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Shays Rebellion & Inflation



Shays Rebellion

Shays rebellion, taking place in Massachusetts, was a large group of farmers and veterans from the Revolutionary War who did not receive compensation for fighting in the war.¹ Many of these farmers accumulated large amounts of debt they couldn't pay off and were arrested. This eventually caused farmers to protest and shut down some courts in Massachusetts.² Some of the people in power, like Samuel Adams, saw the farmers debt as something that was entirely their fault.³ The governor at the time, James Bowdoin, sent a hired militia, to stop a farmers raid on a Federal arsenal. Many were left injured or dead after the soldiers fired into the crowd even though the farmers had significantly less men or weapons. The governor was not reelected and the new governor, John Hancock, pardoned most of the rebels and create laws to cut taxes and inflation rates.

¹ "Shays's Rebellion." The American Historical Review 36, no. 4 (1931): 776–78. <https://doi.org/10.2307/1838006>.

² "Shays's Rebellion." The American Historical Review 36, no. 4 (1931): 776–78. <https://doi.org/10.2307/1838006>.

³ Pencak, William. "Samuel Adams and Shays's Rebellion." The New England Quarterly 62, no. 1 (1989): 63–74. <https://doi.org/10.2307/366210>.

Samuel Adams and The Revolutionary Spirit

Adams' Revolution

Samuel Adams played a large role in the American Revolution. He helped create and lead the Sons of Liberty organization and he specifically helped with the Boston Tea which was one of the events that started the Revolutionary War in Massachusetts⁴.

Shays Rebellion: Changing Opinions

Over a decade after the Revolutionary War in 1775, Adams was in a position of power as the president of the Massachusetts Senate. During the time between the revolution he helped organize, Adams' opinions changed as he was strongly opposed to Shays Rebellion⁵.

Why?

It is very interesting that Samuel Adams changed his ideas on revolutions and rebellions. I'm not entirely sure why he changed his opinions, but I can think of some reason why he might have. As he gained power in the new government systems he might have found that he wanted to stay in power even though it went against his previous ideas about the farmers and common people standing up to the government. Samuel Adams was apart of the Massachusetts Senate for many years⁶, he believed his policies were the correct ones, therefore he would be resistant to the belief that he is in the wrong.

⁴Pencak, William. "Samuel Adams and Shays Rebellion." The New England Quarterly 62, no. 1 (1989): 63–74. <https://doi.org/10.2307/366210>.

⁵"Sons of Liberty", Boston Tea Party Ship, 2023, <https://www.bostonteapartyship.com/sons-of-liberty>.

⁶"Sons of Liberty", Boston Tea Party Ship, 2023, <https://www.bostonteapartyship.com/sons-of-liberty>.

Economic Development

Debt

As the colonies became independent and the economy grew many farmers and colonists living in rural areas had no way of paying off their debts. For example, many farmers considered paper money worthless and had to use any they had to pay ridiculously high taxes.⁵ With little money in circulation the farmers continued to struggle to pay off debts, even having their farms foreclosed and being arrested themselves.⁶

⁵ "Shays's Rebellion." The American Historical Review 36, no. 4 (1931): 776–78.
<https://doi.org/10.2307/1838006>.

⁶ "Shays's Rebellion." The American Historical Review 36, no. 4 (1931): 776–78.
<https://doi.org/10.2307/1838006>.

⁷ "The Transatlantic Slave Trade", Equal Justice Initiative, 2022,
<https://eji.org/report/transatlantic-slave-trade/boston>.

⁸ James W. Loewen, "Lies Across America: What Our Historic Sites Get Wrong", The New Press, 2019.



How did the early economy develop?

Slave Labor

Slave Labor was extremely prevalent in Boston. Rich merchants and traders paid for crews to kidnap Africans from their home.⁷ At the time of Shays Rebellion, the farmers in the western part of Massachusetts didn't have the money to buy enslaved people, but the merchants on the eastern portion did.

Trade

One of the exports of Boston, Massachusetts was cod fish. Boston used to have a vibrant cod ecosystem, yet it was overfished and depleted. This led to economic declines and peril for the lives of the fishermen.⁸ The farmers in Shays Rebellion had a similar problem, their income and main form of work seemingly disappeared.

Economic Development

Distrust of the Government

In the 1950s most Americans trusted the government and didn't trust the criticism of it. It becomes clear that full confidence in the government can backfire when events like what happened at the "Nevada Test Site". Nuclear laboratories were performing tests which released dangerous amounts of radiation into the local environment and towns without proper testing.⁹ This paired with a strong belief in the government led to disastrous effects on the citizens and wildlife in the area. Comparing this to the amount of distrust the people in Shays Rebellion had in the government, it is evident that it is important to criticize the government and the people in power who are making decisions that affect the livelihood of the citizens.

⁹James W. Loewen, "Lies Across America: What Our Historic Sites Get Wrong", The New Press, 2019.



How did the early economy develop?

Inflation:

Causes:

Inflation can have many causes, a few that have happened in the United States in the past few years include, the Silicon Valley Bank collapse caused a lot of concern in the stability of the banking system and both investors and people started to pull their money out of the banks.¹⁰ Another example is the price of gas and fuel oil rising significantly, 80%, between May 2020 and May 2021. The demand for gas grew as people started to drive more. There was more demand than product readily available.¹¹

Consequences:

There are many consequences of inflation, for example the average consumer may struggle more to pay for basic necessities. Rising inflation can also cause interest rates to rise as institutions such as the Federal Reserve try to combat inflation.¹²

¹⁰ O'Donnell, James. "Federal Reserve Raises Rates as it Juggles Fighting Inflation With a Banking Crisis" PBS, March 22, 2023, <https://www.pbs.org/wgbh/frontline/article/federal-reserve-interest-rates-inflation-banking-crisis>.

¹¹ "Consumer prices up 3.0 percent over the year ended June 2023", U.S. Bureau of Labor Statistics, July 17, 2023, <https://www.bls.gov/opub/ted/2023/consumer-prices-up-3-0-percent-over-the-year-ended-june-2023>.

¹² O'Donnell, James. "Federal Reserve Raises Rates as it Juggles Fighting Inflation With a Banking Crisis" PBS, March 22, 2023, <https://www.pbs.org/wgbh/frontline/article/federal-reserve-interest-rates-inflation-banking-crisis>.

Inflation: Printing Money

Articles of Confederation:

In the Articles of Confederation it stated that the states could create their own currency and were in charge of the trade and commerce in their state. This and the little power the federal government had led to many states have devalued currencies and a rise of inflation¹³.

Consequences:

According to Robert F. Mulligan, “The Constitution reassigned the power to issue money from the states to Congress,” this shows how currency and how the United States battles inflation changes and evolves over time to create a better balance¹⁴.

¹³ Robert F. Mulligan, “Money and The Constitution”, American Institute for Economic Research, October 15, 2021, <https://www.aier.org/article/money-and-the-constitution/>

¹⁴ “The Articles of Confederation, 1777”, The Gilder Lehrman Institute of American History, <https://www.gilderlehrman.org/history-resources/spotlight-primary-source/articles-confederation-1777>

Issues and Solutions:

1

Governor's Militia

One of the main issues that the farmers faced was the fact that Governor James Bowdoin hired his own militia to attack the rebels. He also hired the soldiers using funds from eastern Massachusetts merchants.¹⁵

3

Solutions

The solutions for both of these issues work together to create a better economy and political atmosphere. The solution to this specific issue is laws put in place to not allow the people running our government on any level to simply hire a militia of 4,000 soldiers using funds from the rich.

2

Debt

The second main issue was the debt the farmers acquired after not being able to pay increasing taxes, especially after not receiving the compensation they were entitled to after the war.¹⁶

4

Solutions

Today we have a government organization that helps combat inflation, the Federal Reserve. If the colonists had a large organization in the federal government that they could trust and that could work for them to lower inflation rates.

¹⁵ "Shays's Rebellion." The American Historical Review 36, no. 4 (1931): 776–78. <https://doi.org/10.2307/1838006>.

¹⁶ "Shays's Rebellion." The American Historical Review 36, no. 4 (1931): 776–78. <https://doi.org/10.2307/1838006>.

Reflection

Pre:	Post:
<ul style="list-style-type: none">• Before starting the learning and research process, I had little to no knowledge of Shays Rebellion or inflation.• One weakness of my learning process was simply understanding the baseline knowledge of inflation in order to write connect it with the past.	<ul style="list-style-type: none">• After making the presentation and researching both Shays Rebellion and inflation, I feel that I have gained a better grasp on debt, inflation, and how the United States is combating those issues. I can also appreciate how far the U.S. has come in terms of ways to keep the economy stable (even if it is not perfect).

Annotated Bibliography

Link:

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Annotated Bibliography