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LEGATION OF
THE UNITED STATES OF AMERICA

Bangkok, June 25, 1940.

No. 715

Subject: Prime Minister's Press Conference on June 7.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to enclose herewith for the Department's information two press accounts (Bangkok Times and Bangkok Chronicle of June 8, 1940) of the monthly press conference of the Prime Minister, Major General Luang Pibul Songgram, held on June 7, 1940.

Of particular interest are the Prime Minister's references to the plan of the Government to station additional

additional troops in the southern provinces. There has been considerable local speculation regarding the somewhat warlike nature of recent movements of the army, navy and air force. By some observers they have been interpreted as possibly directed against British Malaya, and by others as legitimate steps to guard against a possible Japanese surprise attempt to land troops in the lower peninsula. Whatever the motive the Government appears to be preparing itself for any emergency.

With reference to the entry of the Government into the shipping business, three American vessels have been purchased sight unseen through an agent in San Francisco - the "Admiral Laws" and "Admiral Senn" from the Admiral Oriental Line, and the "Martin Silverston" (formerly "Admiral Wood") from the Martin Silverston Company, at a total cost of approximately $900,000.00. These ships have been renamed the "Suriyothai Nava", "Debsatri Nava" and "Srisundara Nava". The Thai Maritime Navigation Company, headed by Nai Vilas Osathanond, Minister of State without portfolio and Director General of the Publicity Department, which has been organized to operate the newly acquired ships, has had little, if any, experience in the shipping business. It looks as if the Government is thereby involving itself in just one more costly experiment, of which the oil fuel enterprise is such a shining example. The shipping venture is of course an outgrowth of the oil situation, for the primary use for the new ships will be to transport supplies of oil from the United States.

Being reminded of certain rumors heard in Bangkok, the Prime Minister stated that the Government does not intend to remove the reserve funds of the Treasury from

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the Bank of England to the United States, and he added that the Baht would remain linked to the pound Sterling.

The Prime Minister stated that the Government was considering the organization of a new department, to be known as the Department of Public Welfare, whose duty it would be to raise cultural and living standards in the country by appropriate means, such as the resettlement of portions of the population in less congested areas. (The density of population in Thailand is approximately 75 per square mile.)

Respectfully yours,

J. Holbrook Chapman
Chargé d'Affaires a.i.

Enclosures:

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

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Original and four copies to Department.

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