A 6-59

1945 - 1949

From 711.90 J 2/1 - 145

To 711.93 /11 - 3045

Box 3398

102

96

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 760025
By [illegible] NARA Date 2-28-78

711.9211

STANDARD FORM NO. 64

# Office Memorandum · UNITED STATES GOVERNMENT

TO : Mr. Bell

DATE: August 23, 1945

FROM : Miss Finch

SUBJECT:

Our present rights in Thailand are governed by the Treaty of Friendship, Commerce and Navigation between the United States and Siam, signed at Bangkok November 13, 1937, and ratified in 1938. In general the Treaty provides for most-favored-nation treatment of American nationals with regard to trade and commerce with Siam. The most-favored-nation clause, of course, applies only to the nationals and ships of the United States and has no reference to air navigation rights.

According to the provisions of Article 1 United States nationals may enter, travel and reside in the territories of Thailand and may carry on commerce and trade, own or lease and occupy houses, shops, etc., lease land for residential, commercial and other purposes, upon the same terms as the nationals of Thailand. ~~The~~ United States corporations, partnerships and associations are also entitled to national treatment with regard to acquiring and disposing of movable property in Thailand. The acquisition of immovable property by United States nationals, including corporations, is subject to the laws of the place of such property.

Article 1 of the Treaty of 1937 also provides that where any state, territory or possession of the United States accords to nationals of Siam the right to acquire, possess and dispose of immovable property, nationals of the United States, including corporations, etc., who are legal residents of or organized under the laws of such state, territory or possession shall be granted all the rights respecting immovable property in Siam which may be granted to nationals of any other country, upon the principle of non-discriminatory treatment.

In an exchange of notes made at the time of the signing of the Treaty, the Siamese Minister of Foreign Affairs informed the American Minister that it was the intention of the Siamese Government to grant to foreigners the right to acquire immovable property for residential, commercial and other purposes, while the acquisition of lands of a public domain would be reserved for subjects of Siam without prejudice, however, to the rights already acquired according to the laws and regulations at the coming into force of the new Treaty.

AV:EHFinch:DBW

EHF

711.9211/8-2345

CS/VJ

711.92/8-2345

DEC 19 1945

DCR - No Unit

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 760052
By [illegible] NARA Date 3-28-78



SECRET

August 9, 1945

# UNITED STATES ECONOMIC POLICY TOWARD THAILAND

A. Problem

What is United States economic policy toward Thailand?

B. Recommendations

It is recommended that it should be the policy of the United States:

1. To support the appropriate efforts of the Thai Government and the Thai people to make their own decisions with respect to entering into agreements or making other commitments on economic matters of international import.

2. To be prepared to provide financial and economic advice upon request and by this and other means to facilitate the development of the Thai economy and its foreign trade on a multilateral basis.

3. To look with favor upon the extension of private credits to the Thai Government and to Thai industry, and to be prepared, in appropriate circumstances, to provide Government or Government-guaranteed loans that promise to be of benefit to the Thai people and that can be supported by the Thai economy without undue strain.

4. "To make operative between the United States and Thailand the existing commercial treaty (without prejudice to later revision) which provides for the economic rights and privileges of American nationals; and to seek from the Thai an understanding that nationals of other members of the United Nations will be treated on a similar non-discriminatory basis and that any concessions or other special privileges which the Thai may grant will be open to all on equal terms" ("American Policies Regarding Thailand", June 7, 1945, approved by Staff Committee June 15, 1945 as S C 129a)

5. To assist Thailand in obtaining imported relief and rehabilitation supplies which may be needed by Thailand during and after liberation; to continue to seek authority for UNRRA to operate in Thailand on the same terms and conditions as in other liberated areas.

6. To stand

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NN 71005?
By NARA Date 2?/?/



6. To stand ready to assist Thailand in carrying out the policies adopted by the United Nations for the liquidation of Japanese investments, leaseholds, and concessions, and to seek to secure participation by Thailand in whatever agreements are entered into by members of the United Nations for the future regulation and control of Japanese economic penetration.

7. To seek to postpone the settlement of questions of reparations and possibly restitution as between Thailand and the United Nations and as between Thailand and Japan until the general reparations decisions are made at the conclusion of the war with Japan.

C. Basic Factors

1. Before the war nearly 80 percent of Thai exports went to British Empire ports, either for further processing, for consumption, or for transshipment to other countries. British interests, working primarily through international cartel or cartel-like organizations controlled the export of tin, rubber, and teak, next to rice the three most important Thai exports. Nearby British colonies imported nearly three-fourths of Thailand's rice exports. British investments and concessions were of great importance to the internal economy of Thailand. As a reflection of these close relationships the baht was tied to the pound and British influence tended to dominate Thailand's international economic relations.

2. In the decade prior to the war Japan was assuming an increasingly important role in Thailand's economy. Her products, mostly cheap manufactured articles, averaged 20 percent of Thailand's imports in the years 1935-39.

3. The Chinese have long been a prominent factor in the internal economy of Thailand. They have a virtual monopoly of retail trade and provide most of the skilled labor for commerce and industry. They retain close economic ties with China and their remittances are an important factor in the Thai balance of payments. Chinese consumption of Thai rice has varied from about 1/6 to 1/4 of Thai rice exports.

4. In the past the direct economic interest of the United States in Thailand has been negligible as to both trade and investments. (In the five years, 1935-39, imports

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority NND 760078
By NARA Date 2/8/11



imports from Thailand averaged $310,800, and exports to Thailand averaged $2,513,000). The United States has an interest in expanding her trade with Thailand and in providing reasonable opportunities for investment of United States capital in Thailand.

5. However the primary interest of the United States in the economic position and policy of Thailand reflects our desire to give reality in the economic sphere to our political policy with respect to Thailand. This is described in "American Policies Regarding Thailand", dated June 7, and approved by the Staff Committee on June 15, 1945, as follows:

> "It is the declared United States policy to favor restoration of a free, independent and sovereign Thailand under a government representing the free will of the Thai people."

6. The achievement of the goals of United States policy with respect to the economy of Thailand will depend to an unusually large extent on the success of our world policies with respect to the development of multilateral trade and financial movements on an expanding scale, and, in particular, upon the degree to which the non-dollar currencies which Thailand receives for her exports become freely convertible into dollars. Important also will be the outcome of steps taken with respect to international controls on the production and marketing of rubbers, tin, and teak, and the provision of adequate international organizations along the lines of the Bretton Woods agreement to stabilize currencies and assist in the economic development of relatively non-industrialized areas.

7. The United States "desires to have continued the treatment provided for its nationals in the existent commercial treaty (without prejudice to seeking most-favored nation treatment for United States commercial air transport companies). It wishes Thailand to adopt similar policies toward all members of the United Nations, including, to the extent consistent with maintenance of Thai independence, minimum discrimination against foreign nationals and equal economic and commercial opportunities for all." ("American Policies Regarding Thailand", June 7, 1945, approved by Staff Committee June 15, 1945 as S C 129a)

Approved by Office of Assistant Secretary for Economic Affairs August 9, 1945. Previously cleared for political implications by Interdivisional Area Committee on the Far East.