The Critical Period and Shays Rebellion (1783-1789)

**The Critical Period**

This was a problematic era due to the weaknesses of the national government under the Articles of Confederation.

**Foreign Issues**

* Britain wanted debts paid to merchants and refused to send a negotiator to the US to encourage diplomacy
* Britain still maintained Northwest trading posts – hadn’t removed troops from the frontier (in accordance with terms of Treaty of Paris) – US said they wouldn’t pay the debts until the troops were removed
* France wants debts repaid – in desperate need of money, near bankruptcy
* US couldn’t defend itself against Barbary pirates in the Mediterranean due to a lack of navy

**Domestic Issues**

* States lacked respect for the national government
* No standard currency
* Creditors hurt by state laws forcing acceptance of paper money for debts
* British goods being sold at low prices
* Military almost at the point of mutiny – hadn’t been paid by the government for service during the war
* Bankers and creditors lost faith in national government because it couldn’t even pay interest payments, and definitely not the loan principal

**Dissatisfied Groups**

* Merchants wanted a government that regulated commerce and could secure favorable treatment overseas
* Manufacturers wanted tariff barriers against foreign goods (protectionist policies)
* Land speculators wanted strong government to keep Native Americans from attacking and wanted to frontier to stay open to settlement and profit
* Holders of government bonds wanted the US to pay off its debts
* Creditors and financiers wanted a stable currency and a less severe inflation rate

This all resulted in a post-war depression in which the problems of taxation and commerce under the Articles of Confederation became very apparent. States began to rely heavily on taxes from the citizens – poor farmers considered this unfair. They demanded the government issue paper currency to help ease the debt burden.

**Shays Rebellion**

In Massachusetts, lawmakers refused to issue debt relief legislation. They imposed high taxes to pay off the state’s war debt and cut the supply of paper currency.

Poor, rural farmers couldn’t pay both their taxes ***and*** their debts. Creditors threatened lawsuits and courts began foreclosing on homes.

Mobs of angry farmers stormed the local courthouses across Massachusetts, claiming they were trying to prevent

 “ *valuable and industrious members of society being dragged from their families to prison.*”

The mobs grew larger until it reached the level of a full-scale revolt, led by Daniel Shays, a former captain in the Continental Army. He issued a set of demands to the MA legislature, claiming they should:

* Issue paper money
* Provide tax relief
* Institute a moratorium on debt
* Abolish the use of imprisonment for failure to pay back debts

The government remained out of the conflict until the “Shayists” forcibly tried to prevent to collection of debt payments and used force to prevent the courts from meetings, as well as the sheriffs from selling confiscated property.

Wealthy Bostonians (including Abigail Adams) contributed money to help form a militia to put down the rebellion. Shays managed to escape to Vermont and was later pardoned, 150 other “Shayists” were captured and several were put to death.

George Washington urged the MA government to “be compassionate” when sentencing the rebels and almost all were eventually pardoned.

**Effects of Shays Rebellion**

* Demonstrated that many people realized that state governments could undermine property rights
* Made clear the need for a stronger national government
* Many felt that the principles of the American Revolution were being threatened more by state governments than they could ever be by a national government
* Led every state (except Rhode Island) to send delegates meet in Philadelphia to revise the Articles
* Added urgency to the move to produce a new national constitution (that included the power to tax and regulate state affairs when necessary)