated politics, where money was a major source of controversy throughout the period. And this is all quite apart from what we tend to think of as money's natural realm, the world of commerce. Money was and

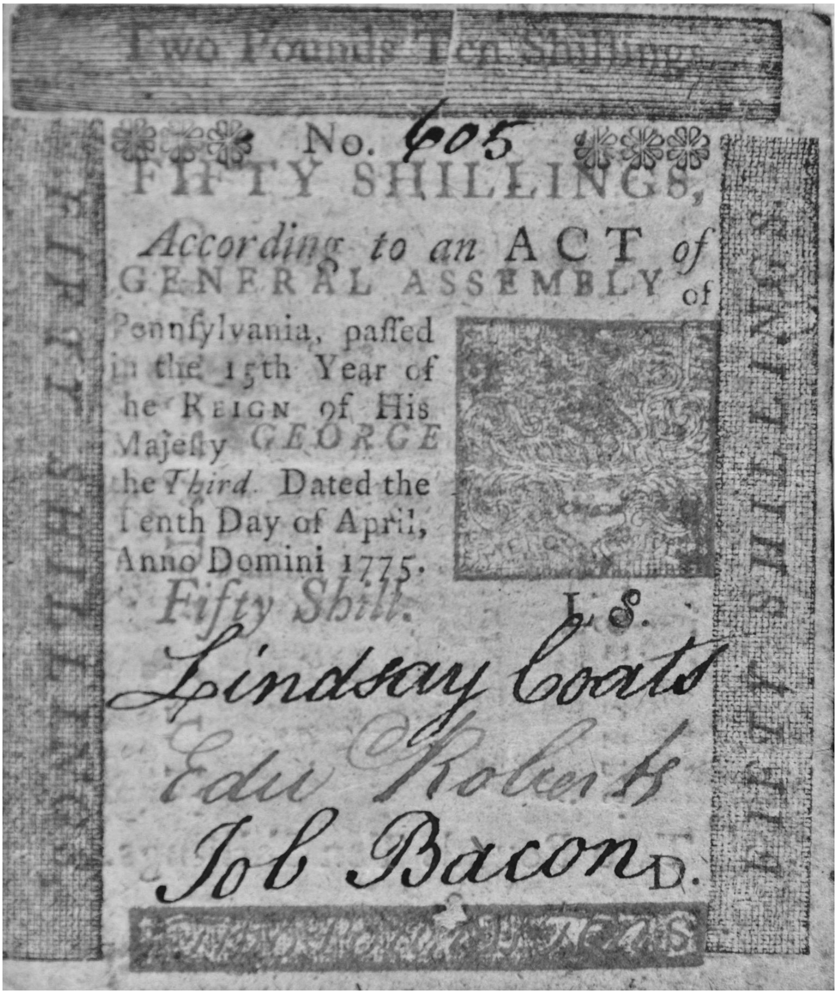

FIG. 2. Fifty Shillings, Pennsylvania, 1775, Obverse.

is diverse, difficult to tie down or control. The way it was made shaped the people who made it, and vice versa. This makes money extraordinarily interesting to study, especially in a time of revolution, when the nature of government itself was up for grabs.[6]

What burning meant in practice was that American colonial money did not behave like money as we typically think of it. The financial architecture of the modern world—from payments to pensions and central banks—relies on a form of money that at least in theory lasts forever. Its value may rise or fall, it may be expensive to borrow or cheap, we may owe it or earn it, spend it or save it, but it endures regardless and serves as a meaningful store of value. The ideal of permanence gives modern money what Mary Douglas identified as its ritualistic quality. Like religious rituals, money's permanence creates a meaningful link between the present, past, and future. Because money, like ritual, is rooted in belief, it is meant to last as long as that belief itself endures.[7]

Colonial Americans, however, had severed that link altogether. Burning severed it. Burning meant that colonial money, as a store of value, was temporary. Temporary money could not be saved or invested. It could not be hoarded or (except within strict temporal and geographical limits) lent or borrowed. This did not mean, of course, that the colonists had abandoned any vision of an economic future or that they had abolished credit. Quite the opposite. But when money was temporary, credit took on a different meaning. Credit was about the exchange of value, not the exchange of money. In fact, as we will have occasion to explore in more detail, colonial America did virtually all its business on credit, with almost no money changing hands. Money that was not a store of value was not a meaningful goal. Temporary money was not something people spent their lives trying to acquire. Again, this is counterintuitive; we are accustomed to thinking of money and wealth as one and the same, but when money is temporary, that connection is severed as well. Ironically, anglophone colonial America was, on average, among the wealthiest societies in the early modern world. The colonists simply located wealth elsewhere: in land, in their households, in credit relationships, in human beings, and, with their bills of credit, in the very continuity of colonial government.[8]

In turn, the temporal distinction between our money and colonial money suggests a deeper understanding of the differences between eighteenth-century society and our own. In the last century, for example, American historians spent several decades debating what some saw as the disinterest of colonial farmers in making money before the American Revolution. Colonial farmers, the economic historian Naomi Lamoreaux observed, "typically did not charge one another interest on debts," they "engaged in a variety of cooperative activities," and they "put family and community before profit" because "their goal was to achieve a competence," a comfortable if often hard-won living, "rather than to accumulate capital." But then, at a point roughly coinciding with the American Revolution, this community-oriented dynamic changed. For the first time, farmers began to calculate profits, build up substantial holdings of cash and securities, and invest their earnings. In other words, they began to behave like capitalists. But why? Was it to do with the Revolution itself?

With freedom, political independence, and its connection to economic culture, as some have suggested? Or is the answer simpler? Had they perhaps established the connection between the present and the future that continues in American money today? After the war, Americans stopped burning their money. New institutions produced new behavior, a monied revolution. This is not the full answer, of course, but it may be the beginning of a new one.[9]

II. Money and the Making of the American Revolution

Perhaps the greatest mystery that the second burning question promises to resolve is the American Revolution itself. The central problem of Revolutionary history arises from the one fact that every schoolchild knows about the American Revolution: that it was an uprising against "taxation without representation." The problem is explaining why. Perhaps the most influential work on the history of the American Revolution in the twentieth century was Helen and Edmund Morgan's *The Stamp Act Crisis*, originally published in 1953. It was influential because it presented a puzzle that some of the most prominent historians in the United States spent the next half century trying to solve. There was an apparent incongruity between the causes and consequences of the Stamp Act of 1765, the first time in the long eighteenth century that colonial resistance to imperial authority turned into outright rebellion. The Stamp Act was a traditional turning point in American colonial history, at which the colonies, long secure in their allegiance to Great Britain, turned their thoughts for the first time to independence. The cause, the Morgans wrote, was almost unimaginably small. The taxes levied by Parliament were light and reasonable. The colonists were well able to pay them. And yet the consequences of those same taxes were epochal. For the first time, representatives from virtually all of Britain's North American colonies met in a "congress" in New York City to write a joint appeal to Parliament, asserting their exclusive right to tax themselves. This was the American origin of the famous phrase "no taxation without representation," the issue that, more than any other, galvanized American resistance to Parliament's demands and ultimately led to war. What is also striking in the Morgans' account is the way in which the American response to the Stamp Act combined high and low politics. Political leaders wrote pamphlets, delivered polemics, and sent official protests to London, while mobs thronged colonial towns demanding the resignation of stamp distributors and action from colonial officials: women marched alongside men, rich with poor, high with low. It was a wild, unifying moment that needed further explanation.[10]

The definitive answer to the question of why the Stamp Act triggered such fervor came in Bernard Bailyn's *The Ideological Origins of the American Revolution* in 1967. Bailyn argued that the violence of the colonial reaction to parliamentary taxation could only be explained by a shared ideology, which Bailyn defined as an "integrated group of attitudes and ideas" that gave meaning to political events. It was this, "above all else that in the end propelled [the American colonists] into Revolution," he argued. Bailyn's formulation resolved the dilemma posed by the Morgans fourteen years earlier. The difficulties posed by the Stamp Act were only minor in economic terms, Bailyn argued. If we fully inhabit the mindset of the eighteenth-century colonists, the reason for their violent reaction to parliamentary taxation becomes clear. Steeped in radical discourse, the colonists read Parliament's action as an abuse of legitimate power and a violation of their rights as Englishmen. It demanded a united response.[11]

Bailyn's interpretation was enormously influential, and he and his students used it to rewrite early American history. The interpretive challenges were enormous, but so were the rewards, which were as political as they were historical. This was American history for Cold War warriors, an antidote to the Marxist progressive histories of the 1920s and 1930s, a counterpoint to the rediscovery of critical theory by radical historians in the 1970s, and a powerful rejoinder to all historians who gave primacy to economic causation. Indeed, Bailyn and the Morgans' interpretation served as a towering demonstration that material oppression was not the only, or even the most interesting, motivation for revolution. The ideological interpretation required "investing the ethereal stuff of the mind with convincing social power," the intellectual historian Daniel Rodgers observed in 1992. Whatever its faults, and Rodgers believed there were many, it elevated the history of ideas in the process. An alternative school, including scholars such as Gary Nash, T. H. Breen, Woody Holton, and Marjoleine Kars, continued to insist on the materiality of the Revolutionary moment, but as Bailyn's student Jack Rakove commented, with taxation ruled out they struggled to find an alternative "nexus" linking all the colonies to the Revolutionary cause. The Revolution, Rodgers wrote, thus became "a particularly forceful example of what an ideology could do." By the end of the century, ideology also presented a formidable barrier to alternative interpretations.[12]

Rather than storm the ramparts, historians, beginning in the 1990s, increasingly turned away from the Revolution in new work. Some regretted it. Jack Greene, one of the Revolution's leading scholars for almost a half century, in 2010 lamented that the Bailyn interpretation had all but "closed off serious discussion," noting that in the previous twenty years only three scholars (by his count) had seriously grappled with the origins of the Revolution. The Princeton historian John Murrin decried the "self-immolation" of the field. In any case, most acknowledged that interpretive debates had grown stale, leaving little for new graduate students to pick over. Rodgers and many others still questioned the "simplification and exaggeration" that Bailyn and some of his successors resorted to, noting the "unraveling sense of what kind of entity republicanism"—the name Bailyn's students had arrived at for the Revolution's founding ideology—"actually was." Historians of Early America, meanwhile, began to explore ways of redefining the field that deemphasized the Revolutionary moment, finding new vitality in the history of Indigenous peoples and non-English-speaking empires across the North American continent. But neither Rodgers, nor even the most aggressive opponents of Bailyn and the Morgans' position, ever suggested that the Morgans' analysis of the stamp taxes, a foundational premise for so much brilliant prose and analysis, was flawed to begin with.[13]

But it was. There were hints everywhere. Any scholar facing the documentary record of the Revolution was forced to confront the colonists' own clearly stated positions that taxes were a real, material concern. The archival record of the Stamp Act crisis contradicted the Morgans' basic point—that the taxes would have been easy to pay—at every turn. Leading Boston merchant John Hancock called the stamp taxes a "Cruel hardship." Future president John Adams called the Stamp Act a "burdensome Tax, because, the Duties are so numerous and so high," declaring that it would be "totally impossible for the People to subsist under it." Twenty-seven delegates representing nine colonies, who assembled in New York City in October 1765 to formulate a unified petition to the king and Parliament, declared that the taxes were "extremely burthensome and grievous" because they would be "absolutely impracticable," meaning impossible, to pay. Virtually every petition, pamphlet, and private letter addressing the Stamp Act makes similar claims—directly contrasting with the view that the taxes, themselves, were light. Indeed, the only people who made the Morgans' argument in 1765 were employed by the British ministry, attempting to justify by right what had turned out to be impossible in practice.[14]

If the taxes were heavy, though, the difficulty was understanding how. The few economic historians who took up the matter confirmed the Morgans' account. In 1965 Robert Thomas estimated that the combined effect of imperial regulations amounted to a loss of less than 1 percent of per capita income. The Stamp Act alone was even less onerous. In 1980 Edwin Perkins calculated that charges to the average taxpayer would amount to 5 pence sterling per year, or "less than 0.2 percent of per capita income"—hardly something worth rebelling over. A consensus emerged that colonists believed their taxes were "high" simply because Parliament had levied them. This was an essentially illogical position, but perhaps Americans took it, the story went, because of deeply held principles that had nothing to do with the amount they actually had to pay. That, essentially, was the Morgans' position. And to many Cold War–era American historians, the colonists' irrational preoccupation with the power to tax ennobled their cause. It distinguished the American crisis from those shaking the postcolonial world, arising from "social discontent, or economic disturbances, or of rising misery," as Bailyn put it. America's immaculate resistance could be the root of the American exception, a story that twentieth-century Americans wanted to believe. Contradictions in the record could be dismissed as rhetoric. The very notion of "hardship" could be seen as ideological. There was no need to look too closely.[15]

But what if the taxes were hard to pay because Britain's North American colonists burned their money instead of using gold and silver? Indeed, once one begins asking the question, the story of the Revolution begins to shift. The evidence becomes overwhelming that Americans opposed seemingly light taxes, not because they were paranoid, but because the taxes were charged in silver bullion, a money few colonists used on a regular basis and most never had. Thomas Paine had outlined the logic of resistance in June 1780. "There are two distinct things which make the payment of taxes difficult; the one is the large and real value of the sum to be paid, and the other is the scarcity of the thing in which the payment is to be made." Britain's North American colonists had found themselves in the latter situation in 1765. The Stamp Act Congress declared that "from the peculiar Circumstances of these Colonies, [the Stamp Act] will be extremely Burthensome & Grievous; and from the Scarcity of Specie, Payment of them absolutely impracticable." One Boston minister declared that the colonists would "have been stupid, had not a spirit been excited in us to apply, in all reasonable ways, for the removal of so insupportable a burden." Adam Gordon, an MP for Aberdeenshire who was traveling in Virginia in 1765, wrote that he was "at a loss to find how they," some of the wealthiest colonists in the New World, Virginia's slave-driving tobacco planters, "will find Specie, to pay the Duties last imposed on them by the Parliament." Gordon was no American sympathizer. He would go on to be an avid supporter of the war against America, and even he saw the problem with the Stamp Act.[16] Not even a parliamentary decree could turn burning money into silver coin.

But looking at the Stamp Act with money and the "burning questions" in mind reveals something bigger than the problem of silver. It opens up a new way of understanding the Revolution itself. In a sense, it makes the American Revolution far more understandable than it might otherwise be. An answer to the burning questions might explain the relationship between revolution and taxation. The Americans revolted because taxes were levied in a currency they did not possess. But understanding why the Revolution happened does not explain its unique character. If anything, the money problem has the effect of making the idealism of the Revolutionary generation—their devotion to the ideal that "all men are created equal," to freedom of speech and religion, to democratic representation, and to a shared notion of liberty—all the more difficult to explain. It raises the question of how a set of fundamentally material concerns, such as money and taxation, could be translated into a profound and extraordinarily influential language of rights and freedoms without losing any of its force or specificity. I offer some suggestions here—particularly in the chapters following the work of John Dickinson, who was instrumental in developing what we might, following Greene, call the constitutional register of Revolutionary discourse—but this is the beginning of an answer, not the whole story.

Money and the Making of the American Revolution is a new narrative of the American Revolution with money at its center but not, I hope, its heart. Americans have long understood their Revolution as the birth of their democratic spirit, the expansive impulse to ensure that those created equal might have equal rights. That story is true. However, the political equality in democracy was also matched, from the beginning, by the material and social inequality implied by money as a form of individually held, propertied power. That, too, is part of America's Revolutionary legacy. One cannot understand American history without understanding the tension between them both. The literature on American democracy is justly voluminous. Money's is far less so. Thus, this book aims to retell the history of the Revolution through the lens of monetary contestation and transformation, in part, to restore a balance.

The choice of a narrative form for this book is deliberate, but it required making tradeoffs. Money is complex. Past money is arguably more so because it is so different from modern expectations. Explaining the Revolution in terms of money thus might require a richer analytical register than historical narratives typically allow. This is the choice that most, though not all, recent monetary historians have made, often with impressive results. However, this creates its own difficulties. Specialized analytical language has the advantage of precision, but precision can multiply rather than reduce confusions when the institutions in question are malleable. Analytical language also has the unfortunate tendency of reproducing the assumptions that produced it, flattening difference in a way that makes it difficult to explain historical change. Just as important, it tends to be all but unintelligible to the general reader—a massive disadvantage when the subject is of as much general interest, and importance, as the causes of the American Revolution.[17]

I tried something different. In writing *Money and the Making of the American Revolution*, I decided, wherever possible, to let the analysis emerge from the story itself, as told by the historical actors. Similarly, where possible, *Money and the Making of the American Revolution* tells its story through the lives of individuals rather than through statistics or broad social surveys. The reason for this is to emphasize that the history of Revolutionary money was, curiously enough, repeatedly transformed by individuals, albeit individuals empowered by the contingent and highly gendered dynamics of eighteenth-century political economy. The circumstances were not of their making, but the money was. The result may be neither fish nor fowl, neither analytical enough for specialists nor dramatic enough for a general audience. I leave that to the reader. As I wrote, however, I was continually surprised by the connections that emerged between people, institutions, and continents as I continued to follow the money. I hope that some of my delight in these discoveries comes through in the text. The goal is to explain the monetary roots of the American Revolution as accurately as historical language allows, and in terms that the actors themselves would have recognized. The results are sometimes complicated—money was as hard to understand then as it is now—but they are as faithful as I can make them to the confused times that produced them.

The most important reason for telling *Money and the Making of the American Revolution* as a narrative is the causal nature of the story being told. Narrative histories are implicitly arguments about the causes of historical change and the nature of that change. The causes in this case are largely, but not exclusively, monetary. Intellectual, imperial, and global registers naturally enter the analysis through the lives of Revolutionary actors trying to meet the challenges of their circumstances as best they could. Narrative history, as Lawrence Stone has observed, is attractive in part because it militates against the kind of monocausal argument one might expect from a book on, say, the monetary origins of the American Revolution. By forcing us to connect cause and effect, narrative forces us to look beyond our particular specialty, if only to maintain plausibility. It allows for surprise. Economic historians tend to treat money as a technical subject for static analysis. But no form of analysis that does not emphasize change can account for money in the time of the American Revolution.[18]

This story would not be possible to tell were it not for advances in the history of money over the past two decades.[19] Money is difficult to understand in part because, for most of us, it is the institution whose symbols and rituals most clearly touch the organization of the material world. The forces it marshals seem to be something like the weather, beyond individual control. And this is true up to a point. No individual can reshape money, but people as a whole certainly can. The aim of the best recent work on money has been, in part, to denaturalize it, to see it as what Karl Marx called a "human relation," too often "expressed as a relation between objects." Building on our historical awareness of the fact that money is not natural but a powerful form of political organization is one of the main aims of this book.[20]

Rethinking the relationship between money and the American Revolution also helps reframe the relationship between the Revolution and the history of capitalism. Historians often still talk about the American transition to capitalism as if the United States were somehow disconnected from the wider world. Capitalism, in this view, is internal to the state, a local order, characterized by local practices and local hierarchies, the result of purely local choices.[21] This internalist assumption has continued to hold, somewhat surprisingly, in the face of historians' renewed interest in global history, which at its best emphasizes the way that local processes intersect with broader trends and systems that ignore political frontiers.[22]

What I want to suggest, and what the story told here shows, is that capitalism is less an internal social order than one that is internalized, with money as a key vector of transformation. Capitalism cannot be understood within the confines of a single national history; it was international at birth, characterized by the explosive growth of European imperialism in addition to the transformations taking place in the Dutch or English countryside. While the precise connection between these two developments is still a matter of controversy, there should be no doubt that it exists. If that's true, then what we think of as national transitions to capitalism—like the American market revolution—are best understood as local iterations of developments within what was essentially an international regime, a system based on an intelligible—if malleable and contested—set of guiding rules and assumptions.[23]

This leaves open the relationship between capitalism and the state. Recent historians of capitalism have emphasized the way it is embodied in institutions. Nancy Fraser has called capitalism an "instituted social order." Douglass North, from a slightly different perspective, describes it as a set of "humanly devised constraints that shape human interaction." And this, as *Money and the Making of the American Revolution* shows, is essentially correct, but what changes in this new account is the role of capitalist institutions. If capitalism is an organism, then the state is a cell. Institutions are, in effect, cell walls, a semipermeable membrane that governs interaction with the whole. The result may seem paradoxical; capitalism is shaped by forces beyond the control of any one nation, even as nations taken together embody the system. Individual states, like the early American republic, faced a choice: either fight the regime by attempting to establish an alternative system that could reshape the whole, as the Americans tried to do in 1775, or embody capitalism so as to be empowered within it. The United States ultimately chose the latter path.[24]

But it did not do so on its own. It did so as a result of the Revolution. Money, as conflict over it shows, is not a natural extension of economic life. It is a means of exercising control, and, in an imperial context, extending the social power of national institutions—like money—onto a global terrain. In terms of money and finance, Britain won the Revolutionary War. As we will see in the next nine chapters, America's loss should come as no surprise. Britain did not simply lose its colonies in North America between 1775 and 1783; it reconstituted itself as an even more powerful imperial state. Indeed, the loss of the United States ushered in the Second British Empire that dominated the nineteenth century. Again, the story of money helps to explain why. In the eighteenth century, money divided Britain's North Atlantic Empire. Britain's failures in North America including the Revolutionary War resulted directly from its attempt to integrate its Atlantic colonies into what was, essentially, a monetary empire—what we might usefully term a "commonwealth." Despite the loss of political control in North America, the Revolutionary War healed this earlier division. Likewise, Britain's success in transforming money in the United States was arguably its first hard-won step in recreating a formal and informal—that is, financially led—empire that would, within a century, span the globe. With hindsight, it was the rules, assumptions, practices, and institutions of capitalism that would endure, not the empire. But its success and capitalism's global march were entangled in ways that the outcome of the American Revolution hardly slowed.[25]

There are at least two insights that follow from this analysis, one hopeful, the other less so. The first is that the American Revolution was a profoundly antisystemic and, in fact if not in intention, anticapitalist revolt. It was an attempt to carve out a space within the emerging British order for a different kind of political economy. If that attempt failed, as it did, the legacy of that resistance lives on in American democracy, a system designed to respond, however imperfectly, to people rather than merely the demands of wealth. Less than a century after the Revolution, Abraham Lincoln observed that many Americans held the "*liberty* of one man to be absolutely nothing, when in conflict with another man's right of *property*." His party, he wrote, were "for both the *man* and the *dollar*; but in cases of conflict, the man *before* the dollar." The fact that Lincoln helped turn democracy's power against slavery suggests that other kinds of resistance to the dollar are still possible. It is still a part of America's Revolutionary heritage, however dormant.[26]

Second, the idea that capitalism is bigger than America suggests there might be something inevitable about capitalist development. As we will see in the conclusion, the history of money suggests that this was not entirely true. American leaders could have chosen a different path, although they would likely have been punished for doing so. More importantly, the notion of capitalism as a world system, of which the American variety is at best a constituent part, can clarify the role of democracy in relation to the broader system. Democracy is the primary means by which Americans since 1776 have sought to counterbalance and contain, to reduce, the inequalities produced by capitalism and monied wealth itself. Democracy thus stands in imperfect opposition to capitalism; imperfect because, unlike capitalism, it is limited to the state; in opposition because democracy, the ideal embodied in the Declaration of Independence's insistence that "all men are created equal," is still a powerful contradiction to existing imbalances of political and economic power. Democracy supposes an equal division of power, inherent in each individual. Money, as an unequally held form of private wealth, is, in effect, its opposite. Money and democracy emerged from the American Revolution as opposing poles of social power in the United States. The places where they coincide constitute the mainstream of American life, the person and the dollar. But the unexpected moments when democracy has triumphed over the dollar—the Civil War, the New Deal, the Civil Rights movement—reveal the liberatory potential of the American Revolution at its strongest.[27]

III. Plan for the Book

This book is divided into three parts, each with three chapters. Part 1, "The Atlantic Divergence," sets up the burning question itself. It begins by showing how the American colonists created their temporary money in Massachusetts in 1690. This is (to specialists, if no one else) a familiar story, but *Money and the Making of the American Revolution*'s version differs from existing accounts in several crucial ways. First, it traces the ideas for temporary money back to John Blackwell, Oliver Cromwell's wartime treasurer. Blackwell's presence at the moment of creation is well known, but the centrality of his ideas is less well understood. As chapter 1 shows, they were crucial precisely because they were so radical: Blackwell, unlike virtually all his Atlantic colleagues, believed that money was essentially different from how it had been instituted in Britain, and he intended America to be the showcase for his ideas, as it turned out to be. Chapter 2 shows us the simultaneous transformations in eighteenth-century Britain and America through the life of Francis Fauquier, whose governorship in Virginia would have extraordinary monetary and imperial consequences. Chapter 3 shows how a conflict over money in Virginia prompted a British official to write perhaps the most important policy memo of his generation. This memo, once approved by the Privy Council, became the monetary basis of British policy for two decades. It was disastrous because of its strangely precise hostility to Blackwell's ideas about the nature of money.

Part 2, "The Conflict Begins," takes us through the Revolutionary crisis itself, showing in chapter 4 how a philosophical dispute over money, when written into a new law to tax the colonies, became the basis for American resistance to British taxation. After Parliament rejected America's burning money, the money they actually used, they were forced to tax them some other way. They settled on silver bullion, which the colonies did not have and increasingly could not get. The result, after a period of disbelief and consternation, was the first American Congress in New York in October 1765, and the first stirrings of a united resistance that would coalesce in 1776. Chapter 5 tells the story of one of the most influential thinkers of the crisis, John Dickinson, and the difficulties he had in creating a political or constitutional language for what was essentially a dispute over money. Money, like any property, he realized, was less important than the power to produce it, the political organization that made property itself possible. He began to articulate a new vision of what American political power should look like in a reconceived British Empire, one in which the Stamp Act would never have been possible, even as British politicians were trying to create just such a precedent. The reason these imperial politicians were so eager to assert new powers over the Americas becomes clear in chapter 6, when the scene shifts to India and the other half of Britain's imperial reform project. The conquest of India was part of a plan in which America played a key role as a consumer of East Indian goods. Indeed, the reform of American money was largely justified as part of a project to make the Atlantic colonists more reliable customers for British merchants like those of the East India Company. It shows how, in India too, silver was the key, and how a drought in 1769 led directly to renewed calls for taxation of America via the East India Company's new monopoly on tea. Finally, it shows how the throwing of tea into Boston Harbor provoked such an outsized, draconian response because it was not just tea that Americans were rejecting but their role as buyers in the new British Empire.

Part 3, "The Double Revolution," takes us into the Revolution itself and explains why Americans stopped burning their money. It begins, in chapter 7, with what was arguably temporary money's finest hour: the massive mobilization of burning money for war against Britain. It shows how the mass reintroduction of bills of credit spread south from New England and eventually took hold in the Continental Congress, whose decision to issue its own money—the Continental dollar—was perhaps its first step toward becoming a national government. Chapter 8 follows how the bold initial decision to finance the war with temporary money reached a dead end when states facing invasion found it all but impossible to collect the money in taxes and burn it at a reasonable rate. It also examines what Barbara Clark Smith called the "Patriot Economy," the bold, popular attempt to save the money that was still the only thing supporting the war. It shows how this attempt failed in the face of a new war-driven desire for a money that would serve as a durable asset, a store of value. Chapter 9 shows how a money was recreated on two fronts, in Philadelphia through a series of banking accidents and experiments, and in Paris through blunders in America's negotiations for independence. In 1782 Britain wanted to make sure that any peace would allow it to dictate the monetary terms under which postwar debt would be paid. The acquiescence of American negotiators had the effect of locking the monetary innovations of the last years of the war into national policy. This was the price, in effect, of British recognition. The combination of self-serving reform and diplomatic maneuvering brought the days of burning money to an end.

The conclusion returns again to the problem of capitalism in the America at the end of the eighteenth century, suggesting that what many historians have tended to see as a strength—America's nascent imperialism—was the result of a profound weakness. American leaders no longer trusted their own ideas and their own history. They no longer had the strength to go their own way in monetary matters. Some no longer wanted to. American ambitions had been reshaped by the money war.

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