REPRODUCED AT THE NATIONAL ARCHIVES

DETERMINED TO BE AN ADMINISTRATIVE MARKING
E.O. 12065, Section 6-102
By AT NARS, Date 2-21-96

LEGAL ADVISER
SEP 18 1936
DEPARTMENT OF STATE

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

September 16, 1936.

HE
MERICA

Le:
Mr. Ward.

arch 19, 1936.

in Siam.

Conference to be held in Mr. Sayre's office on September 24 at 11:00 a.m. with Mr. C. A. Thompson, general counsel of the Standard-Vacuum Oil Company, and Mr. F. D. Tracy, assistant manager of the Hong Kong branch office of the same company, in regard to ownership of land in Siam by United States citizens and corporations.

AUG 22 1936

M. M. V.

ER
1936
STATE

WTT/DLY

892.5211/85

FILED
OCT 1 1936

I have the honor to refer to the Department's instruction No. 107 of October 9, 1935, File No. 892.5211/~~85~~ 23, and to enclose copies of correspondence between this Legation and the Bangkok office of the Standard-Vacuum Oil Company relating to the question of lands.

1-6/.

It will be seen that in order to avoid further delay and the uncertainty of the final outcome in assuring

REPRODUCED AT THE NATIONAL ARCHIVES

DETERMINED TO BE AN ADMINISTRATIVE MARKING
E.O. 12065, Section 6-102
By AT NARS, Date 2-21-96

LEGATION OF THE
UNITED STATES OF AMERICA

DEPARTMENT OF STATE
1936 MAY 1 PM 2 09

No. 346.

Bangkok, March 19, 1936.

Subject: Land Tenure by Americans in Siam.

DIVISION OF COMMUNICATIONS AND RECORDS

Division of FAR EASTERN AFFAIRS
MAY 2 - 1936
Department of State

AUG 22 1936

LEGAL ADVISER
SEP 2 1936
DEPARTMENT OF STATE

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to the Department's instruction No. 107 of October 9, 1935, File No. 892.5211/~~85~~ 23, and to enclose copies of correspondence between this Legation and the Bangkok office of the Standard-Vacuum Oil Company relating to the question of lands.

It will be seen that in order to avoid further delay and the uncertainty of the final outcome in assuring

1-6/.

892.5211/85

FILED
OCT 11 1936

FE/FE

REPRODUCED AT THE NATIONAL ARCHIVES
DETERMINED TO BE AN ADMINISTRATIVE MARKING
E.O. 12065, Section 6-102
By AT NARS, Date 2-21-96

Sayre's with the

assuring undisturbed use of certain parcels of land, the Standard-Vacuum Oil Company are having the Hongkong and Shanghai Banking Corporation acquire title to these parcels for the purpose of leasing them to the former company. Certain other parcels the company wishes to acquire in its own name, that is, the plot occupied by the warehousing installation and two adjoining pieces.

The situation with regard to mortgages described in the company's letter of March 2, 1936, can hardly be remedied until the right of Americans to own land in some part, if not all, of the territory of the Kingdom has been established. It will be of interest to
7/. read the enclosed copies of a note from this Legation to the Minister for Foreign Affairs, dated May 3,
8/. 1928, No. 56, and the reply, No. D.-11/3881, of May 24, 1928, indicating the position taken by the Siamese Government on this question at that time. Permission to register four mortgages in the name of the Standard Oil Company of New York (of which the Standard-Vacuum Oil Company is the successor) was granted during the year 1928 and it is believed that three were actually registered.

In view of the Department's previous instructions, there seems to be no action that this Legation can properly take at present to assist the Standard-Vacuum Oil Company to become the registered mortgagee of land

in

DEPARTMENT OF STATE
REPRODUCED AT THE NATIONAL ARCHIVES
DETERMINED TO BE AN ADMINISTRATIVE MARKING
E.O. 12065, Section 6-102
By AT NARS, Date 2-21-96

in Siam.

Respectfully,

James M. Baker.

James M. Baker.

Enclosures:
1. Letter from Standard-Vacuum Oil Company, dated January 23, 1936.
2. Letter from Standard-Vacuum Oil Company, dated January 23, 1936.
3. Letter to Standard-Vacuum Oil Company, dated January 28, 1936.
4. Letter from Standard-Vacuum Oil Company, dated January 30, 1936.
5. Letter from Standard-Vacuum Oil Company, dated March 2, 1936.
6. Letter to Standard-Vacuum Oil Company, dated March 4, 1936.
7. Legation's note to Minister of Foreign Affairs No. 56, of May 3, 1928.
8. Note from Minister of Foreign Affairs No. D.-11/3881, of May 24, 1928.

852

AFT/hln

LEGAL ADVISER SEP 18 STATE
REPRODUCED AT THE NATIONAL ARCHIVES
DETERMINED TO BE AN ADMINISTRATIVE MARKING
E.O. 12065, Section 6-102
By AT NARS, Date 2-21-96

Enclosure No. 1 to despatch No. 346, dated March 19, 1936, from the Legation at Bangkok.

****

STANDARD-VACUUM OIL COMPANY
(Inc. in U.S.A.)

BANGKOK, January 23, 1936.

H. E. The American Minister,
B A N G K O K.

Your Excellency,

As a matter of record we wish to confirm our verbal advices regarding action taken in respect to certain parcels of land which we advised in our letters of February 4th and May 16th 1933, that we desired to acquire in the name of the Company.

In view of information received to the effect that Americans are not permitted to own land in Siam except possibly under the Land Law of 1856 providing for ownership within a limited area in and near the city of Bangkok, and the fact that these particular plots lie without the area specified in this law, we have decided to ask the Hongkong & Shanghai Banking Corporation to purchase these sites and hold them for us, since they as a British Corporation are permitted to purchase land in Siam under the British treaty.

Yours very respectfully,

STANDARD-VACUUM OIL COMPANY

SMK:CA

(Signed) S. M. KIRKMAN
S. M. Kirkman, Manager.

LEGAL
SEP 18 1956
REPRODUCED AT THE NATIONAL ARCHIVES
DETERMINED TO BE AN ADMINISTRATIVE MARKING
E.O. 12065, Section 6-102
By AT NARS, Date 2-21-96

Enclosure No. 2 to despatch No. 346, dated March 19, 1936, from the Legation at Bangkok.

****

STANDARD-VACUUM OIL COMPANY
(Inc. in U.S.A.)

BANGKOK, January 23, 1936.

H. E. The American Minister,
B A N G K O K.

Your Excellency,

We wish to confirm our conversation of this morning and our inquiry regarding the status of our application for permission to acquire title to two plots of land located adjacent to our Ratboonah installation which are required in order to give us the clearance required under the Petroleum Enactment.

Our original request was transmitted in our letters of February 4th and May 16th 1933.

From subsequent advices, we understand that our rights to hold land in Siam are governed by the Land Law promulgated during the Fourth Reign, which came into force in 1856. We believe that the Siamese Government has already indicated that they are disposed to the view that Americans may exercise such rights as are granted in the above law provided official evidence can be furnished that Siamese subjects are entitled to hold land in certain States of America according to local laws. Our Company is a Delaware Corporation, which State permits the ownership of land by Siamese Nationals, as evidenced by the attached copy of Amendment to the Corporation and Real Property Laws of the State.

Under the circumstances it would be much appreciated if you will kindly call our application to the attention of the Foreign Office and endeavor to obtain permission for the transfer of this site to our name.

Yours very respectfully,

STANDARD-VACUUM OIL COMPANY

(Signed) S. M. Kirkman
S. M. Kirkman, Manager.

SMK:CA

Encl.
Extract.

REPRODUCED AT THE NATIONAL ARCHIVES
DETERMINED TO BE AN ADMINISTRATIVE MARKING
E.O. 12065, Section 6-102
By AT NARS, Date 2-21-96

(Extract)

H.B. 128

AN ACT to further amend Chapter 91 of the Revised Code of Delaware, 1915, as amended by Chapter 188 of Volume 32 of the Laws of Delaware, relating to Aliens.

Be it Enacted by the Senate and House of Representatives of the State of Delaware in General Assembly met:

Section 1. That Chapter 188 of Volume 32 of the Laws of Delaware be and the same is hereby repealed.

Section 2. That Chapter 91 of the Revised Code of Delaware, 1915, as amended by Chapter 188 of Volume 32 of the Laws of Delaware, be and the same is hereby further amended to read as follows:

3194. Sec. 1. TITLE AND DISPOSAL OF PROPERTY:- All real and personal property situate in the State of Delaware may be taken, acquired, held and disposed of by an alien in the same manner as by a citizen of the State of Delaware.

3195. Sec. 2. TITLE DERIVED THROUGH ALIEN:- A good title to real and personal property situate in the State of Delaware may be derived through, from or in succession to an alien in the same manner in all respects and through, from or in succession to a citizen of the State of Delaware.

3196. Sec. 3. CONVEYANCE TO OR FROM ALIENS, WHENEVER MADE, VALIDATED, RATIFIED AND CONFIRMED:- All conveyances to or from aliens of real or personal property situate in the State of Delaware, at any time made, are validated, ratified and confirmed; and it is declared that the said conveyances vested in the purchaser or purchasers the same estates and rights as they would have taken if the conveyance had been made between citizens of the State of Delaware.

Approved April 26, 1934
C. D. Buck, Governor

LEGAL AID 1936
REPRODUCED AT THE NATIONAL ARCHIVES
DETERMINED TO BE AN ADMINISTRATIVE MARKING
E.O. 12065, Section 6-102
By AT NARS, Date 2-21-96

H.B. 126

AN ACT TO AMEND ARTICLE 11 OF CHAPTER 65 OF THE REVISED CODE OF DELAWARE RELATING TO FOREIGN CORPORATIONS.

BE IT ENACTED BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE STATE OF DELAWARE IN GENERAL ASSEMBLY MET:

Section 1. That Article 11 of Chapter 65 of the Revised Code of the State of Delaware be amended by adding a new paragraph to 2101a, Section 188 thereof, to read as follows:

A corporation created by and existing under the laws of the United States or any State or Territory thereof, or under the laws of any foreign State or Nation shall have power to take, acquire, hold and convey lands and interest therein in the State of Delaware in the same manner, to the same extent, and with like effect as if such corporation were created under and existing pursuant to the laws of the State of Delaware.

J. Thomas Robinson

Speaker of the House

W. A. Simonton

President Pro Tem of the Senate

Approved April 24, 1934

C. D. Buck, Governor

REPRODUCED AT THE NATIONAL ARCHIVES

DETERMINED TO BE AN ADMINISTRATIVE MARKING
E.O. 12065, Section 6-102
By AT NARS, Date 2-21-96

Enclosure No. 3 to despatch No. 346, dated March 19, 1936, from the Legation at Bangkok.

****

LEGATION OF THE
UNITED STATES OF AMERICA
Bangkok, January 28, 1936.

Mr. S. M. Kirkman, Manager,
Standard-Vacuum Oil Company,
Bangkok.

Sir:

I have received your two letters dated January 23, 1936, with reference to arrangements which you have already made and those which are still to be made regarding certain parcels of land in Siam which are required to be used in connection with the business of your company. These lands were the subject of letters from your company to this Legation dated February 4th and May 16th 1933.

It is my understanding from your letters under acknowledgment that the parcels of land concerning which you have now made a satisfactory arrangement include those referred to in the letter from your company of May 16, 1933, as sites numbers 2 to 7, inclusive, and that the side referred to therein as number 1 is still pending final disposition. The latter is a parcel of land adjoining your Ratboonah installation.

It appears from your letter of January 23, 1936, that there is also another parcel of land, adjoining the installation, which you wish to acquire. In addition, there is the question, still pending, of your desire to acquire title to the land occupied by the installation itself in the name of the company as now constituted. Of these three parcels, that referred to in the letter of May 16, 1933, and that occupied by the installation itself have been the subject of correspondence between the Legation and the Ministry of Foreign Affairs but the third parcel does not appear to have been mentioned hitherto.

The whole question of granting to Americans the privilege, not provided for by treaty, of owning land in certain parts of the territory of Siam is now under consideration by the Siamese Government but has not yet been determined. I shall not lose sight of the matter, however, and shall be glad to return to it at the earliest opportunity.

Very truly yours,

(Signed) JAMES M. BAKER.

852

AFT/hlm

REPRODUCED AT THE NATIONAL ARCHIVES
ADVISER
DETERMINED TO BE AN ADMINISTRATIVE MARKING
E.O. 12065, Section 6-102
By AT NARS, Date 2-21-96

Enclosure No. 4 to despatch No. 346, dated March 19, 1936, from the Legation at Bangkok.

****

STANDARD-VACUUM OIL COMPANY
(Inc. in U.S.A.)

BANGKOK, January 30, 1936

H.E. The American Minister,
B A N G K O K.

Your Excellency,

We acknowledge receipt of your letter of January 28th and confirm that sites Nos. 2 to 7 in your letter of May 16, 1933, are those which we are having transferred to the Hongkong & Shanghai Banking Corporation.

We attach a plan showing the position in regard to the additional land at Ratboonah which we desire to acquire in the name of the company. You will note that there are two small plots involved, these being covered by Title Deeds Nos. 1998/20/98 and 2032/21/32.

It is also true that we wish to transfer title to our main installation site at Ratboonah to the Standard-Vacuum Oil Company. This side, as you know, is at present held in the name of Standard Oil Company of New York, we having obtained permission from the Crown to purchase same in the year 1905.

The matter of obtaining suitable title to these plots of land is one which our Principals are most anxious to complete and any assistance which you may be able to give us in obtaining permission for completion of the Ratboonah transfers will be greatly appreciated.

Yours very respectfully,

STANDARD-VACUUM OIL COMPANY

(Signed) S. M. Kirkman
S. M. Kirkman, Manager

SMK:CA

Encl.
Sketch

(Copies of sketch are not enclosed with this despatch, as the sketch has no relation to the subject of this despatch.)

REPRODUCED AT THE NATIONAL ARCHIVES
DETERMINED TO BE AN ADMINISTRATIVE MARKING
E.O. 12065, Section 6-102
By AT NARS, Date 2-21-96

Enclosure No. 5 to despatch No. 346, dated March 19, 1936, from the Legation at Bangkok.

****

STANDARD-VACUUM OIL COMPANY
(Inc. in U.S.A.)

BANGKOK, March 2, 1936.

H.E. The American Minister,
B A N G K O K.

Your Excellency,

We at present hold mortgages on three pieces of land owned by our selling agent at Ban Pong, these mortgages being in the name of an employee, Yam Pak Leuk, as mortgagee.

We recently endeavored to transfer the mortgages to the Standard-Vacuum Oil Co. and the local officials in the land office at Ratburi where they are registered advised that the transfer could not be consummated due to the fact that we are an American Corporation.

Feeling that this ruling was a mistake and that the local officials had confused instructions regarding the "purchase" of land by Americans, we took the matter up with the Land Department, Bangkok, through our lawyers.

We have now received the following letter from our lawyers which is self-explanatory:-

"With reference to your letters Nos. 143 and 146 of the 11th January and 14th February 1936 respectively; we called at the Land Department on the 13th January last and enquired about their objection to the transfer of the mortgages now held in the name of Mr. Yam Pak Leuk into that of yours. We were informed that, by an order contained in a letter dated 17th January 1933 from the Ministry of Foreign Affairs to the Minister of Interior under which ministry the Department of Land was situate at that time, the Land Department was forbidden to receive application for the record of all juristic acts relating to land by American subjects except applications made by such American subjects through the United States Minister and the local Foreign Office as it is contended that a mortgage is also a juristic act relating to title to land because in the event of a sale of the mortgaged property by order of the Court, an American mortgagee might obtain a freehold title over the mortgaged property in which case, a question of the validity of the title would arise and cause difficulties.

" The

REPRODUCED AT THE NATIONAL ARCHIVES
DETERMINED TO BE AN ADMINISTRATIVE MARKING
E.O. 12065, Section 6-102
By AT NARS, Date 2-21-91

"The present question is how to induce the Department to be reasonable. The rights of American subjects as regards title to land have been dealt with in our letters of the 25th January and 31st May 1935. The present question is not, however, a question of title to land, but a right to mortgage land or accept land as security for debts due. In the American Treaties of 1856 and 1921 there is no prohibition against the mortgaging of immovable property to American subjects. The reason for requiring application for juristic acts relating to mortgages to be made via the American Minister and the Siamese Foreign Office before being dealt with by the Land Department in the ordinary way is, in our opinion, ultra vires. As, in the event stated in that document, if an American citizen purchased the freehold of the mortgaged property at an auction of the same by order of the Court, he would have no better title to such land than is granted to him by law which includes treaty provisions.

"A mortgage is defined in section 702 of the Civil and Commercial Code as "a contract whereby a person called the mortgagor assigns a property to another person called the mortgagee as security for the performance of an obligation without delivering the property to the mortgagee;' and under section 711 of the same Code, it is provided that any agreement by which the mortgaged property is to be surrendered to the mortgagee otherwise than in accordance with the provisions concerning enforcement of mortgage is invalid. The provisions of the Code relating to enforcement require that, if the debtor fails to perform his obligation within a prescribed time, the mortgagee shall apply to the Court for a judgment ordering the mortgaged property to be seized and sold by auction. There is no such thing as a foreclosure without the order of the Court. We think, therefore, that the requirement of the Foreign Office order referred to above is not only unreasonable, but is a hindrance to the business of American subjects, and is contrary to the spirit of the Treaty of Amity between Siam and the United States. It is for the reasons stated above that all transfers of land to your company are now refused unless the procedure prescribed is followed.

"We feel that little benefit may be expected by making such representations to the Land Depart-

ment

REPRODUCED AT THE NATIONAL ARCHIVES
DETERMINED TO BE AN ADMINISTRATIVE MARKING
E.O. 12065, Section 6-102
By AT NARS, Date 2-21-96

ment as, in matters relating to foreigners, the Land Department is bound by the requirements of the Foreign Office. The only remaining resource is, therefore, diplomatic action limited to the question of mortgage irrespective and regardless of the question of titles to land.

"The above also applies to the subject of your letter No.148 dated 20th inst., that is to say, to the proposed mortgage by Nang Kim and Nang Inn to yourselves. We confirm that we hold the Title Deed No.659, and also the Bond Agreement for Tcs.13,000/- signed by Nang Vasa referred to in your letter No. 148 of 20th February 1936.

"We shall be glad to have your further instructions in this matter or to meet and discuss the situation with you at your convenience.

Yours faithfully,
Sd/- Baguley & Tooth."

We are strongly of the opinion that the Foreign Office ruling relating to mortgages is unjustified and would greatly appreciate your good offices in approaching them with the view to obtaining cancellation of this ruling.

Any assistance which you can give us will be very highly appreciated.

Yours very respectfully,

STANDARD-VACUUM OIL COMPANY

(Signed) S. M. KIRKMAN
S. M. Kirkman, Manager

SMK:CA

REPRODUCED AT THE NATIONAL ARCHIVES

DETERMINED TO BE AN ADMINISTRATIVE MARKING
E.O. 12065, Section 6-102
By AT NARS, Date 2-21-96

Enclosure No. 6 to despatch No. 346, dated March 19, 1936, from the Legation at Bangkok.

****

LEGATION OF THE
UNITED STATES OF AMERICA
Bangkok, March 4, 1936.

S. M. Kirkman, Esquire,
Manager, Standard-Vacuum Oil Company,
Bangkok.

Sir:

The receipt is acknowledged of your letter of March 2, 1936, with regard to the obstacles you have encountered in endeavoring to obtain the transfer to the Standard-Vacuum Oil Company of three mortgages held by your employee, Yam Pak Leuk, as mortgagee. The mortgages relate to three pieces of land owned by your selling agent at Ban Pong.

The questions raised by your letter are receiving the most careful attention but since they are of such wide scope some time may elapse before a reply can be made. I shall try, however, to expedite the matter as much as possible.

Very truly yours,

(Signed) JAMES M. BAKER.

852

AFT/hln

REPRODUCED AT THE NATIONAL ARCHIVES

DETERMINED TO BE AN ADMINISTRATIVE MARKING
E.O. 12065, Section 6-102
By AT NARS, Date 2-21-96

Enclosure No. 7 to despatch No. 346, dated March 19, 1936, from the Legation at Bangkok.

****

LEGATION OF THE
UNITED STATES OF AMERICA

F.O. No.-56-

Dear Prince Traidos:-

I have just received a communication from Mr. H. D. Warner, the Bangkok representative of the Standard Oil Company of New York, stating that Nang Vises Phakdi (Poon) has been appointed the Company's selling agent at Prachin. In order to secure a debt, Mr. Warner, as agent for the Company, is desirous of accepting a mortgage on a piece of land at that place. The land in question is covered by Bill of Sale No. 6/24 of February 16, 1928; the area being given as 43 rai and as far as can be learned, the title has been registered at the Amphur's Office at Prachin.

Would you be so good as to inform me what procedure should be followed in this case in order that I may inform Mr. Warner accordingly?

With kind regards, believe me

Very sincerely,

(Signed) H. O. MACKENZIE

His Highness
Prince Traidos Prabandh,
His Siamese Majesty's Minister
for Foreign Affairs,
Bangkok.

-863.3/852/711-

REPRODUCED AT THE NATIONAL ARCHIVES
DETEIN... TO BE AN ADMINI... TIVE MARKING E.O. 12065, Section 6-102 By AT NARS, Date 2-21-96

Enclosure No. 8 to despatch No. 346, dated March 19, 1936, from the Legation at Bangkok.

****

No. D.-11/3881- Ministry of Foreign Affairs,
Saranromya Palace,
24th May, 1928.

Dear Mr. Mackenzie,

I beg to acknowledge the receipt of your letter of May 3 in which you inform me that Mr. H. D. Warner, the Bangkok representative of the Standard Oil Company of New York, desires to accept a mortgage on a piece of land at Prachin in order to secure a debt of Nang Vises Phakdi (Poon) who has been appointed the Company's selling agent at that place, and you desire to know what procedure should be followed.

The language in the American treaty concerning the right to own land is somewhat ambiguous; but it seems clear that the transaction in question does not come within the limited rights fixed in the treaty. However since it is clear that in this case the mortgage is desired by the Standard Oil Company not as a matter of speculation but to enable it to carry on its legitimate selling business in Siam, His Majesty's Government, as a matter of courtesy and not of right, is willing to grant its consent and I have so notified His Excellency the Minister of Lands and Agriculture.

If the title-deed of this land is a Chanote or Trachong the mortgage must be registered with the Land Office here in Bangkok and Mr. Warner should be informed to apply to Phya Surakasetr Sobhon, Director-General of Land Records Department. If the land however is not held by a Chanote or Trachong, the matter must be taken up with the competent authorities at Prachin. In this latter case if you will notify me of the facts I will communicate with the Ministry of the Interior.

With kind regards, believe me

Very sincerely,

(Signed) TRAIDOS.