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March 38
13/14

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

THE
AMERICA
18, 1938.

13589

May 13, 1938.

Reference Bangkok's despatch no. 134, April 18, 1938, political report for March.

This despatch refers to the Chinese boycott of Japanese products already covered in Bangkok's despatch no. 114 of March 24. This boycott, which has served to show the extent to which Chinese merchants have control of the Siamese market, has given impetus to a demand that Siamese take a greater share in the handling of the export of the country's products.

The Legation reports that no legislation affecting foreign interests unfavorably was enacted at the last session of the assembly which closed on March 19. This statement would appear to be of importance in connection with the matter of oil control legislation.

The decrease of approximately 20,000,000 baht in the total foreign trade of the port of Bangkok for the fiscal period April 1937 to February 1938 as compared with the preceding year is due largely to decreased exports of rice, Siam's principal export.

LEGAL ADVISER
DEPARTMENT OF STATE
Check
to Field
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COMMERCE
as confidential
L 11 1938
Division of
FAR EASTERN AFFAIRS
MAY 10 1938
Department of State
OFFICE OF THE ADVISER ON
INTERNATIONAL ECONOMIC AFFAIRS
JUL 13 1938
DEPARTMENT OF STATE

892.00 P.R./108

FE:Spencer:HES

From:

Washington.

Sir:

Edwin L. Neville
American Minister

1/ I have the honor to transmit herewith the Political Report of the Legation for the month of March 1938.

Respectfully yours,

Edwin L. Neville

Edwin L. Neville
American Minister

Enclosure:
1. As stated.

800-SIAM

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JUL 13 1938

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LEGATION OF THE
UNITED STATES OF AMERICA
Bangkok, April 18, 1938.

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1938 MAY 10 AM 8 42

13589

No. 85
No. 134

Subject: Political Report for March.

BY AIR MAIL

DIVISION OF COMMUNICATIONS AND RECORDS

LEGAL ADVISER
DEPARTMENT OF STATE

For Information Only
Grade | Field
For | OWI-MID COMMERCE
Excerpts as confidential

12.00 P.R.

JUL 11 1938
Division of
FAR EASTERN AFFAIRS
MAY 10 1938
Department of State

STRICTLY CONFIDENTIAL
POLITICAL REPORT
MARCH 1938

A-M/C
RECORDING DESK
FILE - U.S.M.T.

OFFICE OF THE ADVISER ON
INTERNATIONAL ECONOMIC AFFAIRS
JUL 13 1938
DEPARTMENT OF STATE

The Honorable

The Secretary of State,

From: Washington.

Sir:

Edwin L. Neville
American Minister

I have the honor to transmit herewith the Political Report of the Legation for the month of March 1938.

Respectfully yours,

Date of completion: April 19, 1938.

Date of mailing (air mail): April 20, 1938.

Edwin L. Neville
American Minister

Enclosure:
1. As stated.

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[illegible]

[illegible]

[illegible]

[illegible]

POLITICAL REPORT

MARCH 1938

From:

Edwin L. Neville
American Minister

American Legation

Bangkok, Siam.

Date of completion: April 19, 1938.

Date of mailing
(air mail); April 20, 1938.

5/56

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By MJP NARA Date 5/1/96

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Bangkok Monthly Political Report, March 1938.

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rice

*Despatch No. 104, [illegible], and No. [illegible] of March 28.
** Despatch No. 115, [illegible].

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I. POLITICAL RELATIONS WITH THE UNITED STATES.

(Nothing to report.)

II. POLITICAL RELATIONS WITH OTHER COUNTRIES.

New Treaties

During the month exchanges of ratifications of treaties took place between Siam and Japan*; Siam and Sweden*; Siam and Norway* and Siam and Denmark*. These are treaties replacing those which lapsed in November 1937. They contain no reference to extra-territorial rights and are of the equilateral type for which Siam has been striving for a number of years.

There has been no change in the situation reported in January, so far as treaty relations with Portugal are concerned, and at the close of the month no progress appeared to have been made.

Anti-Japanese Boycott by Chinese Merchants in Siam

The boycott activities referred to in the Legation's January Political Report continued during March and were the subject of comment in the Press. The boycott seemed to be having some effect on Japanese imports into Siam, as Customs returns for the first two months of the present calendar year showed that Japanese imports were only about half the value of the Japanese imports for the corresponding period of 1937. Other reports indicate that the Chinese population, or a part of it at least, are continuing their efforts to curtail the sale of Japanese goods in Siam, and it seems probable that much of the curtailment of Japanese imports noted above is due to the activities of Chinese merchants in this country.

Another phase of this question is the apparent efforts of the Chinese population to prevent the sale of Siamese rice

*Despatches nos. 104, 105 of March 11, and no. 116 of March 28.
** Despatch no. 114, March 24, 1938.

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rice to Japanese buyers. One rice mill which undertook to sell rice to Japanese was boycotted by the Chinese merchants who control the rice market, according to reports in the Press, although the action was taken with the encouragement of the Siamese Government authority concerned. This has given rise to much comment as indicating the hold which Chinese merchants and money lenders have on the distribution of rice in this country.*

III.

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III. INTERNAL POLITICAL CONDITIONS.

Release of political prisoners

Ever since the Revolution which established the present form of Constitutional form of Government in Siam, numbers of persons, many of them of considerable prominence, have been detained as political prisoners whom the Government felt it would be dangerous to permit at large. Others were put in jail at the time of the abortive "Counter Revolution" of 1933. Fifty-three of these persons, according to Press reports, were released during the month after undergoing a course of civic training under the auspices of the Ministry of Defence. There are said to be about one hundred or more still detained in prison, but Press reports state that opportunities for release will be afforded them at a later date. The Government apparently desires to assure itself that these persons have either become reconciled to the new régime or are no longer dangerous.

Political reaction to Chinese boycott

The boycotting of a rice mill, referred to in Section II, has been the subject of much comment in the Press, and has given impetus to a demand that Siamese take a greater share in the handling of the export of the country's products. Numerous suggestions have appeared in the Press, but it appears that the question is so involved in the kindred questions of Rural Credit and the encouragement of agriculture that the Government has so far taken no action. At the close of the month no concrete developments had come to light, although rumor persisted that the Government would take some action during the coming year.

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IV. COURSE OF LEGISLATION.

The Assembly

The Assembly continued its sittings until March 19. The Government was successful in obtaining approval of the Budget (see Political Report for February) and considering the unfamiliarity of most of the members with public affairs, the Legislature may be said to have acquitted itself with credit. No legislation affecting foreign interests unfavorably was enacted, the Assembly devoting its attention to domestic interests.

An interesting feature of the session was the adoption of regulations for the pay and allowances of members of the Assembly: it was voted to grant no pay to members who do not attend, and to penalize absences by deductions from their pay, unless absences have been specifically sanctioned.

The customs administration law was amended to cover imports and exports by land and by air, as contemplated in Siam's new treaties with France and England in regard to border traffic, as it is expected that new roads and the growth of air transport will call for increased Customs personnel and entry facilities.

One of the questions that was discussed at length in the Assembly was public health, and a private member's bill was passed despite the Government's opposition, permitting old style medical practitioners of the old Chinese medicine man's type to continue to practice for the time being even if he had not complied with all the registration formalities of the present laws. The arguments advanced were that there are not enough medical men with modern qualifications to take care of the people, particularly in the rural districts. To make it an offense for old style

doctors

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doctors to practice, or to curtail their practice until they have all registered (as they are allowed to do under the present law for a limited period) would simply deprive the public in the country districts of any medical advice at all, as there are only some hundreds of qualified doctors of the Western type available. The bill, while not of great importance in itself, is interesting as showing awakened interest in public questions.

Another interesting measure which was adopted by the Government and pushed through the Assembly was a bill to control loud speakers and other noise nuisances. The bill was passed primarily as an aid to traffic control as it was stated that drivers and pedestrians were so confused by the din of conflicting advertisers with their noises at intersections that accidents were becoming frequent on account of it.

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V. GOVERNMENT FINANCE.

Treasury Reserves Currency Reserves

Nothing new to report.

Supplementary Budget

The Finance Minister introduced a supplementary budget into the Assembly amounting to Ticals 575,116, to cover unforeseen expenses due to the negotiation of new treaties, the outbreak of epidemics in the rural regions and to assist some localities where the crops had been bad. The money is to be taken from Treasury reserves. The Assembly approved the supplementary grant with very little discussion.

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VI. GENERAL ECONOMIC AND FINANCIAL CONDITIONS

Trade of the Port of Bangkok

According to the Customs Monthly Return, imports into Bangkok during February of this year amounted to Ticals 8,047,013, and exports to Ticals 11,562,943. The corresponding figures for 1937 were imports, Ticals 8,270,656, and exports, Ticals 11,310,400. As Bangkok accounts for something over 90% of the foreign trade of the country, these figures may be taken to indicate very well the general trade of the country. These statistics indicate a slight increase in the trade of February, 1938, over February, 1937, -- Ticals 19,609,956 in 1938 against Ticals 19,581,565 in 1937, due to increased exports. The total foreign trade of the port, however, for the fiscal period April, 1937, to February, 1938, is less than the corresponding figure for the preceding year -- Ticals 178,493,885 in the current year, against Ticals 200,023,723 in the fiscal period April, 1936 to February, 1937. The decrease is due to decreased exports of rice: Ticals 63,892,512 during the current fiscal year against 86,252,114 in the period April, 1936 to February, 1937. As the condition of rice exports is by far the controlling factor in Siam's foreign trade, the rice markets of the world and the state of rice production in the country are uppermost in the calculations of the Siamese Government. The position held by Chinese merchants in the export of Siamese rice is causing the Siamese anxiety, as outlined in a previous section of this report.

Rubber Restriction Agreement

While no official announcement on the subject is available, press reports state that Siam will agree to a new rubber restriction plan, and that this country's quota will be increased from its present allotment of 40,000 tons to

54,000

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54,000 tons in 1938, gradually increasing to 60,000 tons in 1943. The press reports state that a minimum of 35,000 acres will be alloted to Siam for new planting during the period.

VII. ACTIVITIES OF AMERICAN COMMERCIAL INTERESTS

(Nothing to report.)

VIII. ACTIVITIES OF FOREIGN COMMERCIAL INTERESTS

(Nothing to report.)

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IX. EMIGRATION AND LABOR MATTERS

Chinese immigrants

According to press reports and other information, the Siamese authorities are much concerned at the recent influx of Chinese immigrants who are fleeing from the South China area. It is stated that hundreds are arriving on various vessels from China ports. This influx, added to the large Chinese population in Bangkok and other centers in Siam at a time when the Chinese economic hold on the country is attracting attention, is the reason for this concern.*

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*Despatch No. 114 of March 24, 1938.

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X. MISCELLANEOUS.

Visit of American Correspondents

During March Bangkok was visited by two American correspondents, James Mills of the Associated Press and Mona Gardner (Mrs. David S. Tait) of the North American Newspaper Alliance. According to press accounts these correspondents visited the region of the much-talked-of Kra Canal, and rode across the isthmus on elephants, the idea being to dispose of the rumors that a canal is in process of construction there. The Legation has seen nothing of any reports that either of them may have written on this subject.

Opening of new Railway service from Bangkok to Ubol

The Royal State Railways on March 19 opened an express service from Bangkok to Ubol Rajini, on the French Indo-China frontier. The express train leaves Bangkok once a week on Saturday afternoon, reaching Ubol on Sunday morning. It leaves Ubol on its return journey on Monday afternoon, reaching Bangkok on Tuesday.

Opium

Nothing to report.

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Note: The present value of the baht (or tical), the Siamese unit of currency, is approximately $0.46.

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Despatches forwarded by the American Legation at Bangkok to the Department of State during March 1938.

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95	March 1	Transmission of Treaty between Siam and Germany.
96	" 3	Report of member of Committe of Rubber Quota fixing.
97	" 1	Change of janitors.
98	" 7	Departure of Mr. Norris.
99	" 7	Cost of living Allowance of Mr. Norris.
100	" 7	Bond of Mr. Norris.
101	" 7	Siamese Currency Reserve Fund.
102	" 8	January Political Report.
103	" 10	Siamese-Japanese Relations (Confidential).
104	" 11	Transmission of Treaty between Siam and Japan.
105	" 11	Transmission of Treaty between Siam and Norway.
*105	" 12	Opium Seizures - January.
106	" 16	Correction slips to accompany tender form transmitted with despatch no. 67, Consulate.
107	" 16	Appointment of Mr. Esche as clerk.
108	" 19	Siamese-Japanese Relations (Confidential).
109	" 19	February Political Report.
110	" 20	Opium Seizures - February.
111	" 22	Transmission of Foreign Office Journal.
112	" 22	Non-participation of Siamese Government in National Petroleum Exposition.
113	" 22	Request for official invitation to National Petroleum Exposition for Nai Vanich Panamond.
114	" 24	Siamese-Japanese Relations (Confidential).
115	" 25	Tenders received for supply of Bogies and Underframes to the Royal State Railway, Siam. (Consulate).
116	" 28	Transmission of Treaty between Siam and Denmark.
117	" 29	Report of Diplomatic Visa issued.
118	" 29	Request for additional leave without pay of Rama Nan Singh.

*Number inadvertently duplicated.

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Telegrams forwarded by the American Legation at Bangkok to the Department of State during March 1938.

Number	Date	Subject

NONE

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