

No. _____

Finance Department.

Tokio, Japan 3rd day of 3rd month
Meiji 8th year.

N.E.

Okuma Shigenobu

Minister of Finance

Sir: I understand that projects
have been submitted to the Government
for the building of railways by which
contractors offer to take in payment
new bonds of the Japanese Government
bearing 7 per cent interest. It is
urged that such plan would not
require the Government to raise
any actual money excepting the
amount required for the payment
of interest upon the bonds and that
it is consequently a very favorable
plan for the Government.

Permit me to point

out the error of such reasoning:

1st While Contractors may agree to build railways and take bonds in payment they would agree to build the railway upon much more favorable terms if paid in Cash

2^d If bonds have to be issued more money could certainly be realized by having them negotiated by the Government than they could be by permitting private parties to negotiate them.

3^d If bonds are issued directly to Contractors, such Contractors may in consequence of financial difficulties be compelled to negotiate them at such low

figures as would permanently injure
the credit of the Government.

4th It is bad policy for bonds
to be issued directly to Contractors,
as it looks as if the Government
could not raise the money. It is
only governments in poor credit that
issue bonds in such manner.

I have also heard it stated
that a proposition has been submitted
by which private Corporations would
build railways if the Government
will guarantee the bonds. I should be
pleased to give you my views upon
the question if you should require them.

Very Respectfully

Geo. P. Millard

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余ハ其建言ニ於テ包管人等ガ鐵道建築ノ為メ

日本政府ヨリ七銖利息ノ新公債証書ヲ受取リ度

旨ヲ述ベ又斯ル計策ヲ以テ之ヲナスハ政府

ハ公債証書ノ利息ヲ出スノ外更ニ實在金額ヲ

募ル下ヲ要サラルルハナキユヘ政府ニトリテハ

頗ル良策ナル旨ヲ主論セルトノ一事ヲ曉得セリ

今余ヲシテ如此論說ノ過誤ヲ指示セシメヨ

第壹条 此包管人等ガ仕拂レシテ公債証書ヲ

受取リ鐵道ヲ建築スベシト結約セン

大藏省

ナレバ若シ正金ヲ以テ之ヲ拂フニ於

テハ幾層モ合格ノ期約ニシテ之ヲ築

造スベキハ疑ヲ容レス

第貳条 是非トモ公債証書ヲ發行スベキ譯ナ

レハ人民ニテ此賣渡ヲナスヨリハ政

府ニ於テ之ヲナスヲ可トス然ルモノ

ハ政府ニテ之ヲ賣渡スハ多分ノ金

額ヲ募リ能フハ必定ナレバナリ

第參条 包管人等ハ政府ヨリ直當ニ公債証書

ヲ發行スルハ其人等ガ金錢上ノ困



難ヨリ余羨ナク下低ノ價格ニ之ヲ賣
渡シ永ク政府ノ信憑ヲ害スルコアル
ベシ

第四條 包管人等ハ政府ヨリ直當ニ公債証書
ヲ發行スルアレバ夫レガ為メ外見ニ
ハ政府ハ金額ヲ募ル能ハズトスルガ
故極テ失策ト云フベシ抑モ斯ル仕方
ニテ公債証書ヲ發行スルハ信憑少キ
政府ニ限り之ヲナスモノトス

余亦聴ケリ政府ニ於テ人民ヨリ發行スル債金

大藏省

証書ヲ保証スルコアレバ人民ニテ鐵道ヲ築造
スベキ旨ヲ建言スルモノアリト
右等ノ事件ニ付キ閣下ノ下問ヲ忝クスルアラ
ハ余ハ好テ卓見ヲ陳セントス

ジヨシ、ヒー、ウナルリアムス

大隈公閣下