



## Economic and social effects of the revolutions on the Americas

Once again, it is difficult to make generalizations across the entire region; the economic and social effects of the American revolutions were varied and depended upon individual situations. Even in the unified United States of America there were tremendous differences between the states depending on the economic systems in place and the demography of individual states. In the north, the seeds of industrialization were sown; the south remained largely agricultural and was dominated by plantation society.

Spanish America was also diverse, based largely on its racial make-up. In Mexico, the relationship of the indigenous populations and *mestizos* with the dominant creoles created a different situation to that experienced in Venezuela, with its large slave population. Mexico has tremendous population density in the center of the country; the countries of South America tended to be sparsely populated.

What all of these regions had in common, however, was the link between economic and social conditions. One cannot be examined without stumbling into the other. The more egalitarian societies in the United States tended to have greater profits and there were more opportunities for whites, although their advancement was to the detriment of Native Americans who were outside of the boundaries of the state, both geographically and legally. Similarly, the slaves in the southern states of the United States created economic wealth but troubling social issues. One by one, the northern states outlawed slavery but it persisted in the south where it was viewed as economically necessary and socially acceptable.

### The United States of America

#### The economy

The War of Independence had been very costly and left the new government indebted. During the war, bonds were sold to pay troops, but not enough were purchased to pay all salaries. Congress began to print money called Continentals to fund the war effort and replace the British pound. At the end of the war, the national government owed approximately \$12 million in foreign and \$44 million in domestic debt. Additionally, the state governments were indebted another \$25 million. Most of this money was owed to the soldiers (both colonial and foreign) that fought in the war or was owed to suppliers such as the French government. In an attempt to make payments, the government had printed more Continentals that led to inflation and made the currency almost worthless.

Additionally, the United States lost its primary trading partner for raw materials; the demand for the key exports of rice, indigo and tobacco all suffered a serious decline. When trade with the British Empire finally did resume, the United States lost the advantage of

being part of a trading unit, and found itself subject to higher prices for British imperial goods. The prices of beef and sugar doubled.

On the other hand, the end of the war meant an end to mercantilism and British restrictions on US commerce and travel. The United States had independence on the high seas and US ships could now legally carry goods to and from other areas. While these ships did not have the protection of the British navy and were susceptible to piracy, the revenue generated from them helped develop US commerce. At this time, France replaced Britain as the main trading partner, and trade with Spanish America escalated; not only did the United States assist patriot revolutionaries there, but it also established commercial relations outside of Spain's boundaries. While much of this was considered contraband during the wars of independence, the United States gained a foothold in Spanish America that it would keep.

The United States was also now free to industrialize and produce whatever it wanted, free of British restrictions. This led to an industrial revolution that would be fueled by abundant natural and primary resources, leading to the establishment of a manufacturing base that would see it to become one of the most important producers of finished goods. Lastly, the Peace of Paris meant the end to the Proclamation Line and settlers could move further west in search of better land to farm.

The end of the war had both positive and negative effects on the economy. While there was inflation and depression immediately after the war, there was also the tremendous potential for growth of the economy as industry and agriculture were both poised to expand.

### Social status

When Thomas Jefferson stated that all men were created equal this helped gain the support of a number of potential insurgents who sought political, social and economic advancement. The Revolutionary War was not fought solely by the élites of US society; the lower classes formed the backbone of the army and suffered the most casualties. They fought determinedly in this war to advance their cause and that of their children, but at the end of the war many were back in the same situation, and some people were worse off.

Prior to the war, there had been an élite in US society that was dominated by those loyal to the British Crown. At the end of the war many of the **loyalists** in the 13 colonies went to Canada. Between 1783 and 1800 an estimated 100,000 people emigrated to Canada, but only about half were loyalists who left for political reasons; others emigrated to other parts of the British Empire in search of new opportunities. Loyalists who suffered losses in the war were not compensated and in addition to material losses, they also lost their status as the top of the social hierarchy. This change did not signal a more equal society but led to their replacement at the top of the social hierarchy by patriotic economic élites.

A strong and wealthy group of men emerged out of the Congress and the revolutionary officer corps to form a new upper class in the United States. No sooner was the war over than they began to fear the classes

**Loyalists** were American colonists loyal to Great Britain in the War of Independence. John Adams estimated that one third of colonists were loyalists.

below them as their predecessors had and sought to place limits on the advancement of these groups. Rather than ending social tensions, the war highlighted them and after the common enemy was defeated class conflict began to escalate in the new country.

Farmers in particular were hit hard by the economic troubles of the new country. They faced new taxes that were levied by the states in an attempt to eliminate the debt of the United States. In lean years, their ability to pay was tenuous at best and so many farmers faced foreclosure. Such hard times led to a number of rebellions against the states, the most well-known of which is Shays' Rebellion which took place in western Massachusetts in 1786. Daniel Shays, a veteran of the war, organized 1,000 men who marched on the town of Worcester shutting down the supreme court of Massachusetts, before marching on to Springfield to free debtors who had been imprisoned. They also burned the property of a number of wealthy citizens, creating anxiety among Boston's élites. These wealthy men contributed money to form an army that was defeated in January 1787. While Shays managed to escape to Vermont, about 150 men were captured and faced severe sentencing. Since so many of the rebels were veterans, George Washington intervened and asked for leniency at which point they were pardoned for their actions. Massachusetts later changed its laws so that farmers were not so vulnerable to economic distress, but the role reversal of many of the founding fathers was striking as the very men who rebelled against British tax laws urged that actions be taken against the participants in Shays' Rebellion.

This rebellion did not simply change Massachusetts state law; it also led to the creation of the Constitution of the United States which was ratified in September 1788. It also showed the difference in attitudes and lifestyles of the rural farming class that was the majority of the population and the urban merchant classes who dominated American political life.

Similarly, the artisans and tradesmen who willingly took up arms against the British did not find themselves rewarded by economic or social advancement. Those who lived in the cities shared some of the benefits of urban life, but most of the laws passed tended to benefit those with money and property.

The foot soldiers of the US Revolution did not fare very well; they were not paid the pensions they were due and few found the social mobility they were searching for in the areas in which they lived. One way to overcome this was to move, and so many did. Desirous of their own land and a real sense of liberty, settlers moved west beyond the frontiers of the United States. It was there that they often found the material progress and social standing that they could not achieve in their previous homes. This had the knock-on effect of creating profound social disturbances in the native populations they encountered.

Natives were seen as savages and not in possession of basic human rights—they certainly weren't protected by the laws of the United States. Most of the people who moved west brought with them

firearms that could keep the natives at bay unless they were outnumbered or ambushed. Those Native Americans who tried to live in harmony with the settlers failed in the attempt. Either they fought (and in the long run lost) or the tribes had to move.

During the war, most native tribes tried to remain neutral. Although some sided with the patriots, they were more likely to side with the British. Within native communities there were splits in how to proceed, and with whom to negotiate. Warfare along the borders continued long after the war itself had as the tribes (Shawnees and Cherokees in particular) tried to maintain some regional control.

Since some of the tribes fought with the British, the United States claimed that, as losers in the war, they no longer had the right to the lands west of the Proclamation land. Unlike other losing powers, however, the tribes were not represented at Paris and had no part in the negotiations. Some tribes, such as the Cherokees and Shawnees, resisted US advancement but were unsuccessful in the defense of their territories.

### The status of slaves

The treatment of African Americans during and after the war depended largely on where they lived. In New England, free blacks joined the patriot militias and fought for the cause of independence. However, in the rest of the 13 colonies, Americans were divided over the issue of the role of slaves. The British used this dilemma to their advantage and promised freedom for all slaves who defended the Empire and approximately 12,000 blacks joined the British in their fight against the patriots who enslaved them. After the British received assistance from German troops there was no longer a military need for the slaves, but the British recognized they could engage in economic warfare by promising freedom to all slaves who escaped from patriot owners. The patriots responded by promising freedom to slaves who escaped from loyalists. In the end, most escaped slaves in the south were not freed, but sold back into slavery by the side that granted them amnesty.

In the north, however, slaves were freed for their participation in the Continental Army. This led to a divide in the United States on its views regarding the African population. Dominant in the north was the idea that all men should be free, and seven of the 13 colonies abolished slavery (Vermont, Massachusetts, New York, New Jersey, Connecticut, Rhode Island and Pennsylvania). In the south, slavery continued and was considered necessary for the agricultural and labor-intensive economy. British military leadership did their best to make true their promises and where



Slave family outside



Slaves greeting the P  
slave cabins in Virgin

possible blacks were freed and after the war were evacuated to other parts of the British Empire including approximately 3,500 who went to Nova Scotia and New Brunswick. In the south, many black claims for freedom were ignored and even free blacks were sold into slavery at the end of the war. Slavery remained a source of tension among the states and was an unresolved issue that would cause conflict for the new country well into the 19th century. It was the most divisive domestic issue that the United States faced.

## Spanish America

### The economy

It is difficult to assess the impact of revolution on all of Spanish America but certain generalizations can be made. The wars had devastating effects on the economic resources of the region. The mining industry in particular was harmed by the war—both sides often destroyed extant mines so that they would not benefit the opposing side. Livestock was depleted by hungry armies marching through villages and ranching areas.

Although governments discussed the need to build national economies there were few incentives for those with wealth or ingenuity to do so. Most preferred to purchase imported manufactured goods. They were thus reliant on the continued production and export of raw materials that, in turn, made them dependent on cheap labor. At the same time, without industry, there was little internal demand for the goods they produced, so the logical outcome was export. In the face of such a situation most of the countries welcomed foreign investment and free trade. The results, they would later discover, would not yield the industrial societies that their partners had created; instead they became reliant on foreign investors that established control over most domestic industry in the new countries and often had a stranglehold on key resources.

### Social status

Spanish America was in a very different situation to the United States or Haiti, due to the nature of their wars of independence. Unlike their counterparts in the north, the Spanish Americans had to mobilize a substantial number of non-whites to create an army capable of defeating the royalist forces. This meant that at the end of the wars the non-whites would demand key liberties, and while political rights were granted, social status remained a way of subjugating the other races.

Creoles were successful in retaining their control of political and social life. Although independence brought an end to the aristocracy, there was still a class of élites based on race that dominated Spanish American life. They reserved for themselves all bureaucratic positions and made it much easier for their sons to get an education



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than for others. A European education was still seen as important to social standing, and was difficult for non-whites to attain.

It was still possible for free non-whites to advance socially or economically. They faced discrimination and laws meant to protect them weren't always enforced but they attained more rights than previously. The mixed-race indigenous populations faced even more severe discrimination and often responded with revolts against the governments in power. These revolts were generally suppressed quickly, but there were anomalies. The Yaqui Indians of northern Mexico engaged in nearly a century of warfare against subsequent governments despite receiving the most brutal treatment.

At the end of the revolutions, slavery remained in Spanish America. Although Bolívar outlawed slavery during the wars, it persisted after the war. As in North America, most leaders of the independence movement saw the hypocrisy in their own fight for independence but continued the bondage of others. They were not inclined, however, to act upon these feelings. Reliance on natural resources and primary produce for income also meant continuing an economic system that was reliant on low-paid indigenous and slave labor. This in turn justified the stratified social system that kept the creoles in power.

The situation in Spanish America was by no means homogenous. Just as slavery was not important to the economies of the New England states, it was unimportant in Mexico, Central America and Chile—three countries that abolished slavery shortly after independence. On the other hand, the countries where slavery was more important (Colombia, Venezuela, Perú, Argentina and Ecuador) would continue slavery well into the 1840s and 1850s. Only intensification of slave revolts and a fear of political instability led to emancipation there.



Mexican women making torti

## Conclusion

By the 1820s, independence had been achieved in most of the Americas. Only some islands in the Caribbean and some coastal colonial outposts remained. European influence was waning and the United States had begun to establish itself as a dominant power in the region.

In general, independence had meant long, bloody, costly wars for these new countries and in addition to creating new governments and writing constitutions they would be plagued by war debt that would inevitably lead to conflicts in the new states. There were also unresolved social issues in all of the new countries that would need to be addressed. Often the élites tried to ignore these hoping to allay the problems. The issues of the day—emancipation, suffrage, taxation—remained and intensified until future generations had to confront them, often with equally terrible results.