Opposition to the Agreement in Persia increased day by day. The hostility towards the Treaty gained further momentum as result of a declaration made by the Soviet Government which denounced strongly the British imperialistic policy in Persia. On August 30, 1919, Chicherin in his 'Appearance' addressed to the workers and the peasants of Persia, denouncing the imperialistic designs of Britain and Tsarist Russia, stated as follows:

'At this moment when the triumphant English robber is trying to force total slavery upon the Persian people, the Soviet worker's and Peasant's Government of the Russian Republic solemnly declares that it does not recognise the Anglo-Persian Treaty which gives effect to this enslavement. The worker's and peasant's Government of Russia... looks upon the shameful Anglo-Persian Treaty by which your rulers have sold you to the English robbers, as a scrap of paper, and will never recognize it as having legal force.'

To soothe the anti-British sentiments of the Persians, Curzon decided to honour the popular leader, Moshaver-ol-Mamaelk — the bitter critic of the Anglo-Persian Treaty.

On August 11, 1919, Curzon proposed 'to invite him to London'. 'This may result', he thought, 'in improvement in his attitude'.

1. Degré, Jane, op. cit., pp.161-164, (see for the text of the Appeal from Chicherin to the workers and peasants of Persia).

2. He was Minister of Foreign Affairs of Persia and head of the Persian Delegation to the Peace Conference. The Agreement was concluded while he was in Paris and he was kept in darkness. He was anti-British and was not even allowed to visit England. The Shah was maneuvered to dismiss him.

2. Documents on British Foreign Policy, op. cit., No.712, p. 1123.
him to (withstand) blandishments and intrigues to which he may be exposed'. Firouz was advised accordingly. But Firouz thought that 'as he had openly announced his intention of going to Paris on September 12, he would by going straight to London, play into the hands of chique of Persians in Paris, headed by former Minister for Foreign Affairs, who were actively working up French press against Agreement. They would point to his journey to London as another proof of Persian subserviency'. He, however, agreed to proceed to London on September 11, 1919. Lord Curzon informed to Sir J. Graham (Paris) about the programme of Firouz. J. Graham was also confidentially informed that it was not desirable that Firouz should remain long in Paris.

Firouz could reach London on September 17, 1919, and remained there until the end of the royal visit. (The Shah arrived at Dover on October 29). 'During his sojourn in England, Firouz was wined, dined and showered with flowery, meaningless words by Lord Curzon'.

1. Ibid., No. 737, p. 1143.
2. Ibid., No. 760, pp. 1156-1157. (Firouz decided to leave Switzerland (where he had already reached) on September 9, for Paris. He declared that he would reach London on September 11, 1919) Ibid., No. 760, pp. 1156-57.
3. Ibid., No. 761, p. 1157.
4. Ibid., No. 764, p. 1158.
5. Fatemi, Diplomatic History of Persia, op. cit., p. 84, (For the London visit of the Shah and Firouz, and speeches made there on, as well as for the comment of the press - Chapter V., pp. 83-93).
But the British policy to appease the dignitaries of Persia, could not help them in getting the treaty ratified. In fact, Lord Curzon, Sir Percy Cox and Vossuk-ed-Dowleh forgot to recollect Article 24 of the Persian Constitution which provided that all treaties concluded with foreign powers must be submitted for the approval of the Majlis. Persian popular feeling was intense enough to guarantee that the Majlis would disapprove the Treaty. The Prime Minister was afraid of to present the document to the Majlis but proceeded as if the Treaty was in fact operative. The British experts arrived at Tehran. A Persian Railway syndicate was constituted and a first instalment of the loan was paid to the Persian Government.

The Treaty was not ratified inspite of strong British pressure. Meanwhile, the Cabinet of Vossuk-ed-Dowleh, became very unpopular. Consequently, he resigned. His resignation was accepted on June 24, 1920. The new Cabinet declared the Agreement in suspense pending ratification by the Majlis. The Majlis could meet only in 1921. It was convened on June 22, 1921, 'for the first time in six years' and immediately denounced the Treaty'.

The failure of Curzon's policy was a great setback for Britain. 'For a hundred years, Britain and Russia had struggled against one another in Persia, and, when cataclysmic changes in Russia appeared to have removed the latter from the scene, Great Britain was unable to capitalize on the changed power situation. Certainly the policies of the United States Government were contributing factors in Britain reversal — along with such considerations as the resurgence of Persian nationalism, the Soviet Union's soft policy, and the decline in British strength'. Now, Persia was free to make her own destiny.

1. Ibid., p. 169.
CHAP. VIII

CONCLUSION
As Iran occupies geographically and strategically an important posit on, both Russia and Great Britain tried to bring her under their control. Russia was attracted by the importance of the Persian Gulf, while Great Britain feared Russian influence in Persia as a menace to her Indian Empire. Consequently, 19th century witnessed a sharp rivalry between Great Britain and Russia.

Russia wanted either to occupy the northern Persia including the Gulf or, at least to establish a protectorate over that part of the country. Great Britain, on her side, desired a strong and stable Persia which could act as a buffer State between Russia and the British dominions. But, when Britain found that Persia was being crushed out of her national existence, and being gradually absorbed by Russia, she tried other alternatives. Britain favoured the idea of Anglo-German cooperation in Persia which would, however, guarantee Persia's integrity in so far as it would serve their imperial interests. But Germany refused to involve herself in the Persian affairs and the attempt to evolve a joint Anglo-German policy for Persia failed. Britain, then experimented with a policy of Anglo-Russian cooperation in Persia. Lord Salisbury tried to come to an understanding with Russia regarding Persia by following a policy which he called a 'partition of preponderance'. It was simply a plan of division of Persia into economic spheres. On the one hand, this policy would minimize the Anglo-Russian rivalry in Persia; and on the other it would strengthen the country by the construction of railways; increase in trade commerce, and
industrial development, and by the flow of capital in the
respective spheres. Lord Salisbury expected that once this
process began, nations like Germany and America would come
forward and invest their capital in both spheres. He desired
to transform the Persian question from Anglo-Russian into an
international one. Moreover, with her improved conditions,
Persia would be able to defend herself. Unfortunately, no under-
standing could be reached.

British diplomats then decided to establish a British
protectorate on the southern provinces of Persia to be ruled
by Milad-Sultan. He was, however, arrested by the Shah and the
British plan failed. Meanwhile, the influence of Russia increased
in Persia. To counteract the Russian influence, Britain decided
to follow an active policy in Persia.

Persia was, however, afraid of both the Powers and tried
to develop close relations with the United States of America.
In October 1888, the Persian representative at Washington requested
the United States President for the conclusion of a treaty of
alliance which would help Persia in her defence against the
aggressive designs of Great Britain and Russia. But America was
not prepared to involve herself in the Persian affairs. It was
deemed against the United States policy of non-intervention.
Having no supporter and being a weak country, Persia had to
accept the dictates of her two powerful neighbours. But the
Persian authorities achieved remarkable success in their foreign
policy by playing off Russia and Britain against each
other and thus preserved the integrity of their country.
Internal condition of Persia was quite unsatisfactory. The administrative machinery was rotten. Officials were greedy and dishonest and the country was suffering from poverty, mal-administration and judicial insecurity. The Shah led a very luxurious life. They were prodigal and fond of trips and voyages. As the Treasury was empty, money was borrowed either from Great Britain or Russia. In return, monopolies, concessions (for example concessions for exploitation of minerals, Bank concessions, Tobacco concession, concession for construction of Railways, telegraph oil concession and others) and capitulations were granted to them. Furthermore, the Persian rulers were tyrants. The tyranny combined with the non-maintenance of the national prestige abroad led the Persian nation to start a national movement. The credit to create political consciousness amongst the Persians goes to the celebrated Muslim thinker Sayyid Jamaluddin Aghani and Nalkoom Khan. The national movement gained momentum and in 1906 some 16,000 Persians took part in the precinct of the British Legation at Tehran. It was a mass protest against the mortgaging of the natural resources of the foreigners; corruption in the administration; poverty; and the judicial insecurity. The Nationalists demanded a constitution and House of Justice. Britain supported the cause of the Persian Constitutionalists while Russia supported the Shah. The Shah had to yield and granted a Constitution and a Parliament. Persia had now a Constitutional monarchy.

The British had supported the Persian Constitutional Movement 'primarily because it promised to do away with Russian influence close to the throne, and secondarily, because it was
logical to support a movement directed towards the type of
Constitutional monarchy common to their own country.¹

Britain was successful in her goal. The Persians regarded
her as their protector. The whole episode was regarded as
British diplomatic triumph. However, the success of the Persian
nationalists was resented by Russian who thought that it was
engineered by the British with the object of destroying the
Russian supremacy and uplifting their own prestige. Consequently,
the Russians became enemy of the Constitutionalists.

Meanwhile, rapid growth of German navy and the threat
of German Commercial competition had alarmed the British
statesmen. Consequently, Britain decided to come to an understand-
ing with Russia. The defeat of Russia in 1905 at the hand of
Japanese, had weakened her, as the result of which she did not
prove obstinate and welcomed the negotiations for an understand-
ing. M. Isvolsky, the then Foreign Minister of Russia, firmly
believed that Russia's destiny lay in the alliance rather than
conflict with England.

The negotiations were started and resulted in the conclusion
of Anglo-Russian Convention of August 31, 1907. The Convention
embraced three agreements, one on Persia, the second on Afghanistan,
and the third on Tibet.

As regards Persia, the two signatories agreed to respect
her integrity and independence and then proceeded to divide the
country into three zones. The northern zone was reserved for
Russian interests and southern for British. In between the two
zones, there was a neutral zone, open to both. The Anglo-Russian
Agreement was concluded solely in the interests of the European
balance of Power. It was definitely an indication that Britain
T. Wilberforce, Modern Iran (London, 1903), p. 64.
was not strong enough to face Germany alone. Sir E. Grey, the then British Foreign Secretary, claimed that the Agreement had made Russia, once and for all, to give up her ambitions concerning India. He was satisfied that a frequent source of friction and a possible cause of war had been removed.

Great resentment prevailed in Persia against the Agreement. Persians believed that the arrangement of spheres of influence was merely a stage on the road of partition. At that time, the influence and popularity of Great Britain in Persia were at its zenith owing to the deep British sympathies with the Constitutionalists. Russia was regarded by them as deadly enemy. The Anglo-Russian rapprochement aroused great suspicion. Britain was no longer their friend. Many Persians believed that Britain's real object in concluding the Agreement was to prevent the spread of Constitutional ideas in Asia. The views of the Persian revolution had encouraged the Indian nationalists. This alarmed Britain and the British statesmen decided to oppose any such national movement in Asia. The Persian Government, however, refused to recognize the Agreement which was concluded without her knowledge.

Mohammed Ali Shah was a worst type despot. He was not prepared to accept limitations imposed upon the royal purse and prerogative. He hated the Constitutionalists. The Russians contributed much in fostering his hatred towards the Nationalists. He completely ignored the Majlis (Parliament) and the constitution. He was determined to abolish the Constitution and destroy the Majlis and attempted twice to that end. His first attempt (December 1907) failed. The Constitutionalists were strong enough and would have deposed him, had his deposition not been opposed by Russia and Great Britain. Encouraged by the Russians, Mohammed
All successfully attempted to crush the Constitutionalists in 1908. On June 23, 1908, the Persian Cossack Brigade, commanded by Colonel Lakkoff, bombarded Baharestan (the building of the Majlis). Many leaders were arrested and some of them executed. A number of nationalists leaders, however, took refuge in the British Legation. Colonel Lakkoff was appointed by Shah as the military governor of Tehran who declared martial law in the city. It seemed, though for a very brief period, that the autocracy of the Shah had been established. Needless to say, the Shah was supported by the Russian, though not openly, in his adventure of crushing the nationalists, demolishing the Majlis and dissolving the Constitution.

Great resentment prevailed throughout the country against the Shah's action. Anti-Shah riots broke out in Fasht, Kirman, Isfahan, Tabriz and etc. At Tabriz, the people rose in open revolt against the Shah's authority. They completely routed the forces of the Shah there. The city of Tabriz was, however, besieged by the royalists. The situation grew from bad to worse. The people of Isfahan revolted against the Shah in January 1909. Following the example of Tabriz and Isfahan, the people of Fasht Turbat-i-Mahdi, Hamadan, Mashhad, Bushire and Bandar-i-Abbas revolted against the Shah. However, the nationalists were very cautious in their dealings with the foreigners. They tried to avoid any action on their part which would provide a pretext to any foreign power to intervene in the internal affairs of their country. Consequently, no revolution had ever been carried out in the world with such order and restraint. But Russia decided to intervene in the affairs of Persia. Britain persuaded Russia not to intervene. Russia refrained temporarily. Britain repeatedly
advised the Shah to grant a constitution to the Persian nation but in vain. The situation grew from bad to worse. The siege of Tabriz continued. At last, Russia, on the pretext that lives and property of the foreigner were in danger despatched a large number of her troops under General Snarsky to Tabriz. Britain did not oppose the Russian stand. The British statesmen decided not to antagonize Russia on the question of Persia, lest she should break the entente.

After the arrival of the Russian troops, the royalists raised the siege. General Snarsky, the Russian Commander took drastic measures to crush the nationalists at Tabriz, although he was sent with the instruction not to interfere in the internal affairs of Persia. The nationalists thought that the Russia army had come in with the consent of the Shah. Moreover, it seemed from the behaviour of the Russian army that it had come to stay permanently.

Meanwhile, two nationalist armies - one from Isfahan under Sardar Assad and the other from Resht, under Veli Mohammed Khan, the Sipahdar, advanced on the capital. The nationalists armies were advised and warned by the Russian and British representatives not to march towards Teheran, but in vain. Russia got another pretext and decided to dispatch troops to Kasvin.

However, the nationalist armies entered Teheran on July 13, 1909. The Shah took refuge in the Russian Legation on July 16, 1909. On the insistence of Russia and Great Britain, a pension was granted to Mohammad Ali who left for Russia in October 1909.
Throughout the whole crisis, Britain supported the nationalists cause and persuaded Russia to act in close cooperation with her. Britain was anxious to get a constitutional monarchy established in Persia and to avoid Russian intervention in the country. Though Britain was, more or less, successful in achieving the goal, but she did not succeed in convincing Russia not to dispatch her troops to Persia. Yet, it can be safely concluded that it was the British opposition that prevented Russia from occupying Teheran. Britain might have opposed the decision of Russia to send her troops to Persia, had the danger of Germany not been imminent. On the other side, Russia would have occupied Persia, had she not been concluded the Anglo-Russian Convention of 1907. Moreover, Russia too, realized the German menace. Due to the uncertain situation prevailing in Europe, the Russo-British clash was avoided in Persia. Russia was, however, satisfied to have her forces stationed at various important places in Persia, with the help of which, she could dictate her terms easily to the Persian Government in future.

Not only had Russia dispatched a large number of forces to Persia, but the British Government also had sent a small number of blue jackets to southern Persia. However, the British forces, unlike the Russian troops, did not intervene in the internal affairs of Persia.

The nationalists Government formed after the deposition of the Shah tried its best to restore peace and order in the country. In a short period it succeeded in restoring peace in northern Persia, and demanded the withdrawal of Russian troops. Although it was the declared intention of the Russian Government that as soon as normal conditions were restored, the force would be with-
draw, yet she refused to withdraw and put forwarded certain demands as the pre-condition of withdrawal. The Persian Government rejected these demands. Consequently, the withdrawal did not take place and it seemed that Russia would not withdraw until doomsday unless some superior force expelled them.

In Southern Persia, Britain demanded the formation of a body of road-guards, consisting 1,000 to 12,00 men levied and commanded by British officers from Indian army. The British Government argued that the situation in Southern Persia was deteriorating and therefore, the organization of such a force was necessary. The Persian Government claimed that there was definitely an improvement in the situation and promised to take measures to restore peace and order there. Britain, however, postponed the imposition of the road-guards scheme.

One of the main causes of the failure of the Persian Government to restore complete law and order, other than foreign intrigue and intervention in the internal affairs of the country, was her empty treasury. Consequently, she approached the Russian and British Governments for a loan. They agreed to furnish the Persian Government with a loan but attached such conditions which if accepted, would have undoubtedly rendered Persian independence illusory. The Persian Government consequently, contacted private firms to get the loan. But, the two powers did not allow her to be benefited from quarters other than their own. The Persian Government also decided to borrow experts to organize the administration of Persia, but she was not allowed by Russia and Great Britain to employ any national of a Great European Power.
The Persian government then hired the services of Mr. Shuster from America. He was appointed as Treasurer-General of Persia and was expected to put the Persian Treasury on its feet. Mr. Shuster, with a group of assistants, reached Teheran in May 1911. The Russian government was against Shuster's appointment but, on the persuasion of the British government, she did not oppose his engagement; yet, Russia promptly, started undermining Shuster's mission.

Shuster, soon after his arrival, decided to organize a Treasury bunder-mairie, which would assist and cooperate with the civilian officers of the Treasury in collection of the taxes. For the organization of the Treasury bunder-mairie, he selected Major Stokes. The Major was originally an officer in the Indian Army but was deputed to work as a military attaché of the British Legation at Teheran. His services in the capacity of a military attaché was about to expire; consequently, Shuster approached him. He agreed. The British government had no objection to the Major being appointed as in charge of the bunder-mairie. Consequently, Shuster was informed by the British Minister at Teheran that before accepting the command, Stokes would have to resign his commission in the Indian Army. Russia unconditionally and decidedly opposed the appointment and consequently, in order to appease her ally, Britain informed the Persian government that Stokes' appointment in the Northern Persian would involve political difficulties and that British government would not decry a Russian objection to it. In fact, Russia insisted that either the command of bunder-mairie should be split up, should be filled up by Russian and British officers.
respectively or an officer of a minor power should command the gendarmerie. Later on, Stokes was not allowed by his government to accept his new assignment.

Meanwhile, the ex-Shah, encouraged by Russia, attempted to regain the throne. The Persian government decided to confiscate the property of Shua-as-Sultaneh and Salar-ed-Dowlah, the brothers of the ex-shah, who had joined him in his attempt to regain the throne. Mr. Chuster was ordered by the Council of Minister on October 4, 1911, to convert their properties into Persian Treasury. Consequently, Chuster sent his gendarmerie to seize the estates of the insurgent princes. The gendarmes were not allowed to execute the order by the members of the Russian Consulate at first, but Chuster sent his gendarmes who took possession of the properties. Russia resented it and demanded that the gendarmes should be immediately withdrawn from the properties in question and Persian Consul should be put in possession of the estate. An apology for the alleged insult to the Russian Consulate officers was also demanded. The Persian government accepted these demands on the advice of the British Government. But as there had been some delay in the compliance with the demands, Russia presented with an ultimatum further demands, which included the dismissal of Chuster. The Majlis rejected the demands. To impose her demands Russia dispatched a large number of troops to Persia. To meet the Russian challenge, the Majlis appealed to the U.S. House of representative for help, but the Persian patriots were disappointed when they found that their request could not arise any interests in America.

Meanwhile, the Russian troops reached Karvin but the Majlis stood firm. However, on December 24, 1911, the Persian Cabinet
engineered coup against the Majlis and it was dissolved. The same day, the Cabinet accepted the Russian demands. Shuster left Tehran for America in January 1912. However, with her forces at various places in northern Persia, Russia virtually occupied that part of the country.

In South Persia, meanwhile, Britain reinforced her Consular guards at various important places. Moreover, to safeguard her oil interest in South Persia, Britain followed a policy which firstly, created, a 'State within State' and finally resulted in a political partition of Persia between Russia and Great Britain (Secret Agreement of Constantinople, 1918).

In short, before the initiation of the First World War, a sort of Anglo-Russian condominium was established in Persia.

After the outbreak of the War, Persia declared her neutrality. But her neutrality was violated by the belligerents and Persia became a battle ground. The Great October Revolution in Russia brought great changes. The Russian troops withdrew from Persia and the whole country was occupied by Britain.

After the War, the Peace Conference, at the insistence of Great Britain, rejected the Persia's claim. In the meanwhile, Lord Curzon instructed Sir Cox to negotiate a treaty that would assure British Political ascendency in Persia. The treaty was signed on August 9, 1919. Popular feeling encouraged by American diplomatic protest, ran high against the Agreement. French and Russian hostile attitude against the treaty gave much support
to the national feelings. Consequently, the Treaty was not ratified in spite of strong British pressure. Later on, Britain was compelled to withdraw her forces stationed in Persia.

The developments in Persia were influenced largely by the developments in international politics. Japan, an Asian power had vanquished Russia in 1905, and the Bolsheviks had overthrown Czarist Governments in Russia. The First World War changed the pattern of big-power relationships. Wilsonian idealism and the call of the principle of self-determination coupled with the antipathy to the Anglo-Persian Treaty of 1919 lent support to the nationalist movement in Persia. Great Britain with her broken economy had to loosen her grips over Persia. All these factors contributed to the success of the Persian nationalist movement— which grew by its own motive—freedom from foreign domination. Persia was then free to make her own destiny.
Correspondence between the British Minister at Teheran and the Persian Government regarding organization of a force to be commanded by British officers in the Indian Army.

Sir G. Barclay to Persian Government

Teheran, October 14, 1910

M. Le Ministre,

I have repeatedly drawn the attention of the Persian Government to the deplorable insecurity of the roads in Southern Persia.

Unfortunately my representations have produced no result. So far from there being any improvement, the state of these roads is worse to-day than at any time since the commencement of my mission in Persia. Robberies and outrages have become more and more frequent, and the principal channels through which British trade used to pass to the interior of the country are now practically closed by the depredations of tribesmen, who appear to be completely beyond the control of the central Government.

I postpone for the moment dealing with the numerous claims presented by this legation and His Majesty's consulates to the Persian Government and the local authorities on account of outrages to British subjects and robberies of British goods on the roads in question.

Such claims, of which hardly one has been settled since I took up my post as His Majesty's Minister to Tehran, will, of course, as occasion offers, continue to be pressed upon the Persian Government and the local authorities, and their settlement will be exacted in due course. I am now, however, principally concerned with the measures to be taken with a view to remedying a state of things which has at last become intolerable to His Majesty's Government, and I am instructed by His Majesty's Principal Secretary of State for Foreign Affairs to inform you that, unless by three months from now order has been restored to the satisfaction of His Majesty's Government upon the roads from Bushire to Shiraz, and from Shiraz to Isphahan, which are the routes which have been marked by the most flagrant outrages and disorders, His Majesty's Government will be reluctantly compelled themselves to take such steps as may be necessary to secure the proper policing of these roads.

I may add that the measures contemplated in the first instance by His Majesty's Government, in the event of the Persian Government's failing to restore order within the period named, involves the organisation for the policing of the roads in question of a local force of some 1,000 to 1,200 men levied and commanded by a number of British officers from the Indian army. The expenses of this force...
would be met in part by a surcharge of 10 per cent on the customs duties on all goods imported at the southern ports, and in part from the revenues of the province of Pars, a sufficient portion of which, would have to be paid over with the above-mentioned surcharge on the customs duties to the officer commanding the force.

I trust that this matter will receive the most earnest attention of the Persian Cabinet.

While thus warning the Persian Government of the consequence of a continuance of the present deplorable situation on the southern roads, I avail and c.

G. Barclay.

Husseín-Kái-Khan-to-Sír-¿:,-Barclay
Hussein Kul Khan to Sir T. Barclay

Tehran, October 21, 1910.

Your Excellency.

Note has been taken of the purport of your Excellency's communication of the 10th Shawwal, 1338 (A.H.) (16th October, 1910), respecting the southern roads, and I now have the honour to say that His Majesty's Government, being well aware (of the fact), should therefore admit in what (a deplorable) condition the country was in when, after the decline of the former disturbances, the Persian Government last year took up the reins of Government, seeing that all the affairs and Government administrations - especially the finances - were in complete disorder, and that the foundations of security and public contentment were completely disturbed.

Though (the Government were) daily confronted with obstructions, such as the stay of bodies of foreign troops in the interior of the country - which causes public uneasiness, and is the pretext for incitement and intrigue on the part of persons who profited by the former disturbances - as well as other incidents, such as those at Karachidagh, Ardebil, Zenjan, Veramin, and C., which constantly occupied the Government forces at several points; from that date to this the affairs of the country have, in many instances, improved and are improving.

But unfortunately, in certain places, the intrigues of persons who, for their own profit, wish that the country should remain in the state of disturbance of the former regime, are still going on, as explained below, and have not entirely ceased. For instance, certain persons, after being guilty of sedition and intrigue, take refuge in various legations, and, availing themselves of the protection afforded to them, consider themselves exempt from exile, which, is customary in the case of such refugees and intrigue within and without the precincts of the legation. Others, again, by methods contrive the illegality of the majority of which has never been contested, such as proteges, consider themselves immune, do not recoil from any kind of incitement or sedition. In the same way others who pass among the people as Persian subjects, but in reality, relying on their foreign nationality, commit crimes with audacity and in complete confidence, and afterwards, declaring themselves to be foreign subjects, evade the jurisdiction of the Government. And also persons, undoubtedly Persian subjects, who by illegal means pretend they are foreign subjects, and then commit various kinds of sedition.

These conditions, which cause the greatest trouble to the Government, provoking disturbances in the country, and, furthermore the continued stay of bodies of foreign troops, have encouraged some persons to reasonable consideration of a return of the former regime and give them unfounded hopes.
Apart from the fact that the Government's attention and time is thereby, to an extraordinary degree, directed to considerations and necessities relating to home affairs, this matter is naturally a cause of regret and sorrow, as a prolongation of this state of affairs might possibly cause a blow to and injure trade between Persian and British subjects in the southern provinces.

The Persian Government is of opinion that the principal cause of this unfortunate state of affairs, apart from the reasons above stated, is the unfortunate impression caused by the stay of bodies of foreign troops and the financial straits and embarrassment of the Government, which is one of the consequences of the mismanagement and carelessness of the former regime.

If these unfortunate impressions and financial straits did not exist, the forces at present at the Government disposal would be sufficient for the maintenance of order, and the maintenance of order on the southern roads would present no difficulty in itself.

But, as mentioned above, it is because of financial straits and embarrassments that the Government has not been able to fulfil its principal aim, which is that of increasing security.

As in the reply of the Ministry of Foreign Affairs of the 25th Rabbi-ul-Awwal(A.H.)(7th April, 1910), it was brought to your Excellency's notice that the new Government, as soon as formed, had laid it down in the programme which they presented to the Majilis that a portion of the advance and loan which they had in view should be devoted to the increase of security on the roads. Consequently the Minister of Finance and Foreign Affairs of that day entered into negotiations with your Excellency regarding an advance and loan.

The note of the 8th Safar, 1328(A.H.)(16th February, 1910), in answer to the efforts of the Persian Government, contained conditions laid down by the British Government for that small advance, the acceptance of which would have been contrary to the independence of the kingdom, the maintenance of which is the primary duty of every government. In view of these circumstances the Persian Government sought for other means of procuring funds. In the meantime, your Excellency's note of the 3rd Rabbi-ul-Awwal, 1328(A.H.)(16th March, 1910), regarding the international Syndicate, brought about discussions and exchanges of notes which caused delay in the obtaining of the fund necessary for the purpose of increasing security on the roads. At the same time, besides the fact that the discussions and exchange of notes have above mentioned created results which preoccupied the Persian Government, they brought about ideas among the public, the result of which in course of time had led to the situation referred to in your Excellency's recent note.
Under these circumstances, your Excellency's sense of justice will cause you to admit that if the new Government had not at the outset been confronted with these difficulties in obtaining money, the maintenance of complete security would have been much easier for the Government than it is at present.

In spite of this the Persian Government have not for an instant swerved from their purpose, and, with the accomplishment of this object in view, they are considering the following means of obtaining funds—

They are in process of negotiation with a group regarding their recognised (consolidated) debt to the Imperial bank with lower interest, and the Persian Government is of opinion that in this manner a sum of money will be available which will enable them quickly to put an entire stop to sedition and incitement. The guarantee which the Persian Government propose to offer for this loan is the same guarantee which was given for their recognised (consolidated) debt to the Imperial Bank, on account of the revenues of the southern customs. For this reason the guarantee of Persia's other loans will in no way suffer.

In view of the Persian Government's anxiety respecting the immediate security of the commercial highways, they consider it very appropriate that the greater part of the expenditure now necessary for increasing the security of the roads should be met by the funds obtained by this transaction, and they assure His Majesty's Government that the Indian loan of 1904 will in no way be adversely affected by this financial measure.

In these circumstances, the Persian Government are quite confident that His Majesty's Government, in view of their anxiety respecting the development of commerce, will look favourably upon this transaction, which the Persian Government have in view chiefly on this account.

At the same time, I think it necessary to draw your Excellency's attention to the fact that as the Persian Government cannot every year by successive loans meet its requirements, they must find a source of revenue to meet each requirement; and the best source of revenue obtainable at the present time, under the present conditions of Persia, which could furnish a portion of the sum required for the gendarmerie, is that very suggestion contained in your excellency's last note regarding an increase of 10 per cent on the customs revenue.

But as the proposal contained in the above-mentioned note is contrary to the undoubted independence of the Persian Government, the friendly relations and the unity which up till now have existed between the two Governments, the Persian Government can never under any circumstances consent to it. But as, on the other hand, the Persian Government take particular note of the anxiety of His Majesty's Government respecting the commercial highways, and as the Persian Government consider it desirable to regard the maintenance of their own independence and the removal of His Majesty's Government's anxiety on this score as identical, they consider it desirable that this 10 per cent tax should be levied on the
customs by the Persian Government themselves and be expended on the necessary increase of security.

The Persian Government therefore request His Majesty's Government, though the medium of your excellency, that they should give their support to the accomplishment of this aim; and as this request of the Persian Government is made with the object of developing commerce, and the Persian Government consider its fulfilment necessary for the maintenance of the very same security which you mentioned, its acceptance should be hastened.

Before concluding this note I consider it necessary, in order to prove that commerce has not suffered, to draw the attention of His Majesty's Government to the extraordinary increase of the customs receipts from the south. Without, however, entirely denying that in recent times there have been any kind of troubles and obstacles in the way of a sea of commerce between Persia and England, I consider that it is shown by the statistics of customs revenue that no real commercial losses have been sustained by British subjects, while, on the other hand, the increase of 100,000 tomans in the Arabian customs receipts in the year 'Takagoui-11' (1909-10), as compared to the previous year, and the extraordinary increase during the present year, conclusively proves that southern commerce has only been temporarily diverted from its former channel.

Furthermore, the whole of Persia's commercial imports during last year showed an increase of about 19 per cent over those of the year 'Pichu-11' (1908-9), and during the five months of the present year an increase of 20 per cent is shown.

In view of the facts above stated, the Persian Government are of opinion that foreign subjects have no cause of complaint regarding commerce with Persia.

(L.S.) Hussein Kuli
Sir G. Barclay to Persian Government

Teheran, November 17, 1910.

M.le Ministre,

I have the honour to acknowledge your Excellency’s note of the 21st ultimo. In reply to this communication I do not deal with your Excellency’s references to the presence of foreign troops in Persia, as I consider these references to be irrelevant to the matter with which I am now specially concerned, viz., the outrages and depredations of tribesmen on the southern trade routes.

You Excellency points to the increase in the total volume of Persian trade for 1909-10 (Takhaghouli) as compared with the year 1908-9, and to the further increase which has marked the first five months of the current year, but I must point out that the increase observable in 1909-10 applied, as can be seen from the customs returns, to the north and not to the south. In particular it will be seen that the Bushire customs receipts for last year were much lower than 1908-9, just as in 1908-9 they were much lower than in the preceding year.

As regards the increase during the first five months of the current year it is true that the southern customs share in this increase, but it should be remembered that this year’s harvest has been exceptionally abundant, and that the first five months of last year with which comparison is made included the period during which Bushire was in the power of Seyyid Murteza and his Tangistanis and I would draw your Excellency’s attention to the fact that notwithstanding this the Bushire receipts only show as increase of some 12 per cent.

But whatever may be the statistics of trade for the past months, it cannot be denied that certain of the southern roads are practically impassable. This especially refers to the main southern trade route connecting Bushire with Isphahan, the district on the confines of the provinces of Fars and Isphahan being in a state of indescribable disorder, and though traffic between Bushire and Shiraz has not latterly been entirely stopped, it has only been able to pass by an inconvenient and circuitous route where merchandise is subjected to extortionate and illegal fees, and only by the sufferance of a tribal chief who is not under full control of the Government.
There can, indeed, be no hope of any lasting revival of trade so long as the present anarchy continues on these southern roads, and it was with a view to securing for this deplorable state of things a remedy to be applied if possible by the Persian Government, but if necessary with the assistance of British officers lent from the Indian army to the Persian Government, that I have addressed your Excellency on the subject. It could not be contended that the above measures would constitute any infringement of the sovereign rights of Persia, as the officers lent from the Indian army would take service under the Persian Government.

As regards the 10 per cent surcharges on the import duties on goods passing through the southern customs, I am to state that His Majesty's Government can only agree to this charge on condition that the proceeds are spent effectively on securing the safety of the southern trade routes. The scheme foreshadowed in my note of the 14th October for the organisation of a Persian force with British officers would satisfy this condition.

I am, and c.

S. Barclay
APPENDIX NO. 4

Vazir Zadeh to Sir J. Barclay

Tehran 25, Zilhejheh, 1328 (December 28, 1910).

Your Excellency,

In reply to your answering note of the 17th November, I have the honour to say regarding your idea that the effects of the stay of foreign troops on Persian soil are not relevant, that as your sense of the importance of things will testify, there can be no doubt that the presence of foreign troops in the interior of a country naturally engages the attention of the Government and causes its prestige to suffer, and for this cause the good intentions of the Government for complete order as desirable are unproductive of result, but as this matter was fully dealt with in my note of the 21st October, I do not think it necessary to repeat myself on this occasion.

Regarding communications between Bushire and Shiraz to which you referred, your Excellency is not unaware that the Persian Government, which has always borne in mind the necessity to uphold commercial relations, has appointed Soulet-ed-Dowlah to maintain order on the Bushire-Shiras road. Besides this, the Persian Government have taken preliminary steps for the further maintenance of order, which I now communicate to your Excellency:

1. A competent governor-general, with necessary instructions, has been appointed and sent to Fars, and will shortly arrive at his post. After his arrival he will take fundamental measures for the completion of entire order in those parts.

2. The responsibility for the protection of security on the Kazerun road has been entrusted to Soulet-ed-Dowlah. At present he has placed 380 mounted and mounted guards on that road; and they are patrolling it, and according to reliable reports the Kazerun road is in perfect security.

3. A force composed of mounted and unmounted men as well as artillery is being sent; of these 700 men and three guns sent from Tehran have passed Kun, two regiments from Hamadan, and the Jalali regiment will join the force at Isphahan. This force is over and above the garrison at present in Fars.

4. A considerable sum out of the loan which is about to be concluded will be laid aside for the perfection of security, and the Government is engaged in elaborating a system by which the expenditure necessary for this purpose will be properly laid down and its control properly carried out.

5. Beside the appointment of to Fars of one of the European military officers serving under the Persian Government
very shortly a number of men will be employed and will arrive from abroad for the prompt organization of the gendarmerie.

I have no doubt whatever that in view of these measures the project of the Persian Government for the perfection of order will be fully carried out, and that your Excellency's anxieties will be dispelled.

With regard to your Excellency's statement that the increase of the customs in 'Takagoui-11(1909-10) concern the north and not the south, I have the honour to draw your attention to the fact that the cause of the increase in the northern customs is only due to the importation of a large quantity of silver, and has no connection with the general trade of the country.

As to the statement made in your Excellency's note that the receipts of Bushire last year were less than those of 'Pichi-11 (1908-9), and that likewise the receipts of 'Pichi-11(1908-9) were much less than the year previous to that, I have the honour to inform you that although the customs receipts of 'Pichi-11' were less, on the other hand, however, the customs receipts of the other southern ports were doubled. Therefore, the whole trade of the southern ports should be taken into consideration in their entirety in order that a proper idea should be formed of the trade of the south. In these circumstances, it is perfectly clear that, even if compared to the customs receipts of the last three years, those receipts of the five months mentioned in my note show a palpable improvement.

With respect, however, to the increase in the first five months of the present year, regarding which you stated that the harvest of the present year was an exceptionally abundant one, I have the honour to say that the abundance of the harvest can only affect the receipts accruing from exports and not from imports.

Regarding your statement that the receipts of the Bushire customs have increased by 12 per cent, I do not think it superfluous to remind you that although an increase of 12 per cent is a considerable one and worthy of being taken into account, and that such an increase in the commercial statistics of other countries is a proof of a progress in trade, the increase in the customs receipts of Bushire are much in excess of 12 per cent. since the increase of 'It-11' over 'Takagoui-11' was 20,843 tomans which makes a difference of 20 per cent. If we only take the customs receipts on imports into consideration the increase of 'It-11' over 'Takagoui-11' is 25,412 tomans, which gives an increase of 25 per cent. I have no doubt that in view of these facts your Excellency will agree that the general trade of the south has suffered and has even increased and progressed during the last (few) years.
Regarding the surtax of 10 per cent. on the southern customs, the Persian Government are grateful for the friendly assistance of the British Government, and, in view of the supreme importance attached by the Persian Government to the perfection of order and the consolidation of commercial relations they will institute a scheme by which the revenue derived from this source will be effectively applied to the expenditure in view. In these circumstances, I have no doubt that the scheme which the Persian Government have in view for the effective expenditure of this money will be considered sufficient for the fulfilment of this condition.

But in reply to the last paragraph of your Excellency's note, I have the honour to refer your Excellency to my note of the 21st October.

VAZIR ZADEH
I did not fail to communicate to my Government the Vazir-Zadesh's note of the 28th December, and I have been instructed to inform your Excellency that His Majesty's Government have learned with satisfaction that the Persian Government is taking special measures to restore order on the southern roads. Reports from His Majesty's consular officers show, however, that the diminution of robberies on the main route from Bushire to Shiraz which has characterised the past few weeks is due not so much to any arrangements so far made by Souletedd-Dowlah for the guarding of the road, as to the unusual severity of the weather. Until therefore the execution of the measures decided upon by the Persian Government has made more progress, His Majesty's Government are unable to judge whether these measures are likely to form an acceptable substitute for the scheme outlined in my note of the 14th October.

Meanwhile, however, His Majesty's Government recognise in the Persian Government's decision to take these measures evidence that they are determined to do their utmost to restore order on the southern trade routes, and are therefore disposed to defer pressing their scheme on the Persian Government pending the results of the further development of the measures in question.

I am to state, however, that it must be clearly understood that His Majesty's Government will reconsider this expectant attitude in the event of a recurrence of disorders on the Bushire-Ispahan road, and that they reserve the right to insist on the engagement of British-Indian officers at any moment should His Majesty's government perceive that the measures taken by the Persian Government are not likely to suffice for the prompt re-establishment of security.

With regard to the proposed customs surcharge, I am instructed to point out to your Excellency that the surcharge would be virtually a tax on British trade. His Majesty's Government consider the imposition of this additional burden, in the circumstances, justifiable as a temporary expedient if British officers are responsible to the Persian Government for the organisation of the force, the cost of which the surcharge was designed to meet. They cannot, however, consent to it merely as a means of enabling the Persian Government to attempt to perform a duty which ought to be a fixed charge on the ordinary Persian revenues, without any guarantee that the attempt will be successful.

I await and e.

To the Editor of the Times.

SIR: - According to a Reuter's despatch, dated London, October 18, the Times States editorially that my recently expressed opinions of Russia's hostility to Persia's financial regeneration and of Britain's acquiescence in Russia's attitudes are unjust and unfounded.

Much as I dislike this class of controversy, still, the importance of the subject, my belief in the fair-mindedness of the British public and in the desire of your journal to be entirely just, and a slight regard for my own reputation, lead me to address you this letter, with the request that you give it due publicity in your columns. It is but a relation of certain facts and incidents which have either come under my personal observation or are of official record during the past five months of my stay in Teheran. My opinion was reached after a calm and impartial consideration of those facts, in addition to the corroborative impressions received in a great number of transactions in which I personally participated but which are not susceptible of legal proof. I am, of course, willing to abide by the judgement of the thinking public for whatever justification may seem necessary.

I arrived here on May 12, last, with three American assistants and with but one object in view - to do a fairly creditable piece of constructive work in behalf of Persia's finances.
On June 13 the Majlis passed a law, drafted by me, conferring on the Treasurer-General Plenary powers in matters fiscal. The law was a public one, voted after full and open discussion, and was manifestly designed to bring some order out of the pitiable state of chaos into which Persia's finances had fallen. The Persian Cabinet and Majlis had almost unanimously approved it. One might expect that the foreign powers in interest here would gladly have done likewise. Unfortunately they did not. Direct legal proof, of course, being lacking, I nevertheless assert, that there is ample documentary evidence of a circumstantial nature to show that there was a deliberate agreement between a number of foreign legations here, headed by the Russian legation, to defeat my execution of that law, and to thwart the general system of centralization of collections, payments and account; prescribed thereunder. The pretexts urged against the system were flimsy and untenable in the extreme and their manifest purpose was to prevent any material change in the old style of conducting Persia's fiscal affairs. This campaign of threats, nagging and general opposition, which even descended into vulgar personalities against me, and into crude attempts to frighten the Persian Government, failed utterly, though it did entail a period of delay and confusion in initiating certain financial reforms. Among the threats made was that of one legation to seize the Northern Customs and put in their own officials to collect the revenues.
Last July, in defiance of Article II of the Protocol of September 7, 1909, Russia and Britain, and particularly the former permitted Muhammad Ali, ex-shah, to escape from Persia; that is, Russia failed utterly 'to take efficacious measures' to prevent political agitation against Persia on his part. In fact, he passed through Russia with a suite, a false beard and a consignment of guns and cannon marked 'mineral water', if we may believe the ante-mortem statement of his late lieutenant, Arshadu'd-Dawla. He embarked with his party from a Russian port on the Russian steamer Christoforos and landed, about July 28, at Jumash-Teppah on Persian soil - a filibusterer in full swing.

Assuming that this escape was accidental and that the Russian passport authorities were off their guard for once, was Russia's attitude one of real regret? In the contrary, it is notorious here that her official representatives in Persia received the news of the landing with uncoveteered joy. Later, I shall prove that they did not even scruple to show that feeling in official communications addressed to Persian Government officers.

On July 23 the Persian Government addressed a note to all the Legations here, informing them of a law which had just been passed declaring a state of siege. Most of the legations replied in the usual manner, merely calling attention to certain
provisions in the treaty of Turkmanchay, but the Russian Legation adopted from the very outset a far different and most unfriendly tone, claiming among other things the right to arrest directly the so-called illegal Russian subjects (who were defined in the Legation's note), who might take part in the events actually going on in the country. The patent object of this claim put forward at this time was to give the Russian Legation and Consuls throughout Persia the excuse to arrest, on the mere allegation that they were a kind of Russian subject, any Persian fighting man of known reputation who might take the side of the Government against Muhammad Ali. If this threat to arrest all Russian subjects (who might take part in events) has been literally executed, it would have been necessary, as we shall see shortly, to arrest most of the Russian consuls and consular employees themselves.

At last, the Russian consul went further and actually informed the Persian Government of his intention to arrest anyone on suspicion of his being a Russian subject, to investigate the matter at his leisure and to hold them until the end of the trouble.

On July 31, when Muhammad Ali has barely put foot on Persian soil, and had made no appreciable advance towards subjugating the country, Britain and Russia addressed to the Persian Government the following: Identique de facto recognition of the ex-Shah's belligerency:

'Seeing that the Ex-Shah, contrary to the advice frequently given him by the Government of England and Russia, in effect that he should forbear from any agitation whatever in Persia, has now landed in Persia, the British (Russian) Government declares that the Ex-Shah has now forfeited his right to the pension fixed by the Protocol. But, on the other hand, the British (Russian) Government believes that, as the Ex-Shah is now in Persian territory, the British (Russian) cannot intervene. Therefore, the British (Russian) Government states that in the conflict that has unfortunately arisen in Persia, they will in no way interfere.'
Scant comfort from friends of a government plunged into the throes of civil strife through the negligence or worse of those who had solemnly pledged themselves to prevent exactly this contingency. But even this declaration of 'neutrality' (though the word itself was omitted on the demand of the British Legation) might have passed had to be observed. And here let us examine what nature of advice was given to the Shah by the Government of Russia through its ambassador at Vienna, according to the ante-mortem statement of Arshadu'd-Dawla. I quote from the account given by the Times correspondent at Teheran, who speaks Persian and heard the statement a few hours before Arshadu'd-Dawla died, (see Times of October 11,)

'Then Muhammad Ali and I met in Vienna. The Russian ambassador came to see us, and we asked for help. He told us that Russia could not help us. Russia and England had again an agreement with regard to Persia, from which neither would depart. They had resolved not to interfere in any way, internally.

'But on the other hand, he said, 'the field is clear. If we can do nothing for you, we equally will do nothing against you. It is for you to decide what are your chances of success. If you think you can reach the throne of Persia, then go. Only remember we cannot help you, and if you fail, we have no responsibility.' 'Well, there is something you can do for us,' we answered 'lend us some money.' 'O, it is quite impossible,' he replied. And, though we begged much and had a second interview, he rejected our proposal. Only he suggested that, if Muhammad Ali had a receipt for some jewels which were in the keeping of the Russian Bank at Teheran, money could be raised on that receipt. But Muhammad Ali had not got the document, and so
Perhaps this is 'advising the ex-Shah to forbear from any agitation whatever in Persia,' and perhaps it is not. Perhaps, also, the Russian Ambassador (who has never denied the interview) did not advise his Government of Khalil's projected journey through Russia, and of his purpose, but the unbiased public will probably continue to hold its own opinion.

We shall now see how well Russian officials in Persia observed neutrality in the internal struggle thus precipitated.

On July 29 the Russian Acting Consul at Isfahan, proceeding upon his conception of neutrality, wrote to the Persian foreign office representative there in a plain attempt to stifle a public expression of the people in favour of the Constitutional Government. He said: 'According to information received by this Consulate, the Government of Isfahan intends to hold a meeting of the clergy nobles, prominent citizens and merchants for the purpose of framing a telegram to the representatives of foreign powers to the effect that they, the people, do not desire Muhammad Ali, and to protest against his arrival in Persian territory. I request you in advance to inform the proper quarters that, as this matter concerns Persia and the Persians (delightful sarcasm) it would be useless to give trouble (sic) to the Imperial Legation and the Consulates of Russia'.

Later he wrote:
You must not uselessly give trouble in the matter of Muhammad Ali Shah(sic) to the Imperial Russian Legation and the Consulates. It is the duty of the Persian Foreign Office representative and of the Government to restrain and prevent any such incidents and they must fulfil it'.

Rashidu'l-Mulk, Persian subject, former Governor of Ardebil, having been in command of Government forces, had treacherously fled before an inferior number of Shahsevens, tribesmen who had always remained supporters of the ex-Shah. He was accused of high treason arrested and confined, at Tabriz. On July 27, the Russian Consul-General at Tabriz, having demanded his release of the Acting Governor, and having been informed that Rashidu'l-Mulk was held by orders of the central Government, sent three hundred Russian soldiers, fully armed, to the Governor's palace, beat off the Persian guards, insulted the Acting Governor liberated Rashidu'l-Mulk and took him away. Shortly afterwards he joined the rebel force of Shujaju'd-Dawla, which were threatening Tabriz.

To the formal protest lodged by the Persian Government over this affair, the Russian Legation replied, officially admitting responsibility for the orders given to the Russian Consul-General at Tabriz to 'take the necessary steps' to prevent certain punishment, which was alleged to be threatened, from being inflicted on Rashidu'l-Mulk. We have seen what steps the Russian Consul-General took - steps which, in the case of two equal powers, would have meant immediate war.
The sole justification attempted by the Russian Legation for this outrage was that 'the representatives of the Government of Russia have accorded a certain protection (sic) to Rashidul-Mulk. As a matter of fact, no sentence at all had been passed on Rashidul-Mulk, though, even if it had, the outrage would have been none the less.

After a full examination of the record, I unhesitatingly assert that a clearer and more flagrant case of violation of sovereignty could with difficulty be found.

At the moment when Shujaju'd-Dawla was preparing to attack Tabriz and the garrison of the city was preparing for defence, the local government received a note from the Russian Consul-General there, stating that no defensive measures should be taken and that under no circumstances should there by any fighting within the city. At the same time, a Russian subject was in charge of the advance guard of Shujaju'd Dawla.

Shuja-Nizam, likewise accused of high treason, had been arrested by the Governor of Marand. The Russian authorities took him from prison Shuja-Nizam afterwards succeeded in establishing himself at Marand and in capturing the Governor. The Russian authorities, alleging that he is in the service of the Russian road company of Djiulfa-Tabriz, continue to protect him.

The citizens of Tabriz having inflicted serious losses on the forces of the rebel Shujaju'd Dawla, the commander of the Russian troops at Tabriz sent a detachment of Cossacks to the field and there, on the pretext that the director of a road
station had been slightly wounded in the forehead by a bullet (he having voluntarily gone to the neighbourhood of a skirmish), arrested seven Persian gendarmes and took them prisoners to the Russian barracks.

When the rebel leader, Mujallalu's-Sultan, was about to enter the town of Ardebil, the inhabitants prepared to resist him. The Russian vice-Consul thereupon sent his agent, Esmail Bey to the Vice-Governor and chief of police to give them the following false information: that Muhammad Ali had arrived at one day's journey from Teheran with an army of twelve thousand men and had announced a general amnesty; that he had charged His Highness the Sipahdar with the control of the city and that the later had accepted; that the prohibition ordered by the police of Ardebil about speaking of Muhammad Ali Mirza was wrong; "I announce these facts to you privately and for your personal information. The Consulate has received instructions, in effect, telling them to watch over the security of the town". Similar announcements were made by public criers, the inhabitants were advised to illuminate the town in honor of Muhammad Ali's victory and to prepare to receive the Governor whom he was sending to them. Later, Mujallalu's-Sultan, protected by Russian Cossacks, entered Ardebil in triumph and committed the usual act of barbarism.

After a stay at Ardebil, Mujallalu's-Sultan joined Shuja'ud-Dawla, leaving behind Chavansu's-Sultan as Governor of the town. The tribe of Khamaslous having refused to submit to Muhammad Ali's rule, the Russian Vice-Consul sent Cossacks to reduce them.
A Russian cruiser having been stationed for some time at the port of Enzeli, the commander, with the Russian Consular agent, visited all merchant vessels entering the port, searched passengers, arrested some and forced them to return to Russia.

When the force of Muhammad Ali was defeated and dispersed, many of the leaders demanded refuge at the Russian Consulate at Astarabad. The Consul received them and refused absolutely to deliver them up to the Persian Government for punishment.

The Russian Commissioner for Qombad-Shabous came to Gumash-Tepeh to concert with Muhammad Ali. Later he returned to his post, whence he continued to force Turkoman-Persian subjects, by threats, to take part with Muhammad Ali. He has since come to Astarabad and made himself virtual governor of that place, while the forces of Muhammad Ali remain outside the town.

At Bender, Djez, the Russian Consular agent, with a party of Russian Cossacks, arrested the Persian frontier official and sent him a prisoner to Astarabad, treating him in a thoroughly brutal manner.

At Resht, a number of Russian subjects, armed and led by the son of an employee of the Russian Consulate there, arrested a Persian subject and beat him to the point of death. They announced at the same time that those who might come to the aid of a certain Persian officer there would be shot.

An employee of the Russian Consulate at Resht called a great number of Russian subjects to his house and discoursed to them on the lack of security in the town. Failing to arouse
sufficient response and his plan being discovered, he sent
Russian deserters to make trouble in the streets—all for the
manifest purpose of creating disorder as a pretext for calling
in Russian troops to quell it.

After the departure of Muhammad Ali from Savad Kuh, a
Russian officer came to Barfush to visit Muhammad Ali's camp,
where he remained six hours, returning to Sari with six thousand
tumans in notes.

When the Teheran Government arrested the well-known
reactionary, Mahju'd-Dawla, on July 23, the British Minister
immediately interfered in his behalf; as a result, he was
released and immediately took bast in the Russian Legation. The
effect produced on the excited minds of the Persian at this time
was that both Britain and Russia were siding with Muhammad Ali
and the reactionaries, thus making the task of the Constitutional
Government vastly more difficult.

About July 31, the Consular agent of Russia at Angeli
arrested several persons as deserters, while the Russian Consul
at Resht sent Russian Cossacks to police headquarters to release
a Persian subject who had been arrested, pretending that the
latter was the 'Lamplighter' of the Cossack barracks.

According to the Convention of 1907 between Russia and
Britain, which both parties are so fond of quoting to Persia,
the latter's complete independence and sovereignty are fully
recognized in although the need for such avowal is not apparent.
Yet in the face of that document Russia had put forward and still
maintains, under the name of 'Protégésheft', the most novel and
remarkable theory ever heard of in international relations. The
Russian Legation and Consulates not only claim absolute rights in Persia over all Russian subjects, 'Legal or illegal', but they claim a species of protectorate over another class of persons, chiefly well-known reactionaries and traitors, who are admittedly Persian subjects, yet against whom Russia will not permit the simplest governmental step to be taken, under penalty of incurring her anger and her vengeance. This protege-ship is likewise used to shield these persons from paying their taxes to the Persian Government, and, as most of them are rich through methods well known in the former regime, there is not only a decided financial loss, but the loss of prestige to the Government and the encouragement thus given other to rebel against the payment of their just dues are even worse. In many instances the Russian authorities do not even claim that the protege is anything but a Persian subject; in others, some of the pretexts alleged for claiming for them Russian nationality are bizarre beyond the wildest dreams. Ask the Russian Legation to explain seriously, for instance, why the Princess Banou Usma, of Isfahan, should not pay the Persian Government the thousands of tumans of taxes which she has been owing for the past few years, and you will be unable to restrain a smile at the answer. Or the famous Kamran Mirza, uncle of the ex-Shah. Or why the Russian Legation interfered recently when the tax collector of Teheran seized the horse of Prince Eusted Dawla for failure to pay his contributions to the Government under which he lives. Beyond all this, of course, is the trifling fact that even foreign subjects in Persia are not exempted from paying their local taxes despite the truly absurd claims as to the meaning of Article IV of the
The Persian law of naturalization is based on the consent of the sovereign, given in a formal manner through prescribed channels, yet we have such claims put forth and maintained as that a certain Persian subject, having once taken bast in a Russian Consulate, he was a Russian, or that he claimed Russian nationality under a decree (unproduced) from the Emperor of Russia. Naturalization laws and regulations are generally esteemed to be the subject of friendly negotiation and arrangement between nations at peace, not as the pretext for abuses of the grossest description by the stronger power.

A better example of Russia's open hostility to the Persian Government could hardly be found than the very recent actions of the Russian of the Russian Consul-General at Teheran, Pokhitanof, with all the details of which I am personally familiar. The facts are still fresh in the public mind, but it may be noted that the arrest and brutal treatment of a few Treasury gendarmes by a superior force of Russian Cossacks, led by two Russian Consular officers in full uniform, and the subsequent incarceration of the Persian gendarmes in the Russian Consulate General, is but a fair sample of Russia's real attitude. When it is remembered that this was done in the face of the Convention of 1907, whereby Britain and Russia mutually engaged to respect the integrity and independence of Persia, and that Russia had completely ignored the Persian protest over this incident, and that Britain, the other signatory, has quietly looked on, the real value to Persia of the famous Convention in question becomes immediately apparent.
To Persia's protest demanding the removal of these three Consular officers, the Russian Legation returned the ludicrous answer that in certain instances in Mazandaran and Veramin the Russian sovereignty had been insulted, in that certain insurgents in arms in the field against the Government having hoisted a Russian flag over themselves, they should not have been touched. Presumably, they should have been allowed to attack the Government forces in peace.

I could go further and cite the attempts made by Russia to prevent any arrangements by which Persia might emerge from her present state of financial bondage to Russia, and the claims of Britain that, under the rescript of Nasiru'd-Din-Shah of 1888, the Persian Government itself has no right to build railroads in the south, the right being reserved to Britain, but the list grows too long.

I do want to mention the Stokes cases, not because it is transcendentally important in itself, but because of the noxious principle which both Britain and Russia have labored to have established with Persia's acquiescence. The British Minister here wrote me on July 22 that he was authorized by his Government to tell me 'that Major Stokes, before accepting the command of the gendarmerie (Treasury), will have to resign his commission in the Indian army'.

As the original tender made by me to Major Stokes did not mention that he would be required to resign from the British service, and as the situation would have been equally well met from Persia's standpoint by his being seconded for three years,
It naturally assumed that on his tendering his resignation, which he immediately did, by cable, it would be accepted. To my intense surprise, I learned that the reply of the British Government was the presentation of a note verbale on August 8, to the Persian Foreign Office, "warning the Persian Government that they ought not to persist in the appointment of Major Stokes, unless he is not to be employed in Northern Persia. If the Persian Government do persist, His Majesty's Government will recognize Russia's right (sic) to take such steps as she thinks are necessary in order that her interests in Northern Persia may be safeguarded".

A mere trifling threat between friends, this.

This was followed on August 19 by another note, repeating 'the warning given on the 8th instant to the effect that, unless Major Stokes is not to be employed in North Persia, the Persian Government ought not to persist in the appointment, and if they do persist, His Majesty's Government will recognize the right of Russia to take what steps she thinks necessary (sic) to safeguard her interests in North Persia'.

Is it at all pertinent to inquire here just what are those undefined 'interests' in Northern Persia on which so much stress is thus laid? Certainly they are not defined in the Convention of 1907; and it is equally clear that the Persian Government does not know them; nor did the British Government know of them as late as July 22. Otherwise, how could she have contemplated accepting Major Stokes' resignation from the Indian Army in order that he might sign the contract offered him?
To complete the record, it should be mentioned that the Russian Legation, on August 15, addressed a memorandum to the Persian Foreign Office, stating that 'the Imperial Government of Russia, for reasons explained at the time to the Persian Government, considers the engagement by the latter of Major Stokes as chief of the armed forces — called gendarmerie — for the collection of taxes as incompatible with its interests, and I am charged to protest against that appointment. Failing satisfaction, the Imperial Government would reserve to itself the right to take such measures as it might judge to be necessary for the safeguarding of its interests in the North of Persia'.

On learning of the first note presented to the Persian Government by the British Legation, I expressed the following views to the British Minister here:

'I beg leave to address you, unofficially, on a subject of great importance to my work here. I have been intensely surprised to learn this evening that your Government has conveyed to the Persian Foreign Minister a note of warning or protest against my proposed employment of Major Stokes in the Treasury Gendarmerie. You are doubtless aware of the course of this matter up to the present. Need I say that, in view of the tone of the communication which your Government authorized you to address to me on July 22 last, in effect that Major Stokes could accept the position upon resigning from the Indian Army, the apparent volte face indicated by their note of to-day is almost incomprehensible?
... Does your Government quite realize the position in which it is placing me before the Persian people and their Government in now suddenly joining with another power to prevent the exercise of the most elementary act of sovereignty by this country, whose independence and integrity both of those foreign powers have solemnly pledged themselves, jointly and severally, to respect?

"My personal feeling are of no importance, but the success or failure of my mission here is of moment both to Persia which entrusted her financial affairs to my care and to my countrymen who are not unnaturally interested in the creditable accomplishment of my task.

"Before accepting this work I was given clearly to understand that neither of the two principal powers having interests here offered any objection to my undertaking it, and surely such a statement was something more than an empty pledge.

"No one, I am assured, knows better than yourself that the choice of Major Stokes was actuated by no political motive in the faintest degree, and no thinking person could suspect me of any intention to engage in political jobbery here—a thing which would only make me ridiculous and spell absolute ruin for my work.

"What, then, am I to think when I see the first vital step which I undertake in the task of bringing order out of those here obstructed and relentlessly opposed by the very two nations who have time and again professed their sincere desire to see the progress and prosperity of the stricken country which I am seeking to serve?"
'Does your Foreign office fully realize that, in adopting its most recent attitude in this affair, it is inevitably producing the impression on the Persian people that it is in reality opposed to the successful accomplishment of my work, in addition to forcing me to assume that I can count on no friendly moral assistance from your Government in a vital matter of this kind?

'If this were a normal place, where well-trained, capable and experienced men could be had in comparative abundance, the result (though not the principle) of your Government's objections might not be so bad, but here, where, as you know, good men are extremely scarce, the attitude adopted amounts to a virtual veto of my efforts and a nullification of my chances of success.

'I hope and trust that in some manner your Government may be brought to see the matter in this light, apart from what I am frank to say seems to me a totally uncalled-for interference in the purely routine and internal affairs of the financial organization which I am endeavouring to build up.

'Personally, I feel so strongly on the subject that I am forced to contemplate the necessity of setting right my own countrymen, at least with a formal public statement of all my experiences in this connection since arriving at Teheran. Needless to say, such a course would be much to my regret, but there is such a thing as just dealing even between Government and individuals, and certainly in this case I feel that my own record is sufficiently clear to bear the light of the most thorough inspection.'
From a review of this incident it is manifest that, unless the Convention of 1907 is a force or a deception, by its own terms it has no bearing whatever on the proposed appointment of Major Stokes as a financial aide to the Treasurer-General.

First, because the preamble of that document, as published to the world, avows that Britain and Russia mutually engage to respect the integrity and independence of Persian and declares the sincere desire of the two signatories for the preservation of order throughout that country and its peaceful development. Yet one of the primary elements of sovereignty is the right to manage internal affairs, at least within the limitations of the law of nations, and surely the appointment of its own officials by any country can be considered as nothing else.

Secondly, the plain purpose of the Convention was that neither signatory power should seek for herself, or support in favor of her subjects, any concessions of a political or commercial nature — such as concessions for railways, banks, telegraphs, roads transport, insurance, etc., within the so-called 'sphere of influence' of the other power.

But this is no case of a 'concession'. Major Stokes is not a bank, or a railroad, or a political or a commercial concession of any kind, and the voluntary tender to him of a post in the Persian service can, by no stretch of the imagination, be converted into a 'seeking' or 'supporting' by Britain of such a concession.

The second fallacy in the position of the two powers lies in the fact that the British Foreign Office itself never thought of construing Major Stokes' appointment into a violation of even
so-called 'spirit of the Convention' until Russia raised the point. The proof of this has been cited above.

Without in any manner recognizing the application or validity of the Convention as relating to herself, Persia might point out that, where the language of a document is plain and clear, there is no room for interpretation of the spirit.

Now that the forces of Muhammad Ali and Salaru'd-Dawla have just been routed and dispersed, and before the Persian Government can get a breathing-space after all the anxiety, expense and difficulty from which it might have been spared by a due observance of the Protocol regarding efficacious measures against the agitations of Muhammad Ali, the announcement is made that Britain proposes to send two regiments of Indian cavalry to Southern Persia to strengthen various Consular guards. The reason stated is the unsafe condition of the Southern roads and the disorders at Shirez. Regarding the latter, it might be mentioned that the prolonged asylum granted up to a short time ago by the British Consulate at Shiraz to Shavmu'l-Mulk, the sworn foe of the Kashghais, has tended in no small degree to render the task of the Persian central Government in restoring order there more difficult, especially in view of the continued efforts of the son of Shavmu'l-Mulk to stir up the Arab tribes against the late Governor, Niazmu's-Sultana.

The generally expected effect of this incursion of the Indian troops into Southern Persia at this time will be the despatch of even larger forces of foreign troops into Northern Persia on even smaller pretexts.
I have so far confined myself to incidents occurring during the five months of my stay here, but this account by no means exhausts the evidence of the unfriendly attitude of Russia and Britain toward Persia. The spectacle given to the world last winter, when the British and Russian Legations stooped to personal insults and had the footsteps of the Persian Minister of Foreign Affairs dogged by their uniformed Legation servants, on the ground that the pension of the ex-Shah was in arrears, was sufficiently indicative of the disposition of the two powers and their representatives at Teheran towards the Persian Government.

In all the cases cited above the Persian Foreign Office has lodged formal protests against the evident violation of her sovereignty and her dignity, and in but few, if any, instances has even a pretense of reparation or satisfaction been made.

Perhaps many of these incidents do not constitute absolute acts of war—perhaps some of them may be accounted for as the unauthorized acts of subordinate agents, even though they have rarely, if ever, been disavowed by the guilty Government, but that they indicate a 'genuine friendly feeling' on the part of Russia and Britain toward Persia, I do not believe any fair-minded person will maintain.

Some one may here be tempted to ask what all this has to do with finance, and with the financial regeneration of Persia. If so, let the answer be that no one who has been in Persia a week can fail to realize that all possibility of reforming Persia's finances is absolutely dependent upon the prompt restoration of order throughout the Empire and the creation and maintenance of a strong central government, powerful enough
to make itself felt and its decree respected to the furthermost parts of the country. So long as the present policy of thwarting the up building of such a government continues - so long as it is the manifest attitude of the powers to nullify all serious efforts on one pretext or another, but always selfish - and to ruin the government's prestige in the eyes of the Persian people themselves, meanwhile keeping the country in a state of financial collapse, - just that long will any efforts at financial regeneration be as unavailing as certain documents written on the sands of temporary advantage or as promises of a neutrality which does not neutralize.

The internal difficulties of Persia are great enough to tax her resources to the uttermost limit; they alone will retard her progress for many years. If to them we are to add flagrant bullying by outsiders, varied by 'finger-on-the-nose' diplomacy, the situation is very bad.

If money is to be obtained for permanent improvements, it must be taken on impossible political terms; if railroads are to be built, they must be coterminous with our old friends, the 'spheres of influence'; if rifles are to be bought, they must be paid for to a rich and friendly foreign government at just three times their market price; if officers of experience are to be taken into the Persian service to hasten progress, they must be not come from a minor power, or prove themselves to have been of the spineless, nerveless type of which the tools of foreign interests are produced; even if they are from a minor power, there must not be so many of them taken as to indicate a serious attempt at reform.
Surely in these days of humanitarian principles and international comity the land of Cyrus has fallen upon evil times.

However, even the ragged misery of the beggar and his indifference to fate does not justify us in giving him a gratuitous kick.

The incidents and facts cited in this letter do not constitute one-third of those with which I am familiar; they are merely typical, and, if anyone doubts the facts, the documentary evidence is available to substantiate them and many more of the same style.

I therefore, venture to hope that, with the knowledge of these cases before it, the Times, with that spirit of fairness for which it is noted, will withdraw the opinion expressed in its leading article of October 13, to the effect that my statements as to the attitude of certain powers toward Persia were unjust and unfounded.

I am,

Yours obedient servant.

(signed) W. Morgan Shuster,
Treasurer-General of Persia.
APPENDIX No. 7

AND LO-RUSSIAN CONVENTION ON PERSIA, 18/31 August 1907

The Government of Great Britain and Russia having mutually engaged to respect the integrity and independence of Persia, and sincerely desiring the preservation of order throughout that country and its peaceful development, as well as the permanent establishment of equal advantages for the trade and industry of all other nations;

Considering that each of them has, for geographical and economic reasons, a special interest in the maintenance of peace and order in certain provinces of Persia adjoining, or in the neighbourhood of, the Russian frontier on the one hand, and the frontiers of Afghanistan and Baluchistan on the other hand, and being desirous of avoiding all cause of conflict between their respective interests in the above-mentioned provinces of Persia;

Having agreed on the following terms:

1. Great Britain engages not to seek for herself, and not to support in favour of British subjects, or in favour of the subjects of third Powers, any Concessions of a political or commercial nature—such as Concessions for railways, banks, telegraphs, roads, transport, insurance, and others—beyond a line starting from Kermanshah, passing through Isfahan, Yezd, Kakhk, and ending at a point on the Persian frontier at the intersection of the Russian and Afghan frontiers, and not to oppose, directly or indirectly, demands for similar Concessions in this region which are supported by the Russian Government. It is understood that the above-mentioned places are included in the region in which Great Britain engages not to seek the Concessions referred to.

2. Russia, on her part, engages not to seek for herself and not to support, in favour of Russian subjects, or in favour of the subjects of third Powers, any Concessions of a political or commercial nature—such as Concessions for railways, banks, telegraphs, roads, transport, insurance, and others—beyond a line going from the Afghan frontier by way of Jazak, Birjand, Kerman, and ending at Bandar Abbas, and not to oppose, directly or indirectly, demands for similar Concessions in this region which are supported by the British Government. It is understood that the above-mentioned places are included in the region in which Russia engages not to seek the Concessions referred to.
3. Russia, on her part, engages not to oppose, without previous arrangement with Great Britain, the grant of any Concessions whatever to British subjects in the regions of Persia situated between the lines mentioned in Articles 1 and 2.

Great Britain undertakes a similar engagement as regards the grant of Concessions to Russian subjects in the same regions of Persia.

All Concessions existing at present in the regions indicated in Articles 1 and 2 are maintained.

4. It is understood that the revenues of all the Persian customs, with the exception of those of Farsistan and of the Persian Gulf, revenues guaranteeing the amortisation and the interest of the loans concluded by the Government of the Shah with the 'Banque d'Escompte et des Prêts de Perse' up to the date of the signature of the present Agreement, shall be devoted to the same purpose as in the past.

It is equally understood that the revenues of the Persian customs of Farsistan and of the Persian Gulf, as well as those of the fisheries on the Persian shore of the Caspian Sea and those of the Posts and Telegraphs, shall be devoted, as in the past, to the service of the loans concluded by the Government of the Shah with the Imperial Bank of Persia up to the date of signature of the present Agreement.

5. In the event of irregularities occurring in the amortisation or the payment of the interest of the Persian loans concluded with the 'Banque d'Escompte et des prêts de Perse' and with the Imperial Bank of Persia up to the date of the signature of the present Agreement, and in the event of the necessity arising for Russia to establish control over the sources of revenue guaranteeing the regular service of the loans concluded with the first-named bank and situated in the region mentioned in Article 1 of the present Agreement, or for Great Britain to establish control over the sources of revenue guaranteeing the regular service of the loans concluded with the second-named bank, and situated in the region mentioned in Article 1 of the present Agreement, the British and Russian Governments undertake to enter before-hand into a friendly exchange of ideas with a view to determine, in agreement with each other, the measures of control in question and to avoid all interference which would not be in conformity with the principles governing the present Agreement.
APPENDIX No. 3

CONVENTION (POTSDAM) ON THE BAGHDAD RAILROAD AND
RUSSIAN INTERESTS IN PERSIA: RUSSIA AND GERMANY
6/19 August 1911.

Art. 1: The German Imperial Government declares that it has no intention to request for itself the construction of railways or the concession of navigation or telegraphic service or to support requests of that nature on the part of German or foreign citizens to the north of the line going from Casra to Chirine, passing by way of Isphahan, Yezd and Khakh and reaching the Afghan frontier at the degree latitude of Gachik.

Art. 2: The Russian Government, which intends to obtain from Persian Government a concession with a view of creating a network of railways in northern Persia engages itself on its part, among other things, to ask for the concession for the construction of railway which is to start from Téheran and to end at Khanikine, to connect this network of railways on the Turko-Persian frontier with the Sadieh-Khanikine line as soon as the (Koniah) Bagdad branch railway shall have been completed.

When this concession is obtained, the work of construction of the line indicated shall begin at the latest two years after the completion of the Sadieh-Khanikine branch and terminated within the space of four years.

The Russian Government reserves unto itself the right to establish at a proper time the definitive location of the line under consideration; but on this occasion it shall bear in mind the desiderata of the German Government. The two governments shall favor international traffic over the lines from Khanikine to Téheran and from Khanikine to Bagdad and avoid all measures that might interfere therewith, such, for instance, as the creation of transitory customs duties or the application of differential tariffs.

If at the end of a period of two years after the completion of the Sadieh Branch to Khanikine of the railway from Koniah to Bagdad, the construction of this line from Khanikine to Téheran is not commenced then the Russian Government shall inform the German Government of its renunciation of the concession of this latter line. The German Government, in that case, shall have the right to solicit on its part the concession of said line.

Art. 3: In view of the general importance which the realization of the Bagdad railway has for international commerce, the Russian Government engages itself not to take any step that might prove an obstacle to the construction of the railway or prevent the participation of capital in this enterprise. Always, of course, with the understanding that no pecuniary or economic damage would accrue thereby to Russia.
Art. 4: The Russian Government reserves unto itself the right to entrust to a group of foreign financiers the construction of the projected junction between the network of railways in Persia and the Sadijah to Khamikine line in place of undertaking itself this construction.

Art. 5: Independently of this, the Russian Government reserves unto itself the right to participate in the works in whatever form it may deem proper, whatever be the mode of construction of the line in question, and to reassume possession of the railway by reimbursing the actual amounts expended by the constructors.

The high contracting parties engage themselves besides to participate annually in the tariff or other privileges which one of the parties may obtain with regard to this line. All the other causes of the present agreement remain valid in all events.
APPENDIX NO. 9

Decree announcing in effect abolition of capitulations, extraterritorial rights, etc.

July 30, 1918.

Since all concessions, treaties, and agreements with the Russian Government and her subjects during the last one hundred years have been wrung from Persia either by force, oppression or illegal proceedings such as treaties, temptation and inducements, and to her great disadvantage;

Since all the great countries of the world from the beginning of the present war have been announcing to the public their consideration for the economic and political independence of weak nations;

Since the new Russian Government has made the liberty and perfect independence of all nations her ideal and the object of her aspirations, having often specially announced both formally and informally the abolition of certain treaties and concessions wrung from Persia;

Since said concessions, treaties, and agreements, in addition to their having been taken by force and oppression to the great disadvantage of Persia, and those taken after the establishment of Constitutional Government(s) against the express provisions of the Constitution, and have either not been put into execution or in a very imperfect manner and against the plain provisions of said treaties, agreements, and concessions, whereby not only the designated rights of the Government have been disregarded, but by transferring concessions and agreements and making bad use of their provisions, great (and) injurious political and economic abuses have followed, affecting the rights and independence of this nation;

Since Persia has, like all countries, a perfect rightful interest in its own economic resources and natural liberty, therefore these chief officials of the Persian Government have decided to abolish and annul all said treaties, agreements and concessions, and hereby announce this decision to all foreign representatives residing in our capital, and to our representatives residing in other countries and to the public.

Signed, Cabinet of the Ministers.
APPENDIX No. 10

AGREEMENT BETWEEN HIS BRITANNIC MAJESTY'S GOVERNMENT AND THE PERSIAN GOVERNMENT, SIGNED AT TIBERIAS, AUGUST 9, 1919

No. 1

Agreement between the Governments of Great Britain and Persia

PREAMBLE: In virtue of the close ties of friendship which have existed between the two Governments in the past, and in the conviction that it is in the essential and mutual interests of both in future, that these ties should be cemented, and that the progress and prosperity of Persia should be promoted to the utmost, it is hereby agreed between the Persian Government on the one hand, and His Britannic Majesty's Minister, acting on behalf of his Government, on the other, as follows:

1. The British Government reiterate, in the most categorical manner, the undertakings which they have repeatedly given in the past to respect absolutely the independence and integrity of Persia.

2. The British Government will supply, at the cost of the Persian Government, the services of whatever expert advisers may, after consultation between the two Governments, be considered necessary for the several departments of the Persian Administration. These advisers shall be engaged on contracts and endowed with adequate powers, the nature of which shall be the matter of agreement between the Persian Government and the advisers.

3. The British Government will supply, at the cost of the Persian Government, such officers and such munitions and equipment of modern type as may be adjudged necessary by a joint commission of military experts, British and Persian, which shall assemble forthwith, for the purpose of estimating the needs of Persia in respect of the formation of a uniform force which the Persian Government proposes to create for the establishment and
and preservation of order in the country and on its frontiers.

4. For the purpose of financing the reforms indicated in clauses 2 and 3 of this agreement, the British Government offer to provide or arrange a substantial loan for the Persian Government, for which adequate security shall be sought by the two Governments in consultation in the revenues of the customs or other sources of income at the disposal of the Persian Government. Pending the completion of negotiations for such a loan the British Government will supply on account of it such funds as may be necessary for initiating the said reforms.

5. The British Government fully recognizing the urgent need which exists for the improvement of communications in Persia, with a view both to the extension of trade and the prevention of famine, are prepared to cooperate with the Persian Government for the encouragement of Anglo-Persian enterprise in this direction, both by means of railway construction and other forms of transport; subject always to the examination of the problems by experts and to agreement between the two Governments as to the particular projects which may be most necessary, practicable, and profitable.

6. The two Governments agree to the appointment forthwith of a Joint Committee of experts for the examination and revision of the existing Customs Tariff with a view to its reconstruction on a basis calculated to accord with the legitimate interests of the country and to promote its prosperity.

Signed at Tehran, August 9, 1919.

No. 2

Agreement relating to Loan of £2,000,000, at 7 per cent, redeemable in Twenty Years.

PREAMBLE: Contract between the British Government and the Persian Government with reference to an agreement concluded this day between the said Governments. It is agreed as follows:
Article 1: The British Government grant a loan of £2,000,000, to be paid to the Persian Government, in such instalments and at such dates as may be indicated by the British Financial Adviser after the British Financial Adviser shall have taken up the duties of his office at Teheran, as provided for in the aforesaid agreement.

Article 3: The Persian Government undertakes to pay interest monthly at the rate of 7 per cent per annum upon sums advanced in accordance with article 1 up to 20th March, 1921, and thereafter to pay monthly such amount as will suffice to liquidate the principal sum and interest thereon at 7 per cent per annum in twenty years.

Article 4: All the revenues and Customs receipts assigned in virtue of the contract of the 8th May, 1911, for the repayment of the loan of £1,250,000, are assigned for the repayment of the present loan with continuity of all conditions stipulated in the said contract, and with priority over all debts other than the 1911 loan and subsequent advances made by the British Government. In case of insufficiency of the receipts indicated above the Persian Government undertakes to make good the necessary sums from other resources, and for this purpose the Persian Government hereby assigns to the service of the present loan, and of the other advances above mentioned, in priority and with continuity of conditions stipulated in the aforesaid contract, the Customs receipts of all other regions, in so far as these receipts are or shall be at its disposal.

Article 5: The Persian Government will have the right of repayment of the present loan at any date out of the proceeds of any British loan which it may contract for.

Signed at Teheran, August 9, 1919.

Article 5 of Contract between the Persian Government and the Imperial Bank of Persia relating to the Persian Government five per cent loan of £1,250,000, of May 8, 1918.

(Included for reference)
5. The Imperial Government of Persia specially assigns to the service of the loan, and as a first charge thereon, subject only to prior charges amounting to 16,714 l. 1s. 10d. per annum for three years, and 39,278 l. 12s. 7d per annum from the year 1913 to the year 1928. The full net customs receipts of every description which the Government now is, or at any time hereafter may be, entitled to collect and receive at all ports or places in the Persian Gulf, including Bushire, Bandar Abbas, Lingah, Mohammerah, and Ahwas, which receipts are hereby made payable to the Bank, and the Imperial Government of Persia hereby engages forthwith after receipt thereof to pay to the Bank all such Customs receipts as aforesaid without deduction other than for actual expenses of administration of the customs of the said ports disbursed prior to the date of such payment.

a) The Imperial Government of Persia undertakes that throughout the continuance of the loan all sums collected by the Customs Administration shall be paid to the Bank at the ports of collection, or at its nearest branch, week by week for meeting the prior charges referred to above and for the service of the loan, and an account of such receipts shall be submitted to the Persian Government by the Bank at the end of each month.

b) The bank shall, out of the moneys so collected, pay the prior charges above-mentioned, and the interest and sinking fund of the loan, and shall hold the surplus at the disposal of the Imperial Government of Persia.

c) The bank undertakes, out of the money so received, to pay on behalf of the Imperial Government of Persia the half-yearly coupon in London, and supervise the working of the sinking fund and service of the loan free of charges connected with the same.

d) In the event of the Customs receipts of the above-mentioned ports for any three months, falling short of the amount required for the prior charges and the service of the loan, either for interest or amortisation, the Imperial Government of Persia binds itself to make good such deficiency from other sources of Government revenue, and further, should receipts from these sources fall below the amount required as above, the Persian Government hereby assigns for this purpose the revenue derived from the receipts of the telegraphs - this assignment to constitute a second charge on the said telegraph receipts up to the year 1928, after which the telegraph receipts will be free.