The mass industrial democracy that is the modern United States bears little resemblance to the simple agrarian republic that gave it birth. The market revolution is the reason for this dramatic – and ironic – metamorphosis. The resulting tangled frameworks of democracy and capitalism still dominate the world as it responds to the financial Panic of 2008.

Early Americans experienced what we now call “modernization.” The exhilaration – and pain – they endured have been repeated in nearly every part of the globe. Born of freedom and ambition, the market revolution in America fed on democracy and individualism even while it generated inequality, dependency, and unimagined wealth and power.

John Lauritz Larson explores the lure of market capitalism and the beginnings of industrialization in the United States. His research combines an appreciation for enterprise and innovation with recognition of negative and unanticipated consequences of the transition to capitalism and relates economic change directly to American freedom and self-determination, links that remain entirely relevant today.

John Lauritz Larson is Professor of History at Purdue University. For ten years, he served as co-editor of the Journal of the Early Republic. He is the author of Bonds of Enterprise: John Murray Forbes and Western Development in America’s Railway Age (1984) and Internal Improvement: National Public Works and the Promise of Popular Government in the New United States (2001), as well as numerous essays on early American economic development.
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An Essay on the Sources

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This book is the fruit of two ambitions. Specifically, I set out a few years ago to craft a short account of the economic transformation of early America that was quick and readable enough to assign to undergraduates but still faithful to the complexity of the early American experience. I had in view no historiographical quarrels with either friends or enemies of the term “market revolution”; rather, I wanted to convey to the unfamiliar reader all that I believe took place in that transformative period. More generally, I discovered as I wrote that this narrative capped a thirty-year effort to understand the phenomenon in question. The intersection of capitalism and democracy lay at the center of my interests when I headed off to graduate school in the 1970s; it bedevils me still. The present text is an offering to that muse. We shall see if the smoke rises.

Because this book is the culmination of thirty years’ consideration, I first must acknowledge the impact of the thousands of students at Earlham College and Purdue University who constituted my audiences through all the iterations of lectures and discussions about these things. As the woodsman needs the stone on which to grind his ax, the scholar must have students to whet his or her insights and give them focus. Many (if not most) of these contributors doubtless went away bewildered, but their difficulty in grasping what I tried to tell them inevitably helped me learn to tell it better.

More immediately, I have been assisted by individuals and resources common to the scholarly community. A sabbatical leave from Purdue University contributed significantly to my ability to see the forest.
comprising these many trees. Although I did not work on this project at the time, a year at the McNeil Center for Early American Studies as a Barra Postdoctoral Fellow helped clear my head and stimulate my aging mind. (Nothing sharpens the wits like the close company of very bright young people – although the more “senior” body finds them hard to keep up with.) Thank you to Dan Richter, Roderick and Michelle McDonald, and the McNeil Center community in Philadelphia.

Several delightful days’ work in the reading rooms of the Library Company of Philadelphia brought to light important bits from the documentary record, for which I thank Librarian James Green and his able staff. A Summer Seminar for Scholars, sponsored by the National Endowment for the Humanities, hosted by the Library Company, and co-directed by my friend and colleague Michael Morrison, gave me yet another useful forum. The Program in Early American Economy and Society (PEAES), also hosted by the Library Company and expertly directed by Cathy Matson, thankfully has fanned interest in economic history when almost nobody else would. For all these institutional contributions, I thank Library Company Director John Van Horne.

Professional colleagues polish whatever rough edges are left from grinding away on the students, and for this I am grateful to the growing family of historians who sustain the Society for Historians of the Early American Republic (SHEAR). For all of my career, SHEAR conferences have been the most reliable venue for critical discourse on matters pertaining to the market revolution (not least the bitter quarrels over whether or not it occurred). Of particular importance in my education in these matters have been friendships with Harry Watson, Paul Gilje, Drew Cayton, Cathy Kelly, Peter Onuf, Christopher Clark, Cathy Matson, Dan Feller, Richard John, and Daniel Walker Howe. Clearly we do not see all things alike, but I see nothing without imagining these friends gathering themselves for the pounce.

At Purdue, Frank Lambert, James R. Farr, and Michael Morrison read drafts of this material with grace and generosity. One chapter survived the scrutiny of colleagues and graduate students at one of our History Graduate Student Association’s Works-in-Progress seminars. Laura Bergstrom, Ray Krohn, and Mark Johnson provided research assistance specifically for this book; countless other students brought me tips and made me rethink explanations. My canine editor-in-chief,
Juneau, did not survive to see this book completed, although not for want of trying. His assistant, Ellie, soldiers on, but the top position remains unfilled.

As the project neared completion, Drew Cayton and Harry Watson gave me constant support and advice. My old friend and mentor, Hunter Dupree, and his wife, Betty Dupree, read the finished manuscript, urging me to throw out Chapter 4 and try again. (I did.) Because I wanted this book to make sense to people who did not obsess about its thesis every summer at the SHEAR meetings, I asked Mark A. Hermodson, Leon Trachtman, Lynne Eckhart, and John Eckhart to read it and tell me what they saw. I have made significant adjustments as a result of their input, for which I am grateful.

At Cambridge University Press, Lewis Bateman (as always) proffers a firm hand of support. Series editor Donald Critchlow provided encouragement. Emily Spangler makes things happen as they should. Andy Saff patiently worked through the final manuscript, picking out infelicities. From here, the project goes into the hands of people around the world whose names I will not know but whose labors will bring the product into being. To all of them, in advance, thank you.

As always, the buck stops here. Few subjects exercise our passions like political economy, and I have no doubt there will be dissenters. Errors may persist (“mistakes,” as they say, “were made”), and some readers will find fault in what I write here or what conclusions I draw. The offering is mine, warts and all. I only hope it will advance our conversation – and perhaps our understanding – just a little.

Lafayette, Indiana