

From Pod Duang to Coins: the Bowring Treaty and Monetary Transformation in the Reign of King Rama IV

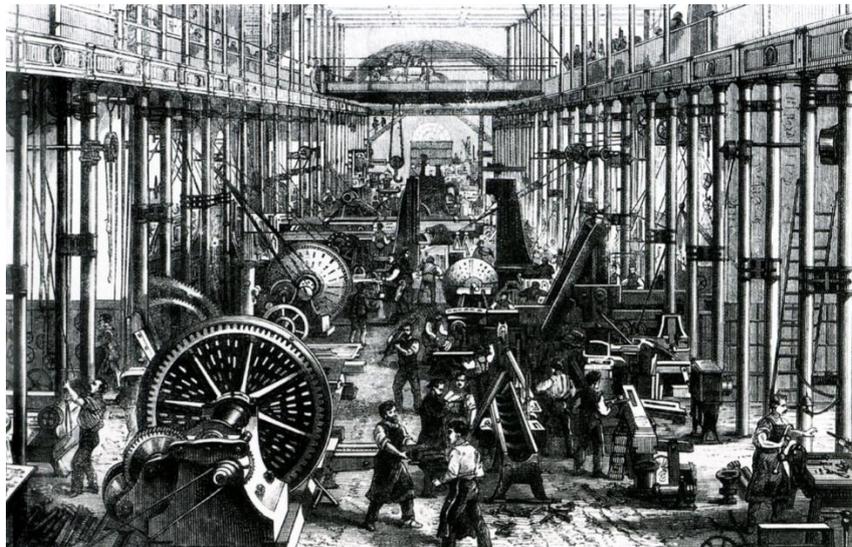
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The new form of Thai money was changed from Pod Duang, used from the Sukhothai, Ayudhya, Thonburi to Rattanakosin periods, to round flat coins in the reign of King Rama IV. After signing the Bowring Treaty with Britain in 1855, trade in Siam expanded rapidly causing flat coins were first produced to circulate in the economy system. However, the foreign coins were initially accepted.

The Bowring Treaty: Free Trade in Siam

Free trade is a new trade policy originating during the Industrial Revolution in Europe around 18th – 19th centuries. It began in England and spread to many other European countries. At this time, technology expanded rapidly causing the economy to switch from agriculture to industry, and later the capitalist class occurred.



The Industrial Revolution in Europe

Source: <https://medium.com/the-existing/quantum-computing-will-revolutionize-the-industry-61d90dca28ce>

The concept of free trade is things should be traded without government interference. The government's duties should be only the defense of the country, keeping justice and public services. This concept differs from the prior one which the economy is controlled by the government. The new concept changes international trade in the western world, including to Siam.

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Before spreading of free trade through signing the Bowring Treaty in 1855, Siam established strong trade relations with China. The Bowring Treaty between England and Siam enormously changed the pattern for trade in Siam. The regulations in short are:

1. British subjects were placed under consular jurisdiction. Thus, for the first time, Siam granted extraterritoriality to foreign aliens.

2. British subjects were given the right to trade freely in all seaports, and to reside permanently in Bangkok. They were to be allowed to buy and rent property in the environs of Bangkok.

3. Measurement duties were abolished and import and export duties fixed.

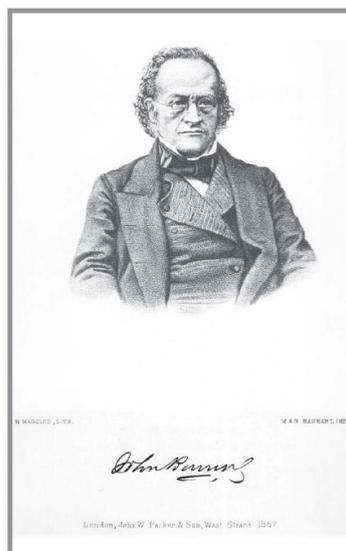
- The import duty was fixed at three percent for all articles, with two exceptions: opium was to be free of duty, but it had to be sold to the opium farmer, and bullion was to be free of duty.

- Articles of export were to be taxed just once, whether the tax was called an inland tax, a transit duty, or an export duty.

4. British merchants were to be allowed to buy and sell directly with individuals Siamese without interference from any third person.

5. The Siamese government reserved the right to prohibit the export of salt, rice and fish whenever these articles were deemed to be scarce.

6. Any privileges that may have been applied or might be granted by the Government of Siam to the Government of subjects of many other nation were to apply to the British Government and its subjects.



The Picture of Sir John Bowring

The treaty allowed free trade by foreigners in Bangkok. It was followed by a succession of similar agreements between Siam and fourteen countries which were the United States, France, Denmark, Portugal, the Netherlands, Germany, Sweden, Norway, Belgium, Italy, Austria-Hungary, Spain, Japan and Russia.

Foreign Coins Used in the Reign of King Rama IV

After signing the Bowring Treaty in 1855, trade in Siam was expanded rapidly. Money was not sufficient to meet the demands of foreign traders. Announcement of using foreign coins, in summary, stated that after signing the Bowring Treaty, there were 103 foreign merchant ships arrived in Bangkok, while there were 37 Siam ships sailing to aboard. Money (Pod Duang) was not enough to circulate for trading activities and could not be produced rapidly because of lack of Pod Duang producers and low-technology machines.

An announcement of using foreign coins was declared for the first time in 1856. However, Siamese people did not accept the foreign coins, leading to issue the announcement of using foreign coins for the second time in the same year which declared the exchange rate was 3 foreign coins for 5 baht.

They still refused to use the foreign coins. The announcement of foreign coins thus was declared for the third time in the same year. People who did not accept the foreign coins would be fined.

At that time, there were different currencies, for example Mexican coins, Rupee coins and Wilanda coins (unidentified where they came from); however, people were still unwilling to use these coins. The announcement of using foreign coins was declared again in 1864 which stated that

“...Do not worry and according to the former announcement, please exchange money following rates: 3 foreign coins for 5 Baht, 6 foreign coins for 10 Baht, 12 foreign coins for 5 Tamlueng, 24 foreign coins for 10 Tamlueng, 48 foreign coins for 1 Chang, 7 Rupee for 5 Baht, 14 Rupee for 10 Baht, 28 Rupee for 5 Tamlueng or 20 Baht, 56 Rupee for 10 Tamlueng or 40 Baht, 112 Rupee for 1 Chang or 80 Baht, 13 Wilanda coins for 5 Tamlueng, 26 Wilanda coins 10 Tamlueng, 52 Wilanda coin for 1 Chang...”

Foreign coins mentioned in these announcements were not given enough detailed information, however, assumed that they were used in circulation, for example:

1. Mexican coins

They were made of silver. The obverse features the picture of an eagle standing on a cactus and devouring a snake, surrounded with oak tree branches and leaves beneath. The inscription “REPUBLICA MEXICANA” runs along the upper rim, and leaves run along the lower rim. The reverse features the inscriptions “LIBERTAD” on the Liberty Cap, denomination, year of issue and the mint. They were produced in 1823 – 1897, and used in

Siam during the reign King Rama III – V. However, it still remained unpopular for Siam people to accept foreign silver coins because they lacked confidences in purity of the silver and weight of the coins. King Rama IV thus announced that people should bring their foreign coins to the Royal Treasury to have imprinted the Chakra-Mongkut (Crown) marks as a guarantee of silver purity, and declared the exchange rate was 3 coins for 5 Baht.



A Mexican Coin Imprinted the Chakra-Mongkut (Crown) Marks

Source: https://www.silpa-mag.com/history/article_29937

2. Rupee coins

They were made of silver. The obverse features the portrait of Queen Victoria. The reverse features the denomination. They were widely used in Siam during the reign of King Rama IV – V. It is assumed that they were produced in India. The exchange rate was 7 Rupee for 5 Baht.



An Indian 1-Rupee Coin

Source: http://treasury.pavilion1.treasury.go.th/news_view.php?nid=75

Coinage and a Foundation of a Gold Standard

Lots of foreign coins began circulating but they were still unpopular among Siamese people. Round flat coins were widely used around the world, so King Rama IV would like to produce them in Siam. In 1857, he had the royal emissaries to establish the relation with England and buy a steam-powered machine for production of round flat coins. While waiting for the machine, Queen Victoria sent a man-powered minting machine to King Rama IV.



The Royal Siamese Emissaries were sent to England on July 10, 1857 after the Bowring Treaty was signed in Bangkok.

The coins produced from this machine were called “Royal Gift Coins”. The obverse features the radiating Mongkut (crown) mark flanked by a multi-tiered Umbrella of State on the background of branches. The reverse features an elephant inside the Chakra design. There are stars running along the rim on both sides to denote its value: one star stands for one Fuang.



A Royal Gift Coin

Source: <https://www.treasury.go.th/th/coin-king4-tribute/>

After the machine arrived in Bangkok, the first mint was established. An announcement of value of Ngoen Baht (Baht coin) and Ngoen Pae (Pae coin) 1860 mentioned its specification:

“...apart of one-Baht coins, Pae coins included two Salung, one Salung and one Fuang. The obverse features the radiating Mongkut (crown) mark flanked by a multi-tiered Umbrella of State on the background of branches. The reverse features an elephant inside the Chakra design. Eight stars stand for 8 Fuang. Four stars stand for four Fuang. Two stars stand for two Fuang. One star stands for one Fuang...”



A Silver Coin Imprinted the Mongkut (Crown) – Chakra Marks
Produced from the Coin Production Machine Imported from England
Source: <https://www.treasury.go.th/th/coin-k4-1/>

The establishment of the Royal Thai Mint and the announcement of value of Ngoen Baht and Ngoen Pae 1860 were a turning point for Thai currency reformed from Pod Duang to coins, and the reformation inevitably involved to law and coin production. Finally, Pod Duang was replaced with round flat coins like civilized countries.

Bia (crowny shell) was replaced with Kapae Att and Solos coins, made of tin, in 1862 for small change because the its price was instable. Their characteristics were:

“...at this time in Bangkok, coins made of black tin mixed with copper were called tin Kape. They were stronger than normal tin. Their surfaces were smooth and designs were neat. The reverse features an elephant inside the Chakra design. Thai, Roman and Chinese letters are inscribed to facilitate common understanding between the Thai, Chinese and westerners trading in Siam. On another side features the symbol showing where they were produced from...”

Att and Solos were new denominations. 8 Att was 1 Fuang and 16 Solos were 1 Fuang.



A Tin Coin Imprinted the Mongkut (Crown)-Chakra Marks
Source: <https://www.treasury.go.th/th/coin-k4-2/>

An announcement of 3 values of gold coins was declared in 1863. They were called Tong Tos, Tong Pit and Tong Pad Duang (the word “Tong” means gold). These gold coins were influenced by Pond sterling gold coins of England. Using gold coins as currency later developed into the gold standard, a monetary system in which the standard economic unit of account is based on a fixed quantity of gold. King Rama IV had 3 values of gold coins produced as follow:

“...They have three sizes: large, medium and small. The large is equal to 8 Baht, the medium is equal to 4 Baht and the small is equal to 10 Salung...”

The large, medium and small were called Tong Tos, Tong Pit and Tong Pad Duang respectively.



A Gold Coin Imprinted the Mongkut (Crown)-Chakra Marks

Source: <https://www.treasury.go.th/th/coin-king4-gold/>

In addition, copper coins were produced more in 1865. They had the same designs with Att tin and Solos coins. The thick were called “Sik”, 2 Sik were equal to 1 Fuang. The thin were called “Sio”, 4 Sio were equal to 1 Fuang. In 1866, copper coins were produced to be thinner and their denominations were inscribed on the coins.



A Copper Coin Imprinted the Mongkut (Crown)-Chakra Marks, Thick Type

Source: <https://www.treasury.go.th/th/coin-k4-4/>



A Copper Coin Imprinted the Mongkut (Crown)-Chakra Marks, Thin Type

Source: <https://www.treasury.go.th/th/coin-k4-6/>

To summary, new forms of coin production occurred in the reign of King IV: shape, types of metals, the value shown and new currency denominations: Tod, Pit and Pad Duang for gold coins, Sik and Sio for copper coins, Att and Solos for tin coins. Copper and tin coins, which were small changes, had the value linked to Fuang denomination, while gold coins had the value linked to Baht and Sulung causing the coin value did not to link to metal's weight anymore but preparing to enter to the gold standard in Siam.

The trade with foreign countries in Siam had expanded rapidly since the Bowring Treaty was signed in 1885. Overflowed with foreign currency, old Thai money (Pod Duang) was reformed to round flat coins produced with various metals: tin, gold and copper, leading to new denominations: Tod, Pit, Pad Duang, Att, Solos, Sik, Sio, and later entered to the gold standard in Siam.
