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E.O. 12065, Section 6-102
By AT NARS, Date 2-21-96

7116

STANDARD-VACUUM OIL COMPANY

26 BROADWAY
NEW YORK

CLAUDE A. THOMPSON
GENERAL COUNSEL

RECEIVED
DEPARTMENT OF STATE
1935 AUG 30 AM 9 37

August 29 1935

August 21, 1935.

DIVISION OF
COMMUNICATIONS
AND RECORDS

892.5211

Re: Siam - Ownership of Land by U.S. Citizens and Corporations

Ltr and d.

Division of
FAR EASTERN AFFAIRS
AUG 22 1935
Department of State

Hon. Stanley K. Hornbeck,
Chief, Division of Far Eastern Affairs,
State Department,
Washington, D. C.

Dear Dr. Hornbeck:

Standard-Vacuum Oil Company is the beneficial owner, but not the record owner of various parcels of land used in its business in Siam. The record title to this land is held in the name of employees who have executed deeds of trust in favor of the Company, but this method of holding title to land is not entirely satisfactory and we are desirous of having the legal title to the land transferred to and vested in the Company.

Our office in Siam has had this matter under consideration for some time, and has encountered certain difficulties which are set forth in a letter from our Hong Kong Office, dated July 5, 1935, a copy of which I am enclosing herewith for your information.

Unfortunately I do not have in my office a copy of the Treaty between Siam and the United States, but I gather from the letter from our Hong Kong Office, above referred to, that there has been some discussion between the United States Government and the Siamese Government with reference to the right of United States nationals to own land in Siam, and that there is some difference of opinion between the two Governments on the subject. I shall appreciate it if you will be good enough to let me know the provisions of the existing Treaty with reference to ownership of land by United States nationals in Siam, and the present status of any controversy between the two Governments with reference to that subject, provided, of course, that the information requested is such that you can furnish it with propriety.

Incidentally, I may add that the laws of Delaware, the State in which Standard-Vacuum Oil Company is incorporated, now permit the ownership of land in Delaware by nationals of Siam.

Very truly yours,

C. A. Thompson.

CAT:M
Enc.

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AUG 30 1935

F/FG.

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Letterhead
of

New York STANDARD-VACUUM OIL COMPANY #995

Hong Kong, July 5th, 1935.

Transfer of Property, Siam.

Standard-Vacuum Oil Co.,
New York.

Dear Sirs,

We will appreciate it if it is possible for you to have enquiries made to advise us as to the present status of negotiations which we understand are proceeding between the U.S. Government and the Siamese Government in regard to Americans holding land in Siam.

We hold seven pieces of property in Siam registered in the name of employees who have given us deeds of trust. Among these is part of our Rathboonah property acquired in 1932 to comply with the petroleum ordinance for fire-free zone which we are trying to get transferred to the Standard-Vacuum Oil Co. as being preferable to holding property under deeds of trust which might prove troublesome in event of the death of the employee. We are also trying to transfer the original site which is in the name of Standard Oil Co. of New York.

Our legal advisers have been working on this question for some time and we were led to believe on several occasions that the wording of the present treaty permit Americans to hold land so long as they remain in Siam which in the case of the company is no obstacle. Acting under this advice, we transferred one small up-country godown site without question and through possible ignorance on the part of the smaller officials up-country we may be able to transfer more of them, but as a precaution we will retain the deeds of trust against the possibility of the transfer being ruled illegal.

However, in attempting to transfer the large property at Bangkok (Rathboonan installation), the various government departments shift the responsibility of giving permission to the transfer though it would seem the real responsibility is with the Foreign Office and at the moment the best we can get from them is that the Siamese Government had transmitted their interpretation of the last treaty to the Government of the U.S. for their concurrence and until the two Governments had reached a decision, no orders could be issued in settlement of our request.

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#995

New York

We cannot ascertain what the interpretation referred to is, and the American Minister cannot seem to help to further this transfer although in the past it has been the practice for Americans desiring to purchase land to obtain special permission in each instance from the Siamese Foreign Office through the American Minister by some process of having the land deeded to the King who, in turn, leased it to the purchaser in perpetuity and it was in this manner that the Rathboonah property was originally obtained in 1905.

We can of course maintain the status quo of all of this property or to improve the deed of trust position, have the property transferred to our lawyers or bankers - both British - who have the right to hold land, and no question in either case will arise in regard to possession since the Government is apparently quite happy to receive taxes, assessments, etc., from us but we should like to be able to carry out instructions to bring all titles to property to the Standard-Vacuum Oil Co. So if you can ascertain anything that will give us an idea as to the likelihood of land ownership in Siam being cleared up in the near future it will be of assistance. If your enquiries should develop that the negotiations are being carried out on the basis of the land - laws of individual states of the U.S., it would be of interest to us to know whether or not the State of Delaware has any restrictions against Siamese owning property in that state.

Yours very truly,

FDT/AVG

Standard-Vacuum Oil Co.,

(Signed) W.L. Marshall

W.L. Marshall, Assistant General Manager.

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DCR
Return to FE/WITF

In reply refer to
FE

August 29 1935

Mr. Claude A. Thompson,
General Counsel,
Standard-Vacuum Oil Company,
26 Broadway,
New York, New York.

Sir:

The receipt is acknowledged of your letter of August 21, 1935, stating that your Company is desirous of acquiring legal title to various parcels of land in Siam of which it is at present the beneficial owner, and requesting that you be informed of the provisions of the existing Treaty between the United States and Siam which bear on the matter of land ownership, and the present status of the negotiations in regard to this matter which have been carried on between the Governments of the two countries.

There is hereunder quoted that portion of Article I of the Treaty of 1920 between the United States and Siam which relates to the holding of land:

"The citizens or subjects of each of the High Contracting Parties shall have liberty to enter, travel and reside in the territories of the

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the other, to carry on trade, wholesale and retail, to engage in religious, educational and charitable work, to own or lease and occupy houses, manufactories, warehouses and shops, to employ agents of their choice, to lease land for residential, commercial, religious and charitable purposes and for use as cemeteries, and generally to do anything incident to or necessary for trade upon the same terms as native citizens or subjects, submitting themselves to the laws and regulations there established."

For your information there is hereunder quoted an excerpt from a note addressed under date February 7, 1935, by the State Councillor for Foreign Affairs to the American Minister at Bangkok:

"It was the policy of His Majesty's Government under the old regime to grant, as a matter of courtesy, applications for Americans to acquire land in Siam, although under the Treaty the only right granted is a right to lease land for certain purposes and to own buildings for certain purposes. That policy was possible under the old regime, because His Majesty's decision had the force of law in itself. Under that policy, therefore, it was not necessary for His Majesty's Government to make a legal decision with regard to the rights of Americans to own land either under the provisions of the Treaty or under the provisions of the national laws.

"The situation in Siam has been fundamentally changed by the adoption of the Constitution and the former policy can no longer be continued. This change in policy is not due to any change in the attitude of His Majesty's Government towards the Government of the United States or towards American nationals residing in Siam. It is the inevitable result of the distribution of powers under the Constitution. The legislative power now resides in the Assembly of the People's Representatives, and that body alone has the right or authority to make legal provisions exempting any individual or class of individuals from the application of any national law. Accordingly, the executive branch

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of His Majesty's Government must decide each question that may arise concerning the ownership of land by an American solely by the provisions of the national law and the provisions of the Treaty. As you are aware, the Treaty, although somewhat vague in its terms, gives no rights to Americans to own land in Siam. There is, however, still in force in Siam a Law promulgated during the Fourth Reign, which came into force in 1856, specifying the limits within which and conditions under which aliens, including Americans, are permitted to buy or lease lands. The pertinent provisions of this law are as follows:

"(1) Aliens who have resided 10 years in Siam may both purchase or lease land within the City of Bangkok and within a radius of 200 sens from the City Wall. The only condition other than period of residence is that the seller should first apply to the Minister and receive his consent.

"(2) Aliens without regard to the period of residence may buy or lease land in the area outside the 200 sens radius from the City Wall and within a distance of 24 hours journey by boat. The only condition is that the land owner who desires to sell or lease land must inform the District Officer so that he in turn may inform the proper officials and the Governor in order that they may witness the deed or lease. This area is specifically described in the Act as follows: (continued)

"'North: As far as where the Mouth of the Bang Putsah canal joins the River Chao Phya (along the canal) to the walls of Muang Lopburi, and straight on (from Lopburi) to the landing place of Phra Ngam on the Saraburi River;

"'East: From the landing place of Phra Ngam to Bang Kanark, where the Klongkut Canal joins the River Bang-pa-Kong, (along the Bang-pa-Kong River) straight to the Mouth of the Bang-pa-Kong River, and straight on to the Island of Srimaharaja.

"'South: From the Island of Srimaharaja to the walls of the town of Bejraburi.

"'West:

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"West: From the Gulf of Bejraburi to the mouth of the River at Muang Samuda Songgram, along the River to the walls of the City of Rajburi and straight to Muang Subarnburi and from Subarnburi to the mouth of the Seng Putsah Canal from which the Northern boundary started.'

"(3) Beyond this 24 hours limit aliens are prohibited from buying or leasing land.

"The question now arises whether or not Americans may exercise these limited rights under the old Land Law, or whether they can only exercise such rights as are given by the Treaty.

"His Majesty's Government is disposed to hold that Americans may exercise such rights as are given by the Royal Decree of the Fourth Reign, provided official evidence can be furnished that Siamese subjects are entitled to hold land in certain States of America according to the local laws."

While American citizens appear clearly to be entitled to lease lands in Siam for the purposes enumerated in Article I of the Treaty of 1920, herein quoted, upon the same terms as Siamese subjects, the Treaty does not confer on American citizens the right to own land in Siam. Accordingly there is no legal basis for demanding such a right on behalf of citizens of the United States.

However, the Department is furnishing the Siamese Foreign Office information in regard to the right of Siamese subjects to own land in the several States and the Legation will be instructed to continue its efforts to

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to obtain for American citizens the maximum privileges with regard to the leasing and ownership of land in Siam.

Very truly yours,

For the Secretary of State:

Stanley K. Hornbeck,
Chief,
Division of Far Eastern Affairs.

A true copy of the signed original

AUG 29 1935 PM

CR

WTT
FE:WTT:DLY
8-28-35

FE