Speculation in State Bonds Before the Adoption of the Constitution
Abigail Adams to her husband John Adams January 1784
John Adams is in Europe, while Abigail Adams is back in Massachusetts, managing the household. John Adams has recommended that she look into buying nearby farms.

There is a method of laying out money to more advantage than by the purchase of land's, which a Friend of mine advised me to, for it is now become a regular merchandize. **Dr. T-s [Tufts]** has sold a Farm with a design of vesting it in this manner, viz in State Notes. Provision is now made for the anual payment of Interest, and the Notes have all been consolidated. Foreigners and monied Men have, and are purchaseing them at 7 shillings upon the pound, they have been sold at. I have mentiond to you that I have a hundred pounds sterling in the hands of a Friend, I was thinking of adding the 50 you sent me, and purchaseing 600 pounds in state Notes provided I can get them at 7 shillings . This would yeald me an anual interest of 36 pounds subject to no taxes : and be some thing to leave in the hand of a Friend for the support of our Sons.
Source: Adams Family Papers, https://www.masshist.org/digitaladams/archive/doc?id=L17840103aa&rec=sheet&archive=&hi=&numRecs=&query=&queryid=&start=&tag=&num=10&bc=/digitaladams/archive/browse/date/all_1784.php

Why do you think John Adams proposed investing their money in property?
What is Abigail's alternative proposal?
What does it mean purchasing the "Notes at 7 shillings upon the pound." (Note there are 20 shillings in a pound.)
What rate of interest would Abigail be receiving for her 150 pound investment?

The US House of Representatives Debate on Public Credit Following Hamilton's Report, Jan-Feb 1790 **Debate on assumption and discrimination of debt**

[James Jackson from Georgia on speculators]

...guarded against the machinations of speculators. To some gentlemen, characters of this kind may appear to be of utility,; but I, sir, view them in a different light; they are as rapacious wolves seeking whom they may devoir, and preying upon the misfortunes of their fellowmen, taking an undue advantage of their necessities. This sir is the sentiment of my heart and I will always use its language. I say sir whatever might be the happy effects of speculations in other countries, it has had the most unhappy and pernicious effects in this. Look at the gallant veterans, who nobly led your martial bands in the hour of extreme danger, whose patriotic soul acknowledged no other principle than that his life was the property of his country and who evinced it by his repeated exposures to a vengeful enemy. See him deprived of those limbs which he sacrificed in your service. And behold his virtuous and tender wife sustaining him and his children in a wilderness, lonely, exposed to the arms of savages, where he and his family have been drive by this useful class of citizen, these speculators.

Feb 9, 1790

Mr. Livermore [Samuel Livermore from New Hampshire]: For my part I consider the foreign and domestic debt to carry with them very material distinctions. The one is not like a debt, while the other has all the true qualities of one. However gentlemen may think on this subject, there is a great difference between the merits of that debt which was lent the United States in real coin by disinterested persons, not concerned or benefited by the revolution, and at a low rate of interest, and those debts which have been accumulating upon the United States at the rate of six percent interest and which were not incurred for efficient money lent but for depreciated paper, or services done at exorbitant rates or for goods or provisions supplied at more than their real worth by those who received all the benefits arising from our change of condition. ... it is very well known that those who sold goods or provisions for this circulating medium raised their prices from six to ten shillings at least. There was a period at which they were considered of no great value than three or four shillings in the pound; at this day they are not at more than eight or ten. If this then is the case, why should Congress put it upon the same footing as the foreign debt, for which they received a hard dollar for every dollar they engaged to pay?

James Madison on the question of discrimination between original holders of debt and current holders of debt:

The only principles that can govern the decision on their respective pretensions, I take to be, 1. Public justice; 2. public faith; 3. public credit; 4. public opinion.

The [original holders of securities, who later sold them] may appeal to justice, because the value of the money, the service, or the property advanced by them, has never been really paid to them.

They may appeal to good faith, because the value stipulated and expected is not satisfied by the steps taken by the government. The certificates put into the hands of the creditors, on closing their settlements with the public, were of less real value than was acknowledged to be due; they may be considered as having been forced, in fact, on the receivers. They cannot, therefore, be fairly adjudged an extinguishment of the debt. They may appeal to the motives for establishing public credit, for which justice and faith form the natural foundation. They may appeal to the precedent furnished by the compensation allowed to the army during the late war, for the depreciation of bills, which nominally discharged the debts. They may appeal to humanity, for the sufferings of the military part of the creditors can never be forgotten, while sympathy is an American virtue. To say nothing of the singular hardship, in so many mouths, of requiring those who have lost four-fifths or seven-eighths of their due, to contribute the remainder in favor of those who have gained in the contrary proportion.

On the other hand, the [present bond] holders by assignment, have claims, which I by no means wish to depreciate. They will say, that whatever pretensions others may have against the public, these cannot affect the validity of theirs: That if they gain by the risk taken upon themselves, it is but the just reward of that risk: That as they hold the public promise, they have an undeniable demand on the public faith: That the best foundation of public credit, is that adherence to literal engagements on which it has been erected by the most flourishing nations: That if the new government should swerve from so essential a principle, it will be regarded by all the world as inheriting the infirmities of the old. Such being the interfering claims on the public, one of three things must be done; either pay both, reject wholly one or the other,[1] or make a *composition* between them on some principle of equity. To pay both, is perhaps beyond the public faculties; and as it would far exceed the value received by the public, it will not be expected by the world, nor even by the creditors themselves; to reject wholly the claims of either, is equally inadmissible; such a sacrifice of those who possess the written engagements, would be fatal to the proposed establishment of public credit; it would moreover punish those who had put their trust in the public promises and resources. To make the other class the sole victims was an idea at which human nature recoiled.

A composition, then, is the only expedient that remains; let it be a liberal one, in favor of the present holders; let them have the highest price which has prevailed in the market; and let the residue belong to the original sufferers. This will not do perfect justice; but it will do more real justice, and perform more of the public faith, than any other expedient proposed. The present holders, where they have purchased at the lowest price of the securities, will have a profit that cannot reasonably be complained of; where they have purchased at a higher price, the profit will be considerable; and even the few who have purchased at the highest price cannot well be losers, with a well funded interest of 6 per cent. The original sufferers will not be fully idemnified; but they will receive, from their country, a tribute due to their merits, which, if it does not entirely heal their wounds, will assuage the pain of them. I am aware, that many plausible objections will lie against what I have suggested, some of which, I foresee, will be taken some notice of. It will be said, that the plan is impracticable; should this be demonstrated, I am ready to renounce it; but it does not appear to me in that light. I acknowledge that such a scale, as has often been a subject of conversation, is impracticable.

The discrimination proposed by me, requires nothing more than a knowledge of the present holders, which will be shown by the certificates; and of the original holders, which the office documents will shew.

I conclude with declaring, as my opinion, that if any case were to happen among individuals, bearing an analogy to that of the public, a court of equity would interpose its redress; or that if a tribunal existed on earth, by which nations could be compelled to do right, the United States would be compelled to do something not dissimilar in its principles to what I have contended for.

How do the different speakers see the different actors in the question of the public debt? How do they see the colonists' actions in the American Revolution? What kind of language do they use? In what ways do the ideas reflected in these speeches different from the ideas of Alexander Hamilton in his "First Report on the Public Credit."? What would have been the implications of adopting James Madison's proposal?