LEGATION OF
THE UNITED STATES OF AMERICA

Bangkok, August 26, 1940.

FILE COPY

No. 6

Subject: Prime Minister's Press Conference on August 2.

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The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to enclose herewith for the Department's information accounts from the Bangkok Times and Bangkok Chronicle of August 3, 1940, of the press conference of the Prime Minister, Major General Pibul Songgram, held on August 2, 1940.

The principal topics of interest among the Prime Minister's statements were (1) his reference to a mission to Europe, headed by Rear Admiral Luang Sindhu Songgramjaya, Minister of Public Instruction and Commander-in-Chief of the Navy, and (2) his remarks concerning the diversion of money raised for municipal loans to other more urgent purposes.

Since

Since the Prime Minister's press conference it has developed that in addition to the Mission to Europe, a second Mission, headed by the Deputy Minister of Defense, Colonel Luang Brahma Yodhi, is to proceed to Japan via French Indochina. They are to be designated as "good will" missions although it seems apparent that they will engage in political and military discussions respectively in Germany and Italy, possibly in London, in French Indochina and Japan and in the British possessions in the Far East. The Legation's telegrams no. 51 of August 15 (2:00 P.M.) and no. 54 dated August 17 (3:00 P.M.) 1940 relate in part to the proposed activities of the two missions. The Legation's telegram no. 61 dated August 24 (3:00 P.M.) 1940 furnishes the latest information available on the subject.

The fact that the Government has been forced to divert funds raised for municipal loans in order to finance its ship purchasing scheme is clearly indicative of the meagre amount of liquid capital at the disposal of the Treasury. In this connection reference is made to the Report of the Financial Adviser to the Ministry of Finance, Mr. W. A. M. Doll, a portion of which was transmitted with the Legation's despatch no. 721 of July 6, 1940, and the Report in final form with despatch no. 740 of July 26, 1940. In the conclusion to his report Mr. Doll stressed that the funds in the Treasury Balance have declined to a point which is incompatible with safety under present world conditions.

Respectfully yours,

Hugh G. Grant
American Minister

Enclosure:
1. Press account from Bangkok Times.
2. Press account from Bangkok Chronicle.

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Distribution: Original and four copies to Department.