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By MJP NARA Date 5/1/96

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June 38 17/21

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
Memorandum

August 23, 1938.

JWB
MMH

Bangkok's political report for June, despatch no. 216, July 30.

The following points of interest might be mentioned in the despatch under reference:

(1) The visit of the U.S.S. Black Hawk and the 5 destroyers to Bangkok over the period June 21 to June 27 was reported as a complete success.

(2) A permanent Air Attaché has been assigned to the British Legation at Bangkok. (It will be recalled that in Bangkok's despatch no. 34 of November 27, 1937 it was reported that the British Minister had stated that he was opposed to the assignment of an Air Attaché for the reason that such addition to his present staff "would scare the Siamese to death.").

(3) With reference to the arrival at Bangkok of 4 Japanese constructed submarines for the Siamese Navy, it is stated that the vessels are manned by Siamese officers and men who have been undergoing training in Japan for about two years.

(4) Of interest is the fact that

Japanese

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AUG 25 1938
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DIVISION OF
INTERNATIONAL CONFERENCES
SEP 29 1938
DEPARTMENT OF STATE
SEP 26 1938

Sir:

1/ I have the honor to transmit herewith the Political American Legation Report of the Legation for the month of June 1938. Bangkok, Siam.

Respectfully yours,

Date of Report: July 30, 1938

Date received: Aug. 1938.

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

Enclosure:

1. As stated.

800-Siam

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DEPARTMENT OF STATE

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

Japanese exports to Siam for the first 5 months of 1938 had fallen off approximately 38 percent from the total of the preceding 5 months (1937). With reference to this decline, the Legation remarks that the cause may be due in some measure to the local Chinese boycott of Japanese goods and also to the inability of Japanese exporters to fill orders because of extraordinary industrial conditions in Japan resulting from the hostilities.

(5) An American by the name of Walter K. LeCount, formerly with the National City Bank of New York, has assumed duties as Manager of the Siam Commercial Bank, replacing Mr. John Brett, also formerly connected with the National City Bank. Although not officially designated as such, the Siam Commercial Bank is in reality a semi-governmental institution, 80 percent of the capital stock of which is owned by various government agencies. The Minister of Finance is Chairman of the Board of Directors.

(6) The Assembly of the People's Representative convened on June 24 for its second regular session.

(7) It seems fairly certain now that King

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TIONAL ECONOMIC AFFAIRS
AUG 25 1938
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DIVISION OF
INTERNATIONAL CONFERENCES
SEP 23 1938
DEPARTMENT OF STATE

Sir:

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

Respectfully yours,

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

Enclosure:

1. As stated.

800-Siam

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DIVISION OF FAR EASTERN AFFAIRS

THE AMERICA

0, 1938.

King Amanda Mahidol will arrive in Siam in November for a visit of two months' duration.

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Department of State

OFFICE OF THE ADVISER ON
INTERNATIONAL ECONOMIC AFFAIRS
AUG 25 1938
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SEP 28 1938
DEPARTMENT OF STATE

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Sir:

1/ I have the honor to transmit herewith the political American Legation Report of the Legation for the month of June 1938. Bangkok, Siam.

Respectfully yours,

Date of completion: July 30, 1938.

Date [illegible] 1938.

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

Enclosure:

1. As stated.

800-Siam

JHC/tse

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LEGAL ADVISER
AUG
DEPARTMENT OF STATE

LEGATION OF THE
UNITED STATES OF AMERICA
Bangkok, July 30, 1938.

No. 216

Subject: Political Report for June.

BY AIR MAIL

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OFFICE OF THE ADVISER ON
INTERNATIONAL ECONOMIC AFFAIRS
AUG 25 1938
DEPARTMENT OF STATE

DIVISION OF
INTERNATIONAL CONFERENCES
SEP 23 1938
DEPARTMENT OF STATE

A-M/C
RECORDING DESK
FILE - C.B.M.

The Honorable

The Secretary of State,

Washington.

Sir:

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

Respectfully yours,

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

Enclosure:

1. As stated.

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Re Bangkok Monthly Political Report, June 1938.

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POLITICAL REPORT

JUNE 1938

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

American Legation
Bangkok, Siam.

Date of completion: July 30, 1938.
Date of mailing: (air mail): Aug. 3, 1938.

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Bangkok Monthly Political Report, June 1938.

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I. POLITICAL RELATIONS WITH THE UNITED STATES.

Visit of the U.S.S. Black Hawk and five destroyers

The U.S.S. Black Hawk and five destroyers, the Paul Jones, Alden, Barker, Edwards and Whipple paid an informal visit to Bangkok over the period June 21st to June 27th, inclusive. (See Legation's despatch No. 194 of July 1, 1938). The visit was a complete success and the utmost cordiality was shown by the Siamese authorities and people to the officers and men of the visiting American warships. No noteworthy incidents due to exuberance, over-indulgence, or other reasons, occurred during the course of the visit.

II.

Siam-Italy Treaty Ratifications Exchanged

Ratifications of the new treaty between Siam and Italy were exchanged in Rome on June 1st, 1938, according to an official communiqué of the Italian Foreign Affairs. (See despatch No. 1 of July 16, 1938, transmitting a copy of the treaty).

Siam-Switzerland Treaty Ratifications Exchanged

Ratifications of the new treaty between Siam and Switzerland were exchanged in Rome on June 24, 1938, according to an official communiqué of the Italian Foreign Affairs. (See despatch No. 1 of July 16, 1938, transmitting a copy of the treaty).

Some minor incidents in Siamese-French Indochinese relations

An unusually large number of such incidents appeared both in the Siamese and French Indochinese press during

June

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II. POLITICAL RELATIONS WITH OTHER COUNTRIES.

Appointment of British Air Attaché and new Military Attaché

It has been reported (Bangkok Times, June 13th) and officially verified that there will be a permanent Air Attaché to the British Legation at Bangkok, and that Wing Commander A. G. Bishop has been named to fill the post. He is expected to arrive in Bangkok to enter upon his duties in the near future.

Major R. G. Ray of the Royal Artillery, Singapore, has been appointed British Military Attaché to succeed Major H. W. M. Stewart. (See monthly political report for June 1936, regarding appointment).

Siam-Belgium Treaty Ratifications Exchanged

Ratifications of the new treaty between Siam and Italy were exchanged at Brussels on June 17, 1938, according to an official statement of the Ministry of Foreign Affairs. (See despatch No. 213 of July 28, 1938, transmitting a copy of the treaty).

Siam-Switzerland Treaty Ratifications Exchanged

Ratifications of the new treaty between Siam and Switzerland were exchanged at Berne on June 24, 1938, according to an official announcement of the Ministry of Foreign Affairs. (See despatch No. 212 of July 28, 1938, transmitting a copy of the treaty).

Scare tales involving Siamese-French Indochinese relations

An unusually large crop of scare stories appeared both in the Siamese and French Indochinese press during June

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June dealing with the alleged imminence of armed hostilities between the two countries. The Siamese Government took the reports sufficiently seriously to issue the following communique dealing with the subject:

> "According to a report appearing in the columns of some newspapers, a sinful rumour has cropped up dealing with the relationship between Siam and France, as obtaining on the frontier line in some of the north-eastern provinces. This has brought about alarm in the midst of the people, and the Governor of Ubol had to issue a statement pointing out the real position of affairs and asking the people to maintain peace and tranquillity. Accordingly this Ministry wishes to state the following:--
>
> The relationship between Siam and France, extending to Indochina as well, is, as usual, good and normal. Hence there should not be any sinful (Akusol) rumour arising on any side. His Majesty's Government has, as its policy, to preserve peace and maintain good relations with all countries. And as a matter of fact, the relations between all countries concerned and Siam are based on the same ideal."
>
> (Bangkok Times, June 20th)

In this connection please refer to the comments contained under the heading "Relations with Indochina" on pages 2 and 3 of the Monthly Political Report for May 1938.

Address of Foreign Minister on Anniversary of Provisional Constitution

June 27, 1938, the sixth anniversary of the granting of a provisional constitution, was the occasion of a broadcast address by the Minister of Foreign Affairs, Luang Pradist Manudharm (see despatch No. 211 of July 28, 1938), in which he reaffirmed the desire of Siam to maintain and develop friendly relations with all countries.

Foreign Minister disclaims responsibility for mis-statements made by press interviewers

Evidently irked by what he considered to be mis-quotation in

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in an interview granted to Mona Gardner (Mrs. David S. Tait) - see March and April Monthly Political Reports - the Foreign Minister, Luang Pradist Manudharm issued the following statement on June 6, 1938:

"Owing to the fact that certain correspondents of foreign newspapers have had interviews with H.E. the Minister of Foreign Affairs on the question of Siamese Policy, but have later attributed certain inaccurate statements alleged to have been made by H.E. the Minister during those interviews, which statements have been appearing in wireless telegrams and in local newspapers, the Ministry of Foreign Affairs wishes it to be known that:--

1) In giving those interviews to correspondents of foreign newspapers, H.E. the Minister of Foreign Affairs took every precaution to furnish those correspondents with accurate facts by providing them with copies of the Siamese Foreign Office Journal on which to base their reports. The contents of these Journals clearly stated the lines of Siam's policy of "Friends of All, Foe of None; A Rigid Neutrality with no Favouritism."

Therefore any reported statement that deviates from the above lines of policy will be the result of a misunderstanding for which the writer alone will be responsible.

H.E. the Minister will not be responsible for any such mis-statement.

(2) In the matter of the substance of the Treaties, the text is quite clear. For instance, in regard to the ownership of land, it is clearly stipulated for some countries as to the extent of their specific rights, while others rely on the treatment of the most favoured nation.

Therefore any statement written contrary to the text and facts above referred to, which tends to give rise to the impression that Siam places herself in a discriminatory position, must be under the sole responsibility of the writer.

H.E. the Minister of Foreign Affairs does not hold himself responsible for any such mis-statement."

The objectionable passage, as reprinted in the Bangkok Times of June 4th, from the Singapore Free Press of June 2nd, appears to have been the following:

"Actually

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"Actually, in some respects, our new treaty with Japan is more restrictive than, for instance, our treaty with Great Britain. By this new treaty, Japanese subjects are not allowed to own land in Siam. This is because foreign nationals are not allowed to own land in Japan..."

The full text of the interview as reported in the Bangkok Times has been quoted in the enclosure to the Legation's despatch No. 214 of July 29, 1938.

New Japanese Military Attaché

A Tokyo press report states that Lieut. Colonel Jiro Saito has been appointed Military Attaché to the Japanese Legation at Bangkok to succeed Lieut. Colonel Hiroshi Tamura, who has served in this capacity since September 1936. (See monthly political report for September 1936).

III.

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III. INTERNAL POLITICAL ACTIVITIES.

Arrival of Four Japanese-Submarines for Siamese Navy

Four small submarines built in Japan for the Siamese Navy, named respectively Machanu, Virun, Sin Smudr, and Blai Jumbol, arrived in Bangkok on June 29th, having been in transit, according to Japanese press reports, since June 5th. A report from the American Consulate at Manila states that the submarines called at that port from June 15th to June 18th and were accorded the usual courtesies shown to visiting foreign war vessels. It is reported that the submarines have a gross tonnage of 420, and net tonnage of 370, and that each of them has one "quick-firing" gun in addition to torpedo tubes. No further details concerning their construction are available. They are manned by Siamese officers and men who have been undergoing training in Japan for about two years.

Visit of the King to Siam

892.001

There were frequent and persistent reports in the local press during June that His Majesty the King, Ananda Mahidol, accompanied by his mother and other members of his entourage, will come to Siam in November and remain here for a visit of two month's duration. According to a statement issued by the Government Publicity Bureau the King is scheduled to arrived in Bangkok on November 15th. No official government statement on the subject has as yet been made. Rumors of the impending visit of the King have been not infrequent during the past two years but in every case the trip has been canceled on one pretext or another. However, in the absence of unforseen circumstances, it seems fairly certain now that the little King actually will visit his Kingdom this year. Preparations preliminary to his arrival are already

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already in progress such as the refurbishing of palaces, reconditioning of the Royal flotilla of small boats, and the procurement of suitable equines to draw the Royal equipage.

Press Interviews of Phya Song Suratej

Phya Song Suratej, one of the leaders of the 1932 revolution, who has since been more or less in retirement, arrived in Bangkok on June 22nd for a short visit. Latterly he has held the post of Director of the Military Training School for officers in Chiengmai. He has long been regarded as a potentially powerful but comparatively unknown quantity in Siamese politics. He was interviewed by representatives of several Bangkok newspapers. These interviews are the first, so far as the Legation is aware, that he has granted in recent years, and they are more important for that reason rather than for their tenor, which is mildly pessimistic of the accomplishments and future of the democratic regime. Summary translations of the interviews are enclosed with the Legation's despatch No. 215 of July 30, 1938.

IV.

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IV. COURSE OF LEGISLATION.

Assembly Convened

The second regular session of the Assembly (of which the members were elected in November 1937 - see November 1937 Monthly Political Report) convened on June 24th, the opening date coinciding with the sixth anniversary of the inception of the constitutional regime in Siam. Prince Aditya Dibabha, President of the Council of Regency, delivered the customary formal opening address. (See despatch No. 211 of July 28, 1938).

Succeeding meetings in June were occupied only in the election of officers and committees. Phya Manavaraj Sevi was re-elected President of the Assembly by a close vote, 48 to 43, over Phya Vidura Dharmbinetu.

V.

Treasury Balances

The Treasury balances on the 31st, as given in the Government Gazette of July 11th, were as follows:

	Baht	Compared with the end of previous month Baht
In Siam	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Total	5,[illegible]	Increase 320,313

New Siam Commercial Bank Manager

Mr. Walter F. Le Count, an American, formerly with the National City Bank of New York, arrived in Bangkok on June 15th to take up his duties as manager of the Siam Commercial Bank. Mr. Le Count replaces Mr. John Brett, also formerly connected with the National City Bank.

The Siam Commercial Bank is in reality a semi-governmental

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V. GOVERNMENT FINANCE.

Currency Reserve

The Siamese Currency Reserve at the end of June, according to the Government Gazette of July 18th, was as follows:

	Baht
1. Sterling Securities:	
(a) Of more than one year's maturity	13,906,947
(b) Others	49,500,000
2. Cash at call in pound Sterling	57,077,025
Total	120,483,972
3. Baht coins	43,372,064
Grand total	163,856,036
Currency notes in circulation	143,432,498
Currency reserve	163,856,036

Treasury Balance

The Treasury Balance on May 31st, as given in the Government Gazette of July 11th, stood as follows:

	Baht		Compared with the end of previous month Baht
In Siam	22,921,384		Plus 880,342
Abroad	33,857,715		Minus 554,029
Total	56,779,099	Net Increase	326,313

New Siam Commercial Bank Manager

OMIT (Mr. Walter K. Le Count,) A an American, formerly with the National City Bank of New York, arrived in Bangkok on June 5th to take up his duties as manager of the Siam Commercial Bank. OMIT (Mr. HE Le Count) replaces (Mr. John Brett,) ANOTHER AMER also formerly connected with the National City Bank.

The Siam Commercial Bank is in reality a semi-governmental

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governmental institution although it is not officially designated as such. About eighty percent of the capital stock is owned by various government agencies including the Privy Purse and the Minister of Finance is Chairman of the Board of Directors.

Development of the Port of Bangkok

It was reported in the Siam Chronicle of June 13th that the contract for the first phase of the port development project (see despatch No. 582 of July 1, 1937), would be awarded to Christiani and Nielsen (Siam) Ltd., a local [illegible] contracting firm. No official confirmation of the report has been issued.

VI.

Tin

Trade reports state that the tin quota for the third quarter of 1938 under the International Tin Restriction Agreement has been fixed at 45 percent of the fixed standard tonnage. It would appear that this decision would allow each state's production quota only to the extent of reducing it to the quarterly previous rate of 60 percent of 4,300 tons. (see despatch No. 473 of February 1, 1938).

Fibro-le ent Factory Opened

A new industry Co. Siam Nam inaugurated during June [illegible] a factory at Bangkok for the production of fibro (asbestos)-cement products for constructional use such as wall boards, roofing sheets, pipes, etc. The plant is to be operated as a subsidiary to the Siam Cement Factory, Ltd., one of the many new local industrial undertakings in the country in which the controlling interest is in Siamese hands. The cost of the undertaking is said to have been in the neighborhood of £1,000. The plant is expected to fulfill practically Siam's requirements for the

types

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VI. GENERAL ECONOMIC AND FINANCIAL CONDITIONS

Development of the Port of Bangkok

It was reported in the Siam Chronicle of June 13th that the contract for the first phase of the port development project (see despatch No. 553 of July 1, 1937), would be awarded to Christiani and Nielsen (Siam) Ltd., a local Danish contracting firm. No official confirmation of the report has been issued.

Tin

Press reports during June state that the tin quotas for the third quarter of 1938 under the International Tin Restriction Agreement has been fixed at 45 percent of the fixed standard tonnages. It would appear that this decision would affect Siam's production quota only to the extent of reducing it to the guaranteed minimum rate of 60 percent of 18,500 tons. (See despatch No. 472 of February 9, 1937).

Exports - by Value

Fiber-Cement Factory Opened - 39,001

A new industry for Siam was inaugurated during June consisting of a factory at Bangkok for the production of fiber (asbestos)-cement products for constructional use such as wall boards, roofing sheets, pipes, etc. The plant is to be operated as a subsidiary to the Siam Cement Factory, Ltd., one of the very few large industrial undertakings in the country in which the controlling interest is in Siamese hands. The cost of the undertaking is said to have been in the neighborhood of $40,000. The plant is expected to fill eventually Siam's requirements for the

types

period June 1937 to May 1938, inclusive, are given below:

1937 Value

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types of building materials which it produces. Orders were accepted as from July 1st. The capacity of the plant is stated to be 10 tons per day, which can later be doubled by the installation of a second machinery unit for which space is provided in the building already constructed.

Trade of the Port of Bangkok

The trade of the port of Bangkok showed a favorable balance both in May and June, and the total trade was greatly in excess of that of the corresponding months of 1937. The improvement is chiefly due to restoration of the rice trade to normal proportions. Comparative statistics follow:

Exports - by Value

	1938 Baht	1937 Baht	Increase or decrease over 1937 Baht
May	10,936,934	7,988,911	+ 2,948,032
June	9,310,006	7,483,983	+ 1,826,023

Imports - by Value

May	7,998,669	8,097,670	- 99,001
June	8,029,025	7,875,252	+ 153,773

Total Trade - by Value

May	18,935,612	16,086,581	+ 2,849,031
June	17,339,031	15,359,235	+ 1,979,796

Siamese-Japanese Trade

The Bangkok Times has for the past year systematically reported the value of Japanese imports into Siam by months, including a range of selected articles all the way from beer to zithers. The monthly totals for the period June 1937 to May 1938, inclusive, are given below:

1937	Value

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1937	Value
	Baht
June	601,943
July	685,794
August	575,803
September	409,746
October	699,236
November	455,803
December	610,195
1938	
January	303,231
February	286,758
March	370,362
April	366,331
May	378,307

The decline in imports during the first five months of 1938 undoubtedly has been due in some measure to the local Chinese boycott of Japanese goods, as has been stated in previous monthly political reports and other despatches of the Legation, but may also be due to inability of Japanese exporters to fill orders because of extraordinary industrial conditions in Japan resulting from the war.

A Kobe press despatch appearing in the Bangkok Times of June 15th states that eight Japanese-built locomotives were shipped to Siam by the Mitsui Bussan freighter "Akasi-san Maru" on May 26th for the Siamese Government Railways.

Note: The present value of the Baht (or tical), the Siamese unit of currency, is approximately 30.45.

VII. ACTIVITIES OF AMERICAN COMMERCIAL INTERESTS

Nothing to Report.

VIII. ACTIVITIES OF FOREIGN COMMERCIAL INTERESTS.

Nothing to Report.

IX.

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IX. EMIGRATION AND LABOR MATTERS.

Nothing to report.

X. MISCELLANEOUS.

Robbery by Group of Siamese Soldiers

A case of robbery perpetrated by a group of Siamese soldiers during June has reflected considerable discredit on the Army. Seventeen men in uniform from the First Royal Guard Cavalry Battalion stationed at Bangkok staged a daring robbery of a jewelry store on June 4th and made off with a large quantity of loot. A fight with the police ensued in course of which two policemen were injured. Five of the soldiers were captured at the time and several others were apprehended later. The high Siamese military authorities took a stern view of the affair. Eight of the men were promptly brought to trial at a public court martial. On June 15th, only eleven days after the crime, they were convicted and sentenced to imprisonment for terms ranging from seven and a half to fifteen years.

Eleven from the others escapes

Opium

(See despatch No. 217 of July 30, 1938.)

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Note: The present value of the baht (or tical), the Siamese unit of currency, is approximately $0.45.

JHC/tse

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Authority State Ltr 11/2
By MJP NARA Date 5/1/96

REPRODUCED AT THE NATIONAL ARCHIVES

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

Number	Date	Subject
171	June 1	Japanese-Siamese Relations; Visit of Japanese Training Ships.
172	June 6	Diplomatic visa issued, week of May 29-June 4, 1938.
173 C.O.	June 6	Nonimmigrant 3 (1) visa issued week of May 29-June 4, 1938.
174	June 7	Rent allowance of Mr. T. S. Estes.
175	June 8	Visit of U.S.S. Black Hawk and destroyers to Bangkok.
176	June 8	Siamese Banking Act.(Redated July 14)
177	June 10	Travel account of Edwin L. Neville.
178	June 10	Siamese Foreign Office Journal.
179 C.O.	June 10	Complaint of Seng Nhuan against Mail-box Magazine.
180	June 10	Error in draft of May 31.
181	June 11	Proposed visit of Siamese Naval Vessels to Manila.
182	June 13	Bond, Oath and Affidavit upon entering office as Vice Consul of Mr. T.S. Estes.
183	June 14	Transmittal of informal note to Acting Minister of Foreign Affairs.
184	June 16	Rugs not needed.
185	June 16	Requisition for uniform buttons and insignia.
186	June 19	May Political Report.
188	June 22	Venetian Blind for new window.
187	June 22	Confidential.
189	June 26	Minister's leave of absence.
190	June 27	Efficiency report of Mr. T.S. Estes.
191	June 24	Increase in allotment for supplies for lawn and garden, 1939.
192 C.O.	June 27	Nonimmigrant 3(1) visas issued week of June 19-25, 1938.

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

Number	Date	Subject
13	June 1 - 4 pm	Unencumbered Balance.
14	June 2 - 4 pm	Explanation of wiring and roof needs for repairs.
15	June 7 - 2 pm	Visit of naval ships, permission given.
16	June 15 - 4 pm	Request for futher allowance for Mr. Esche.
17	June 26 - 1 pm	Departure of Minister on leave.

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