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By MJD NARA Date 7/1/96

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Mails 38
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LEGATION OF THE
UNITED STATES OF AMERICA
Bangkok, March 19, 1938

No. 109

Subject: Political Report for February.

LEGAL ADVISER
APR 22 1938
DEPARTMENT OF STATE

AIR MAIL

892.00 P.R.

OFFICE OF THE ADVISER ON
INTERNATIONAL ECONOMIC AFFAIRS
APR 14 1938
DEPARTMENT OF STATE

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Division of
FAR EASTERN AFFAIRS
APR 6 - 1938
Department of State

892.00 P.R./107

FILED
APR 25 1938

F/M

The Honorable

The Secretary of State,

Washington.

Sir:

Edwin L. Neville

Edwin L. Neville
American Minister

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

1/

Respectfully yours,

Edwin L. Neville

Date of transmission: March 19, 1938
Edwin L. Neville
Date of receipt (air mail): American Minister
March 21, 1938

Enclosure:
1. As stated.

800-SIAM

ELN/tse

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No. 82

POLITICAL REPORT

FEBRUARY 1938

From:

Edwin L. Neville
American Minister

American Legation,

Bangkok, Siam.

Date of completion: March 19, 1938

Date of mailing
(air mail): March 21, 1938

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ATION OF THE
STATES OF AMERICA
Bangkok, March 19, 1938

Bangkok Monthly Political Report, February 1938.

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I. POLITICAL RELATIONS WITH THE UNITED STATES.

(Nothing to report.)

II. POLITICAL RELATIONS WITH OTHER COUNTRIES.

New Treaties

On February 14, the Assembly approved the treaties which the Government negotiated with the Powers during the closing months of 1937. At the close of the month ratifications had been exchanged with Great Britain, (February 19) and Germany, (February 26).

On February 1, the treaty with the Netherlands was signed, replacing the treaty denounced by Siam in 1936. It is stated to be similar to the other treaties which have been negotiated with foreign Powers. By an exchange of notes the Netherlands government abandoned its right of evocation without awaiting the formal ratification of the new treaty. This course was adopted by Great Britain at the time of signature of the British-Siam treaty in November 1937.

At the close of the month no treaty had been concluded with Portugal. The delay, due it is stated, to the procrastinating attitude of the Portuguese government was the subject of some comment, in view of the alleged fact that Portugal had more to lose than Siam from the failure to negotiate a new treaty.

New French Minister

Paul Lépissier, newly appointed French Minister, presented his credentials on February 7. He was formerly Minister to Iraq.

Anti-Japanese

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Anti-Japanese Boycott by Chinese Merchants in Siam

The boycott organized by Chinese interests in Siam against Japanese trade here (see Political Report for January) continued to be the subject of comment. While customs statistics at the end of the month were not available to show the effect of this movement, there seems no doubt that it is active. Press reports indicated that Chinese societies are making organized efforts to prevent merchants, (nearly all of whom are Chinese), from stocking Japanese goods, frequently resorting to terroristic methods to obtain their ends. Some of these activities caused considerable disturbance of the peace, and on February 12, as reported in the press (the Pramuan Wan, a Siamese newspaper, of March 5,) some nineteen persons were arrested and are to be deported. The police can act, of course, only when there is direct complaint or when the offenders are caught while committing offenses. Complaints are made only by non-Chinese, as a rule, who have been interfered with. This boycott activity seems to be part of a general campaign against Japanese trade carried on by Chinese in various ports in the Far East.

III.

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III. INTERNAL POLITICAL CONDITIONS.

There is very little of what may be called political activity in Siam. Political parties do not exist, and the people have little experience with the working of democratic government. The Revolution is too recent for complete reconciliation to have taken place between the members of the old régime and the personnel of the present government. Statements are constantly appearing however that it is the intention of those in power to promote political development, but for the time being there is little to report. The energies of persons in office are completely taken up with their day to day duties, and there are not enough politically capable people outside the government to criticize intelligently what is being done. Aside from the proceedings of the Assembly, which will be treated separately, there is nothing to call for comment.

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IV. COURSE OF LEGISLATION.

The Assembly continued to sit through the month of February, its deliberations covering a wide range of subjects. The most important act of the Assembly was passing the Budget, which was presented by the Minister of Finance. The Minister anticipated an ordinary expenditure of Ticals 109,397,988, an ordinary revenue of Ticals 109,425,940, and a capital expenditure of Ticals 22,108,524, to be taken from reserve funds in the hands of the Ministry of Finance. The budget was accepted in principle but the details of the appropriations had not been settled by the end of the month.

The Budget and other items presented to the Assembly gave rise to lively debate at times, but considering the short time the legislature has been in existence, there seems every reason to comment favorably on the Assembly's treatment of legislative matters. There were numerous interpellations by members in regard to the administration of the laws, but there was no serious threat to the government's program. There were unsuccessful attempts to re-introduce, in slightly altered form, legislative measures which had previously failed of passage, and on one occasion the Prime Minister felt called upon to admonish publicly certain members for what he said were unwarranted reflections upon the good faith of the Government, but at the end of the month all was peaceful. No Legislation of importance was adopted.

V.

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V. GOVERNMENT FINANCE.

National Debt of Siam

The Finance Minister announced to the Assembly that the National Debt amounts to Ticals 84,758,789, of which the internal loans are Ticals 10,000,000, the rest being held abroad. It is the Government's intention to pay off the outstanding balance of the 4½ % loan of 1905, amounting to £ 337,420. The Minister stated that the market price of Siamese Bonds in London had remained stable, and that the Government was fully capable of handling the debt service.

Currency and Treasury Reserve

The Finance Minister told the Assembly that at the present time (February) the value of notes in circulation is Ticals 141,232,498 against which there is a sterling reserve amounting to Ticals 118,283,972, a coverage of 83.75%; with additional holdings of silver whose bullion value is sufficient to bring the coverage up to 96.92%.

In addition to the Currency Reserve, there is a Treasury Reserve of Ticals 68,266,000, of which 43,000,000, the Finance Minister states, is held in Sterling.

Treasury Balance

The press announced, on February 11, that according to the published figures of the Finance Department, the Treasury Balance on December 31, 1937 was Ticals 68,266,627, of which Ticals 25,265,176 was held in Siam and Ticals 43,001,451 was held abroad.

VI.

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VI. GENERAL ECONOMIC AND FINANCIAL CONDITIONS.

Rice: Exportable Surplus

The Department of Commerce, Ministry of Economics, (see January Political Report) announced early in the year that the exportable surplus of Siamese rice for the coming season would be 1,600,000 metric tons. This estimate was reaffirmed by the Ministry in February.

Trade of the Port of Bangkok

Imports and exports at Bangkok during January amounted to Ticals 6,915,493 and Ticals 9,785,237 respectively. The exports represent a gain over December figures (Ticals 8,775,919) and over January figures of last year (Ticals 9,165,102), due to increased export of rice, which accounted for Ticals 8,057,544 of the January, 1938, total. The imports show a decline from the totals of December (Ticals 7,825,883) and January, 1937 (Ticals 7,80,215). The favorable balance noted in the January report continued.

The total trade of Bangkok for the fiscal year to date (April 1937 to January 1938) was import Ticals 78,814,274 and export Ticals 79,949,924. The import figures do not vary much from those of the corresponding period of last year (Ticals 78,343,157), but the export total is decidedly less, as the exports were Ticals 102, 099,510 in the corresponding fiscal period.

Rubber Restriction Agreement

Negotiations were undertaken with the Siamese Government by a representative of the International Rubber Regulation Committee for a new agreement to take the place of the present one which expires at the end of this year. Negotiations had not been concluded at the end of the

month

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month (see Despatch No. 96 of March 3, 1938).

Siamese Sugar

A Siamese newspaper (KRUNGDEB VARASAB) announced that sugar made at Lampang in northern Siam is now on sale in Bangkok. This sugar is reported to be made in a factory operated by the Ministry of Economics, and is an attempt on the part of the Government to diversify the agriculture and industry of the country. The quality of the sugar is said to be good, but it is too early to estimate whether the factory can operate at a profit.

VII. ACTIVITIES OF AMERICAN COMMERCIAL INTERESTS.

(Nothing to report.)

VIII. ACTIVITIES OF FOREIGN COMMERCIAL INTERESTS.

(Nothing to report.)

IX. EMIGRATION AND LABOR MATTERS.

(Nothing to report.)

X.

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Motion Pictures

X. MISCELLANEOUS.

American Motion Picture activities

Metro-Goldyn-Mayer Motion Picture interests have had an expedition in Siam to take pictures of jungle wild life under the management of Mr. E.B. Schoedsack and Mr. J.C. Havens. This expedition has made extensive surveys here and to some extent in Burma, and finally established a location at Hueysak, South Siam, where operations continued to the end of the month. The party was somewhat handicapped by the loss of a good deal of its technical equipment in the wreck of the SS President Hoover off Formosa. The Legation has been able to be of some assistance to the expedition.

Opium

(See despatch No. 110, of March 20, 1938.)

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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 Febfuary 1938.

Number	Date	Subject
81	Feb. 4	Citizens' Handbook, transmission of.
82	Feb. 5	Request for allotment for temporary consular clerk.
83	" 7	Home leave of Mr. Chapman.
84	" 11	Departure of Mr. Norris.
85	" 11	Appointment of Mr. Estes as clerk at Bangkok.
86	" 11	Registration of Aliens, B.E. 2479
87	" 15	"The Belgium of Asia".
88	" 17	Public Health Work.
89	" 17	Constitution Day Address.
90	" 17	Change of government.
91	" 21	Acknowledgement of instruction regarding paint.
92	" 23	The Budget.
93	" 24	Request for books.
94	" 24	Request for new copies 'Instructions to Consular Officers'.

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

Number	Date	Subject
2	Feb. 7	Departure of Mr. Chapman
3	" 14	Travel route of Mr. Haven L. Norris.
4	" 16	Treaty matters.
5	" 17	Further information regarding travel route of Mr. H.L. Norris
6	" 21	Treaty matters.
7	" 25	Treaty matters.

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