CHAPTER IV

PERSIA'S ENDEAVOUR TO WORK OUT HER SALVATION

THE ANGLO-RUSSIAN OPPOSITION
The financial difficulties of the Persian Government were great. The loan negotiations proved unsuccessful owing to the oppressive conditions laid down by the British and Russian Governments. Various attempts were made to float loans with private syndicates but Russia and Great Britain, ever bent on increasing their hold on Persia, insisted that the loan should be granted only by the two Powers. Although recognizing the right of the Persian Government to borrow money from outside quarters they attached conditions to that recognition, which if accepted, would render the Persian independence illusory. It was then clear that the two Powers would not allow the Persian Government to obtain money from countries other than their own. Finding that they could not raise money, or obtain help in Europe except with the consent of Russia and Britain, the Persian Government decided to hire American financial experts who would put the Persian treasury on its feet. It is interesting to note that the Persian Government was, at first, not in favour of Americans being appointed as financial advisers. At the sitting of the Majlis on August 11, 1910, the Cabinet proposal to engage foreign officials, not only in the Ministry of Finance but in different Ministries also, was read. The proposal was as follows:

It was proposed that these fifteen officials should be engaged for a period of three years. After a short discussion the matter was referred to Committee. On September 6, 1910, the Committee which was entrusted with the examination of the Ministerial programme respecting the engagement of foreign officials, submitted its report. It recommended that instead of employing Frenchmen for the Ministry of Finance, Swiss should be engaged. During the course of the debate, the clerical Prince Haji Sheikh-ul Reis moved that the financial assistants should be citizens of the United States of America. The Government's spokesman, Prince Assadullah Mirza strongly urged the employment of Frenchmen, which he declared to be desirable for reasons which the Cabinet could not publicly state. However, a great majority of the deputies were in favour of Americans being employed, and the question was
referred to the Committee again.\(^1\)

The idea to engage the Americans as financial assistants was favoured by the majority of the deputies in the hope that the officials who were free from any European influence would be able to accomplish some positive results in the 'reorganization of the archaic and chaotic treasury of Persia'.\(^2\) Moreover, over the employment of Americans was preferred by the Majliss because the United State had no political ambitions in Persia. The proposal to employ the Europeans was disliked by Russian and British statesmen who naturally thought it to be an effort to the Persian Government to counter the influence of Russia and Great Britain. Consequently, when in September 1910 the Persian Majliss decided in favour of engaging a French assistant for the Ministry of Justice and several Italian instructors for the gendarmerie, in addition to American advisers for the Finance Department, the two Powers decided to instruct their Ministries at Teheran to make representations to the Persian Government designed to dissuade them from engaging any subjects of a European Great Power.\(^3\) Britain, however, did not raise any objection to the employment of Americans as financial advisers, but Russia opposed the move as early as she found the idea of securing financial administrators from America was making headway among the members of

1. CD 5656, Enclosure in 173, pp. 94-95.
the Majlis. At first, Russian emissaries attempted to employ certain 'persuasive and notorious' deputies to kill the motion in the Majlis but in vain. Failing to achieve her goal, Russia approached the American State Department, which at that time, according to Shuster, had no knowledge of such a Persian move, and intimated that it would be unwise or unkind to send American financial experts to Persia. The State Department replied that it was in complete ignorance of the idea of the Persian Government, and that the question would be dealt with when it arose. Mr. Shuster's statement regarding the American unawareness of the Persian move to employ American financial advisers seems to be wrong. There was too much talk in Persia regarding the engagement of the American experts. A Teheran newspaper in its edition of 27th August 1910, had recommended that Americans should be hired to help the Government. On the basis of the other rumours to the same effect, then circulating in Persia, Mr. Russell, the then American Minister at Teheran, recommended to his Government that if advisers were sought, 'the best such as West Point graduates, nor adventurers, will come, if requested'. However, to get the Americans employed in Persia was not a tempting proposal for the American State Department. Consequently, the


decision for rejection to any such Persian move was nearly taken. But, suddenly the matter assumed great diplomatic importance. On September 14, 1910, Baron Roman R. Rosen, the Russian Ambassador to the United States submitted an aide-memoire which expressed grave concern over the possible Persian intention to apply to the American Government for financial experts. The aide-memoire declared that the appointment of the Americans in Persia would be inconvenient for Russia and Great Britain because it would serve as an example which would lead Persia to invite 'interested Powers' to serve her. While recognising the disinterestedness of the United States in Persia, the aide-memoire suggested that the nationals of the minor powers like the Netherlands or Belgium might be employed. It concluded with the hope that the United States would recognize the predominant position of Russia and Great Britain and would, therefore, reject any such Persian move! Although the American Government had already decided to refuse any such offer, if any made by the Persian Government, the Russian aide-memoire changed the whole situation. America now decided to exploit the situation in her favour. 'By appearing to be agreeable, the Department could press American demands upon Russia and Great Britain In return for a predetermined attitude'.

Secretary of American State Department stated that as America had no real interest in Persia, it would be folly on her part to irritate any government on the Persian question and recommended granting the Russian request. He suggested, however, that the Russo-British apprehension should be turned to America's advantage either in Turkey or in the Far East. In order to use this diplomatic card, it was decided to impress upon the two Powers the appropriateness of a similar attitude in regard to America's China policy and the American participation in the construction of rail road in Turkey. However, the game ended here while the American State Department was engaged in preparing a scheme to utilize the opportunity. Russia and Great Britain were busy in exchanging views on the problem and the latter succeeded in persuading the former not to raise objections to Americans being appointed as financial experts in Persia. Accordingly, Whitelaw Reid, the United States Ambassador at London was informed on September 22, 1910, that 'the Governments of Russia and Great Britain had recently agreed that since America was not a European Power the employment of Americans was not likely to cause political difficulties'. A joint Russo-British verbal communication to the Persian Government was also made on September 27, 1910 by Sir G. Barclay and M. Poklewski Koziell. It was to the effect that 'the two Powers had no objection to the engagement of American financial

advisers but that if the Persian Government persisted further in disregarding our friendly advice to seek foreign assistants from the minor powers our Government would insist on the engagement of some of their own subjects.¹

B - Shuster's Appointment:

The Russian objection was removed and there seemed to be no difficulty now in Americans being appointed. But the American State Department had no intention to lend the American advisers to Persia. Mr. Adee, Assistant Secretary, American State Department, informed Mr. Russell, the American Minister at Teheran that the United States could neither lend government officials nor assume international responsibility for selecting private persons to act as Persian advisers. He agreed, however, to forward the names of the advisers to be employed in Persia provided that the 'bankers connected with a London House having a financial stake in Persia should care to recommend American experts'. By adopting such an attitude Mr. Adee expected to 'satisfy the sensitive Muscovite that the United State is not intervening, as a Great Power, in the domestic affairs of Persia' Mr. Russell replied that Persians were enthusiastic.

for 'Americans and America', and would not accept advisers recommended by the British. However, while the letters were being exchanged between the State Department and Mr. Russell, President Taft intervened in the matter. In a letter to the Secretary of State, dated December 28, 1910, the President not only advised the Department to lend the advisers to Persia but also recommended the name of Mr. Shuster's to be sent there. By lending advisers to Persia, the President thought to have a business field in hand which would attract the American capitalists. As the result of the President's action, the State Department had no alternative but to accept the Persian request, if made. On December 28, 1910, the day, the American President advised the Secretary of the State about the desirability of the engagement of advisers in Persia, the Persian Minister at Washington informed the State Department that his government had instructed him to obtain the services of a Treasurer-General and Assistants for Persia. The fact that the Persian representative at Washington, under the instruction of his Government, had requested the Secretary of State to help him in securing five financial advisers, was reported by Mr. Bryce, the British Ambassador at Washington, on January 26, 1911. On the basis of the Press reports, the Ambassador also informed the British Secretary of State for Foreign Affairs that the Persian request would be complied with by the American State Department. As regards the policy of employment of

Americans had already been decided, the report could not create much interest in Britain. Taking into consideration their previous commitment, the British Foreign Office took the following decision:

"... as we have decided that the selection of United States citizens would not give rise to the political difficulties and therefore, cannot be interfered with."

On the one side, Britain decided to stick to her already declared policy, and on the other, Russian Foreign Office, once again, bitterly opposed the engagement of Americans in Persia. On January 29, 1911, Count Benckendorff, the Russian Ambassador at London, made a communication to Sir E. Grey to the effect that Mr. Sazonow, the Russian Minister for Foreign Affairs was very adverse to the idea of the employment of Americans by Persia. Mr. Sazonow apprehended that the appointment of the Americans would strengthen the cause of other great powers interested in getting their nationals to be employed in Persia. He remarked that it might serve as an example to them. Sir E. Grey replied to Count Benckendorff on February 1, 1911, as follows:

"... you will remember that the question was thoroughly discussed in Sept. of last year and that Mr. Sazonow then agreed that this step, which was desired by the Majlis, was not likely to give rise to political difficulties, Americans not being subjects of a great European power. The Persian Government were accordingly informed by Sir E. Barclay and M. Polkewski on September 29 that the two Powers had no objection to the engagement of American"

financial advisers, but that, if the Persian Government persisted further in disregarding the friendly advice of the two Governments to seek foreign assistance from the minor Powers, the engagement of some British and Russian subjects would be insisted on.

I do not see why the Governments should not adhere to the line then taken — that the United States of America not being a Great European Power, the employment of American citizens provides no precedent for the employment of the subjects of any other Great Power.

If, however, M. Sazonow desires it, I will instruct the British Ambassador at Washington to make an unofficial enquiry whether the United States Government attach importance to the matter and are entertaining it, but it seems to me to be difficult to abandon the attitude so definitely taken by us last September.

If M. Sazonow is firmly decided to insist, in concert with Great Britain, that if the Persian Government takes advisers from any great European Power they must also employ British and Russian advisers, I do not see that there can be any danger of the matter going, in practice, beyond the employment of Americans as far as great Powers are concerned:

Sir E. Grey had already sent a telegram to Sir J. Buchanan, the British Ambassador at St. Petersburg, instructing him to

1. Ibid., No. 763, pp. 755-756.
make a communication to M. Sazonow in the above sense. Sir G. Buchanan was instructed to make the above communication so that M. Sazonow's apprehension that 'the employment of Americans would almost certainly lead Germany to put forward a claim for the engagement of a German', could be removed. When Sir G. Buchanan communicated the substance of Sir E. Grey's telegram to M. Sazonow, he replied that he would be grateful if Britain would make the suggested unofficial enquiry at Washington. The Russian Minister for Foreign Affairs further stated that although he had not forgotten the communication which had been made to the Persian Government last September, owing to the clearly manifested desire of Germany to get her national employed in Persia, a change had occurred in the situation. The appointment of Americans, he continued to state, would be certainly used as precedent by Germany and her claim would be strengthened, notwithstanding that America was not an European power. This would lead, he remarked to the establishment of an international administration in Persia which must be avoided. As regards the unofficial enquiry, Mr. Bryce reported from Washington on February 3, 1911, that it

1. Ibid., No. 761, p. 754.
2. Ibid., No. 760, p. 754.
3. Ibid., No. 762, p. 755.
may have unfortunate effect here. ¹ In the meantime, the Majlis authorised the Persian Government on February 2, 1911, to conclude contracts with the American financial advisers, and allotted a sum of 5,6000 l. for their salaries. ² Consequently, Sir J. Buchanan was instructed to inform M. Sazonow that the British Ambassador at Washington had strongly depreciated the idea of addressing any enquiry to the United States Government and that, in view of the information given by Sir J. Barclay from Teheran, it was too late to open the question. ³ M. Sazonow, however, agreed that it was too late to do anything more about American advisers and suggested that in case of Germany's insistence to get her national employment in Persia, the two Powers would use their influence on the Persian Government to prevent the engagement. ⁴

In the meantime, the friendly negotiations between the Persian Representative at Washington and the American State Department proceeded smoothly. On January 27, 1911, Mr. Bryee reported from Washington that the United States Government would supply Persia with a list of financial experts, advising that two should be chosen, who would appoint their own assistants. On February 14, 1911, the appointment of Mr. W. Morgan Shuster of Washington as Treasurer General of the

¹ Ibid., Note(3), attached to No.756.
² Ibid., No. 764, p. 756.
³ Ibid., No. 765, pp. 756-757.
⁴ Ibid., No. 766, p. 757.
Persian Empire was reported. On February 16, 1911 Mr. Bryee informed Sir E. Grey that the following appointment, in addition to that of Mr. Shuster as Treasurer-General had been made:

1. Frank S. Cairns to be Director of Customs.
2. Colonel C.L.W. Caskey was appointed as Inspector of provincial Revenues.
3. W.W. Hills to be incharge of auditing and accounting.
4. Frank B. Calms to be Inspector of Customs.

A fourth man Mr. Bruce J. Dickey was appointed as Inspector of Taxation.

Mr. Shuster had agreed to serve the Persian Government for three years, having the entire control of the financial operation and fiscal affairs of the country, under the direction of the Persian Minister of Finance. The other above mentioned assistants were also employed for three years and were to work under Mr. Shuster's supervision. Mr. Shuster, together with three of his assistants Mr. C.L.W. Caskey, Mr. W. Hills and Mr. Dickey sailed for Persia from New York on April 8, 1911. Mr. Cairns was to follow them to Teheran as soon as possible. They reached Teheran on May 12, 1911.

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4. Ibid., pp. 6-8, and CD. 6104, op.cit., No. 36, p. 22.
6. Ibid., p. 9.
7. Ibid., p. 10.
C - The First Conflict: Shuster Versus Mons. Mornard

Mons. Mornard, a Belgium Customs official, who held the post of Administrator-General of the Custom Department of Persia, was keenly interested to be appointed as Treasurer General. He was being actively supported by Belgium and Russian Legations at Teheran. However, the Majliss was determined to bring a complete change, as the result of which, he could not obtain the post for himself. Naturally, Mons. Mornard developed jealously against the American advisers and thought up such devices as would make the American Mission a failure. 1 Shortly before the arrival of the American Mission at Teheran, the Persian Government had concluded a loan agreement of £1,250,000 sterling with the Imperial Bank of Persia. 2 The Majliss had also approved the contract. Mons. Mornard, supported by certain well-known Russian agents in and out of the Majliss and Persian Cabinet, drafted a law, which, if passed, would have placed the entire control of the expenditures of the money derived from the loan in the hands of a Commission, consisting of fifteen members, of which he was to be head. 2 The proposed law, had it been approved by the Majliss, would have placed the Americans in a very awkward position. They would have to decide either to work as a subordinate of Mons. Mornard or to stay away, seeing helplessly the 'only available funds' being controlled by other hands. When the project

1. Ibid., p. 23.
of the law was before the Majliss, the matter was fortunately brought into the notice of Mr. Shuster who, hurriedly, drafted a brief report on the then existing situation in the Ministry of Finance and presented it to the Persian Cabinet. With the report, was transmitted a simple project of law placing the control of the refunding operations and expenditures growing out of the £1,250,000 loan contract in the hands of Treasurer General, where it belonged. The Cabinet approved it. Then it was sent to the Majliss and was consequently passed on May 30, 1911. Thus, Mons. Morard's intrigue was discovered in time and could be made ineffective. In the meantime, Mr. Shuster realized that until and unless he got maximum powers, it would be impossible for him to proceed with the financial reforms. To obtain the desired powers, he drafted a bill, which was submitted to the Majliss on June 8, 1911. It was passed unanimously without any modification on June 13, 1911. The law contained 12 articles. It defined Mr. Shuster's function and furnished him with very wide powers in other words, he virtually became a dictator in the domain of Persian Finance.

Mr. Shuster was now entrusted with the 'direct and effective control of all financial and fiscal operations of the Persian Government, including the collection of all receipts, and every description and the control and accounts of all Govt.'

1. Ibid., p. 241. For the text of the law passed by the Majliss on 30, 1911, see CD 6104, Enclosure in No. 151, pp. 72-73, also see Shuster, op. cit., pp. 356-356.

2. For the text, see CD 6104, Enclosure in No. 153, pp. 75-77, also see Appendix—No. (The Preamble was drafted by the Finance Minister).

As the Treasurer-General was now in charge of all financial operations in Persia — either collection or disbursement, a letter was addressed to all banks engaged in business in Teheran that 'from that date no cheques, drafts, warrants, orders of payment, or government obligations of any kind, were valid or payable unless they bore the signature of the Treasurer-General'. The banks were also informed that 'all balances or accounts standing to the credit of any government department or government official were to be turned into the credit of Treasurer-General, to be disposed of on his orders'. Although, the legitimate interests of any foreign power or national, were in the way effected by the law of June 13, 1911, yet, the Russian Legation declared war upon it, the very day it had been passed. The Russian Legation announced that the Belgian Customs employees should not be subjected to the control or supervision of the American Treasurer-General and even went so far as to threaten to have Russian troops seize the customs houses in the north and put Russian officials in charge. Thus, a conflict arose between

1. Article 1, of the Law of June 13, 1911.
2. Shuster, op. cit., p. 44.
3. Ibid., p. 53.
Mr. Shuster and Mons. Momard, the latter being actively supported by Russian Legation at Teheran. The Treasurer-General maintained that in virtue of the law of June 13, 1911 Mons. Momard should be subordinate to him. Mr. Shuster, in pursuance of the above mentioned law, requested the Administrator General of Customs to deposit all custom receipts to his account at the English and Russian Bank. Momard did not agree to the new arrangement. In the meantime, the Imperial Bank, in pursuance of Treasurer General's orders to recognize only his signature, refused cheques drawn by Mons. Momard on the Customs account at the Imperial Bank. However, the Cabinet intervened and passed a resolution on July 4, 1911 which approved the Treasurer-General's demands. The resolution was communicated to Momard. He was, at the same time, law of the 13th June. On July 5, 1911, Sir J. Barclay reported to Sir E. Grey that the Russian Minister was inclined to support Mons. Momard, basing his attitude on the phrase in paragraph (b) of article 4 of Russian Consolidation Agreement.

**Paragraph (b) of Article 4 of the Agreement between Persian Government and the Russian Bank, concluded on December 31, 1910, runs as follows:**

It the Discount Bank of Persia) shall retain, in the second place, a sum sufficient to cover, as they respectively become due, the obligatory disbursements of the Persian Government mentioned in Article 3(b), the order for the payment of which shall be given by the Minister of Finance of His Majesty the Shah through the Customs Administration. For the text of the Agreement, See CD. 6104, Enclosure in No. 25, pp. 14-16.
with Persia. Sir J. Barclay further reported that the Russian Minister at Teheran 'thinks that Russian interests are jeopardised by such control of northern customs as is pledged under this agreement being given a new comer who may not stay and who may be succeeded by a Persian'. In contradiction to the Russian Minister's stand regarding the control of the custom revenues by the Treasurer-General, Sir J. Barclay stated that in his opinion, the control of custom revenues and expenditures by the Treasurer-General had in no way jeopardised the legitimate interests either of Russia or of Great Britain in Persia. The Manager of the Imperial Bank of Persia was, as reported by Sir J. Barclay, entirely in favour of subordination of customs to Treasurer-General. Sir J. Barclay confirmed that the action of Mr. Shuster was in accordance with the law passed by the Majliss, and which did not prejudice British or Russian interests. The British Minister desired to withhold his support from his Russian colleague if the latter asked for it. He, however, intended to keep himself aloof from the controversy unless he received instructions contrary to it from his Government. Sir E. Grey approved Sir J. Barclay's attitude and stated that to oppose Shuster's proposal would defeat a chance of introducing some order into Persian finances which is to advantage of us both.'

2. Ibid., No.777, p. 766.
On July 6, 1911, Sir J. Barclay reported as follows:

'Russian Minister is very indignant and announced his determination to support Mornard strongly in his conflict with Treasurer-General.

Mornard contention is that he cannot serve under anyone but the Grand Vizier and the Minister of Finance. Feeling assured of Russian Minister's support, there is not much chance of his yielding. On the other hand Treasurer General has the full support of Majliss and I think it possible that if Mornard remains obstinate Majliss will cancel his contract'.

On July 10, 1911, Sir E. Grey instructed Sir G. Buchanan to request the Russian Minister for Foreign Affairs that the Russian Minister at Teheran should be instructed to maintain a neutral attitude in the dispute between M. Marnard and the Persian Government was the Russian interests was in no way jeopardized by the execution of the law of June the 13th.

The Acting Minister for Foreign Affairs of Russia refused to send the desired instructions to Russian Minister at Teheran and cited several proofs in support of the Russian stand.

In the meantime, Mr. Shuster wrote to the Acting Premier, Mutashamus Saltana, stating that he could no longer permit

1. Ibid., No. 776, p. 765.
2. Ibid., No. 779, p. 767.
3. Ibid., No. 780, pp. 767-768.
the situation to continue, and that 'if immediate action were not taken to secure Mons. Mornard's recognition of the authority of the Majlis and it's laws', he would refer the case before that body directly.1 Consequently, Mornard was summoned before the Cabinet on July 8, 1911 and was asked to state whether or not he proposed to recognize and obey the law of the Majlis. Mornard presented himself before the Cabinet and stated that he did intend to obey the law.2 Had Mons. Mornard not yielded, he would have got his contract cancelled. The yielding of Mornard as well as his failure to enlist the support of Great Britain, compelled Russia to drop the matter. Consequently, the controversy was settled.

C - The Appointment of Major Stokes:
The Russian Opposition.

The law of the 13th June furnished Mr. Shuster with very wide powers, but nominal authority was of no value in Persia without a proper force to maintain and enforce it. 3 So Mr. Shuster planned to organize a Treasury Gendarmerie,

2. Ibid., p. 68.
which should be an integral part of the office of the 1
Treasurer-General and which should assist and cooperate with
the civilian officers of the Treasury in collection of taxes 2
throughout the country. The formation of such a force was
quite essential as the collection of the taxes outside Teheran,
was exceedingly difficult. For the organization of the
Gendarmerie, a suitable person, acquainted with the Persian
language, culture, tradition, and customs was required. Shuster
found his ideal man in Major C.S. Stokes. The Major was
originally an officer in the British-Indian Army, but was
deputed to work as Military Attache of the British Legation
in Persia for four years. He was available to Mr. Shuster
as his term of service in the capacity of Military Attache
was about to expire.3 Consequently, when on July 6, 1911,
the Majliss authorised Mr. Shuster to engage a financial
assistant for the organization of Treasury Gendarmerie, he
+ addressed a letter to Major Stokes, requesting him to serve
as financial aide to Treasurer-General of Persia and to be
incharge of the proposed Treasury Gendarmerie. The duty of
the proposed force was 'to give the necessary aid and support,'

1. Shuster, op.cit., p. 70.
2. Ibid., p. 59.
3. Ibid., p. 69.
+ For the text of the letter, See Ibid., p. 372.
especially in the provinces of the South, to the financial agents engaged in the collection of salt, opium, boyaux and other direct taxes'. 1 Telegraphically informing Sir E. Grey about Shuster's offer to Major Stokes, Sir J. Barclay stated that 'it would be impossible to persuade Persian Government expressly to limit the appointment under reference to the south, as any action on our part in this direction would convince the Medjliss that we desired to give a political significance to the appointment'. 2 Taking into consideration the Hormard incident, Mr. Louis Mallet, Assistant Under-Secretary of State for British Foreign Affairs feared that if Major Stokes would be appointed then, 'the Russian Government will suspect Mr. Shuster of anti-Russian designs. It will be very unfortunate if Mr. Shuster excites the hostility of the Russian Government who can thwart him and make his task impossible if they wish to do so'. He suggested that Sir J. Barclay should be instructed to give to Mr. Shuster a hint to this effect. Sir E. Grey thought that in case Major Stokes be appointed, 'He must be cautioned to suppress all anti-Russian feelings and Sir J. Barclay might tell Mr. Shuster exactly what the situation is and point out how essential is that no employee in Mr. Shuster's administration should show anything but complete impartiality between

1. Ibid., p. 372.
nations’. However, Sir E. Grey decided to know the Russian view in this respect first and instructed Sir J. Buchanan accordingly. Consequently Sir J. Buchanan had a talk with Neratof, the Russian Acting Minister for Foreign Affairs and reported to Sir E. Grey on July 11, 1911 that Neratof thought that ‘should the necessities of the new service require that it be under the command of a single officer, it would be better to choose that officer from among the minor Powers. If it were found possible, on the other hand, to split up the command, he thought that the post might be filled by a Russian and British Officer respectively’. Sir J. Buchanan further reported that he pointed out Neratof that it would be very difficult to secure the services of a suitable man except that of Major Stokes who appeared to be eminently qualified. Neratof replied that it would not be difficult to secure the services of a Swedish officer. Thereupon, Sir E. Grey enquired Sir J. Barclay whether the appointment of a Swedish officer or of a subject of some other minor power might not be a way out of the difficulty. Before sending a reply to Sir E. Grey, Sir J. Barclay thought it desirable to ascertain the view of Mr. Shuster in this respect. Consequently, he addressed

2. CD. 6104, No. 167, p. 84.
3. Ibid., No. 163, p. 84.
4. CD. 6104, No. 174, p. 86.
a letter to the Treasurer-General on July 14, 1911.
Informing Mr. Shuster of the view of the British Government that the appointment of Major Stokes as an organizer of Treasury Gendarmerie might cause some international jealousy, Sir G. Barclay enquired whether the appointment of a Swedish officer or of a subject of some other minor power should not be a way out of difficulty. Mr. Shuster replied that he offered the post to Major Stokes because he was the only suitable man available for the task. Mr. Shuster further stated that Major Stokes's peculiar qualification for the task, such as his military training, his four year's sojourn in Persia, his knowledge of the country, of the Persian language and of French (which was widely spoken in Persia) moreover, the respect which the commanded in the country both as an officer and as a man, had convinced him that he was the only suitable man to be appointed as an organizer of the proposed force. The Treasurer-General assured Sir G. Barclay that while offering the post to the Major, the question of nationality played no part. Had it been the case, Mr. Shuster argued, he would have certainly appointed a man from his own country. He further assured Sir G. Barclay that while engaged in the reorganization of the financial system in Persia, none of his acts were guided by political consideration, and, therefore, he would not accept any suggestion.

which would cast the light of political bias upon his disinterested offer of a post to Major Stokes. Regarding the suggestion to appoint a Swedish Officer, Mr. Shuster stated that foreigners generally had no knowledge of the language, habits, and modes of thought of the Persian people and as the organizer would have to deal directly with a large number of such men, it would be exceedingly difficult for him to discharge his duties. 'A Swedish officer', Mr. Shuster remarked, 'be ever so competent, would have to spend at least a year or more here before he could possibly be of any real assistance in this line, whereas the necessity of getting my gendarmerie force organized and at work at once is urgent in the extreme'. Moreover, the Treasurer-General further stated that as it had been generally known that Major Stokes had been offered the post of the organizer, the withdrawal of the offer would be interpreted as being directed by purely political consideration which he could not permit under any circumstances.

Sir 3. Barclay transmitted a copy of Mr. Shuster's letter to Sir E. Grey on July 14, 1911, with the remark that the proposal of the Russian Government that the command of the proposed Treasury Gendarmerie should be split up so as to secure a Russian as well as a British Officer, would not be

accepted by the Persian Government except under compulsion, and if we insisted, the Treasurer-General would certainly resign. As regards the proposal to entrust the command to a Swedish officer or to a subject of some other minor power, he referred to the above letter of Mr. Shuster. However, after some correspondence Sir G. Barclay was authorised by Sir E. Grey on July 21, 1911 to inform Mr. Shuster that before accepting the command of the Gendarmerie, Major Stokes will have to resign his commission in the Indian Army. The British Minister at Teheran, thereupon, informed Mr. Shuster accordingly on July 22, 1911. In the meantime, Russia had sent the ex-Shah back into Persia, and had become diplomatically more active to prevent the appointment of Major Stokes lest an experienced militaryman like the Major himself be sent to the front to throw Mohammad Ali back to Russia.

The British consent to the appointment of Major Stokes in Persia caused much anxiety in Russia. Count Benckendorff protested against the British action and on July 25, 1911, requested Sir A. Nicolson, the Permanent Under-Secretary of State for British Foreign Affairs that the British Government

2. CD. 6104, No. 208, p. 100.

should inform the Persian Government that if the Russian Government asked for some appointment to counterbalance that of Major Stokes, His Majesty's Government would support the Russian demand. M. Nezatof thought, the count stated, that perhaps two or three Russian instructors might be appointed under Major Stokes, if necessary. On July 26, 1911, Sir E. Grey, during a conversation with Count Benckendorff, stated that his Government could not interfere with the appointment of Major Stokes in Persia. The British Foreign Secretary, however, promised that if Major Stokes entered the service of the Persian Government, he would have to resign his commission from the Indian Army. Count Benckendorff insisted that something more should be done by the British Government to prevent the appointment and suggested that His Majesty's Government or to Mr. Shuster the undesirability of making the appointment. Sir E. Grey refused to accept the Count's proposal and stated as follows:

"Mr. Shuster was acting without any political motive; he was apparently a very good, business like man, and he might throw up his post, if we interfered, and declared that the British Government had made the regeneration of Persia impossible". Apparently, Sir E. Grey seemed to be firm on his stand regarding the appointment of Major Stokes, but practically he yielded and assured the Count that the British Government

would not raise objection to the Russian demand to get the Russian nationals appointed in order to ensure her interest in the region of her frontier, provided that Major Stokes superintended certain things in the Persian territory even on Russian frontier. On July 28, 1911, Count Benckendorff expressed his great anxiety about the possibility of Major Stokes taking active military operations in Persia. 'If this happened', the Count warned Sir E. Grey, 'Russian officers might take part on the other side, and the result would be to give the appearance of a most unfortunate breach between England and Russia in their policy with regard to Persia'. Sir E. Grey agreed that it was undesirable that Major Stokes 'should take part in any military operations in Persia, or that any European officers should do so'. The British Foreign Secretary now decided to follow a very cautious policy in Persia. On July 28, 1911, he instructed Sir G. Barclay that Major Stokes should clearly be given to understand that he must resign his commission in the Army before taking service or duties of any kind under the Persian Government. At the same time, Sir G. Barclay was instructed to point out to the Persian Government that if Stokes was employed in active military operations in Persia, it might provide an excuse for

Russian officers to take active part on the other side.\(^1\)

While insisting Major Stokes to resign his commission from the army, the British Foreign Secretary might have thought that the Major would prefer to stay in the army and would refuse to accept the Persian offer, which would automatically solve the controversy. But on July 30, 1911, he was telegraphically informed by Sir G. Barclay that Major Stokes had decided to resign his commission. The Major also requested an early acceptance of his resignation as the Treasurer-General urgently needed his services. The British Foreign Office was very much annoyed owing to the unexpected developments. Sir E. Grey was determined not to antagonize Russia. The European necessities demanded complete Russo-British harmony. Consequently on August 1, 1911, Sir E. Grey instructed Sir G. Barclay to inform the Persian Government that Major Stokes had been appointed without consulting Great Britain; that his employment in the North might involve political difficulties, and that the British Government could not depreciate Russian objection to it. Sir G. Barclay made a communication to the Persian Government to this effect on August 2, 1911. The Persian Government replied on August 6, 1911, as follows:

\(\text{It is necessary to levy taxes both in the north and in the south of Persia, and in the eyes of the Persian Government there is no distinction to be made between the two}
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\(^2\) CD. 6104, No. 236, p. 110.
\(^3\) Ibid., No. 249, p. 119, also see Gooch and Temperley, Vol. X, Part I, op. cit., No. 796, p. 782.
regions.

As regards the services which the Persian Government expect from Major Stokes, this officer, who has retired from the British Army, having been engaged to organize the Treasury Gendarmerie, the Imperial Government have no intention of employing him in any military operations. In the meantime, on August 2, 1911, M. Neratoff informed Sir O. Buchanan that the Russian Minister at Teheran had already warned the Persian Government that in the event of Major Stokes being appointed as an organizer of the proposed Treasury Gendarmerie, Russia would demand something of an analogous nature for herself in the North. Sir O. Buchanan explained to M. Neratoff that Major Stokes appointment had been made without consulting Great Britain, and that Major Stokes had been required to resign his commission, and the Persian Government had been informed that as his employment in active military operations in northern Persia might involve political considerations, His Majesty's Government could not deprecate the objections that might be taken. He, however, added that, when once Major Stokes had resigned his commission, the British Government could exercise no control over his action. These explanations could not satisfy M. Neratoff. The Acting Minister for Russian Foreign Affairs described the appointment of Major Stokes as most inopportune at that moment. Referring to the possibility of Major Stokes taking part in active operations against the

1. Cd. 6104, Enclosure I in No. 365, p. 163, also see No. 268, p. 127.
Ex-Shah, M. Neratof draw the attention of Sir J. Buchanan to the action taken by Russia last year in the case of the Persian Prince Darab Mirza, who was then serving in the Russian Army and commanding a sotnia of Cossacks at Kazvin. Having expressed a desire to resign his commission, and having subsequently attempted to raise a revolt against the Government, Darab Mirza had been placed under arrest and sent to Russia. M. Neratof wished that a similar policy should be followed by the British Government in Major Stokes’s case. He suggested that the British Government should refuse to accept the resignation of Major Stokes and should recall him to England.

On August 3, 1911, Sir J. Buchanan reported that the Russian Press was now thoroughly excited. 'Novoe Vernoia', an Anglophil Journal was reported to have published an article entitled 'An undesirable complication' in its edition of 3rd August, 1911. The Journal severely criticized the British Government for allowing a former Military Attache to resign his commission and to assume command of a force whose operations would extend over the Northern Zone especially placed under Russian influence by Anglo-Russian Agreement of 1907. 'Novoe Vernoia' stated that so long as the Anglo-Russian Agreement was in force, Russia would...

* The matter has been dealt at length. As has been described Darab Mirza was nominally arrested by Russians. In reality he was rescued from being captured by the Persian force.

not permit herself to take interest in the events which were happening in the British sphere. Similarly, the Journal argued, it would be illegal and intolerable if a British Officer should take part in military operations in northern Persia. The Journal continued to state: 'Major Stokes is not a 'nobody'. He is a British military attache in Teheran. He cannot leave British service unless he has received the assent of the British War Office to his retirement ... Thus, the entry of Major Stokes into Persian service is without a doubt entirely dependent on the wishes of the British Government. If it does not approve of the decision of a military attache in its service to embark on adventures which threaten to cast a shadow on the good relations existing between England and Russia, then Major Stokes will withdraw his resignation. If, on the other hand, his resignation is accepted, the British Government will show that it interprets its obligation of political non-intervention in the Russian sphere in Persia very conditionally'. The article concluded by emphasising the immense importance of the Anglo-Russian entente and the necessity of carrying out its provisions with especial scrupulousness. Finally, the article pointed out that the appointment of Major Stokes might be equally dis-advantageous to both parties.¹ Reactionary and germanphil papers were reported to be more severe in their criticism. When Britain

¹. CD. 6104, No.253, p.123.
did not abide with the pledges which she had made to Russia regarding Persia, the reactionary Press argued, Russia too was at liberty to intervene in Northern Persia by force to safeguard her interests there. Russian official circle was no less critical. In case Major Stokes resigned his commission, it would be very difficult, if not impossible, for the British Government 'to prevent him from taking service under the Persian Government', but the Russian Government was rightly entitled to raise an objection against his employment in the North, replied Sir E. Grey to Sir O. Buchanan. Should the Russian Government wish to lodge a protest against the appointment of Major Stokes in the North, the British Foreign Secretary stated, the British Minister at Teheran would be instructed to inform the Persian Government that the objection was one which she should take in account as it was reasonable and expected. The British Government could take no exception to it. On the 4th August, 1911 Sir E. Buchanan spoke to M. Neratof in the sense of the above communication of Sir E. Grey. The Acting Minister for Russian Foreign Affairs replied that Persia had already been warned that in case of the appointment of Major Stokes, Russia would require some sort of equivalent in the North. M. Neratof, however, feared that a protest


of that kind would be effective as the Persian Government was expected to repeat her maxim that she was in no way concerned with the Anglo-Russian Agreement of 1907, which divided Persia into a British and a Russian sphere of influence. He further stated that at a moment when the Persian Government was engaged in a struggle for her very existence, she would not give a thought to the proposed formation of Treasury Gendarmerie and would employ Stokes to fight the ex-Shah. 'This ought to be prevented at all costs', M. Neratof stated firmly and repeated his suggestion that the British Government should recall the Major temporarily to London. Sir J. Buchanan reiterated that once Major Stokes had resigned his commission, the British Government could not control his movements. Nevertheless, M. Neratof requested Sir J. Buchanan 'to try and see if something done'. The following day, the 5th August 1911, M. Neratof, during a conversation with Sir J. Buchanan again expressed his anxiety over the incident. He was convinced that the British Government might still be able to recall Major Stokes to London temporarily. M. Neratof regretted the incident because it would reveal to the world the serious disagreement which had arisen between the two Powers and because Russian public opinion would believe that the British


4. Persia never approved the Anglo-Russian convention of 1907.
Government was supporting Major Stokes out of interested motives. Such an appointment, the Acting Minister for Russian Foreign Affairs pointed out, was moreover, contrary to the principle which had been agreed upon between the two Powers namely, that no subject of a European Great Power should be allowed to occupy an important post in the Persian service. If the British Government was unable to prevent the appointment of Major Stokes, M. Neratof stated, then, the two Powers should take such steps which would not only satisfy the Russian public opinion but also demonstrate complete harmony between the two Governments so far as their policy regarding Persia was concerned. He suggested that the Russian Minister at Teheran should be instructed to address a note to the Persian Government to the effect that Russia would regard the appointment of Major Stokes as an unfriendly act and would reserve to herself the right of taking such measures as she might deem necessary to safeguard her interests in Persia. The British Minister, M. Neratof further suggested, should at the same time, address a note to the Persian Government which would express entire concurrence in the terms of the Russian note and would recognize Russia's right to take necessary steps to protect her interest. As the proposed

* For the text of the proposed Note to be communicated to the Persian Government, see Cd. 6104, Enclosure 1 in No. 279, P. 134.

** For the text of the proposed Note to be communicated to the Persian Government by Sir G. Barclay, see Ibid Enclosure 2 in No. 279, p. 134.
Russian note virtually threatened armed intervention, Sir J. Buchanan disagreed and suggested that the Russian Government should protest against the employment of Major Stokes in Northern Persia and should, at the same time, offer the services of a Russian officer to organize a gendarmerie for the maintenance of law and order in those provinces. The British Ambassador, however, could not satisfy M. Meratof, who remarked that 'if Russian interest were threatened, Government would be obliged to intervene'. On August 6, 1911, in a private telegram, Sir J. Buchanan stated that 'unless we give some satisfaction to Russia serious breach may be made in Anglo-Russian understanding'. He then asked, 'if His Majesty's Government could not recall Major Stokes temporarily, whether it would be possible to bring pressure on him to withdraw his resignation from the Indian Army, as his appointment would cause serious embarrassment to His Majesty's Government and expose Persia to Russian exasperation in the north'. Britain was not prepared to break off her alliance with Russia at any cost. Sir E. Grey now completely adopted the Russian standpoint. He telegraphed to Sir J. Barclay on 7th August, 1911:

+++ Ward and Gooch (Editors), The Cambridge History of British Foreign Policy. op. cit., p. 420.
You should warn Persian Government that unless Major Stokes is not employed in North of Persia they ought not to persist in the appointment, and, if they do persist we shall recognize the right of Russia to take what steps she thinks necessary to safeguard her interests in North Persia*. The telegram was repeated to St. Petersburg. In another telegram to Sir G. Barclay on the same day, Sir E. Gray instructed him to inform Major Stokes the content of the warning which he was to give to the Persian Government. The British Foreign Secretary pleaded that the Russian Government are as much within their right in protesting against his employment to control gendarmerie in North as we should be in protesting against employment of Russians to control Southern trade routes. It will be impossible for Persian Government to uphold appointment against Russian intervention and we cannot depreciate intervention against it unless appointment is restricted to South*. Sir E. Gray also informed Sir G. Barclay that he had enquired of India office as to whether there was any means of suspending the acceptance of Stokes’s resignation. The British Ministers at Teheran was also forbidden to make any communication to Major Stokes regarding the acceptance of his resignation. The telegram was repeated to St. Petersburg.


The same day, Sir G. Buchanan was instructed to inform M. Neratof the substance of the telegram which had been sent to Teheran and through which Sir G. Barclay had been instructed to warn the Persian Government.

On August 9, 1911, Sir G. Barclay reported to Sir H. Grey that according to the instructions, he had warned the Persian Government and had left an aide-memoire with the Minister for Foreign Affairs of Persia. He further reported that in the course of conversation with the Foreign Minister, he suggested that the only way out of the difficulty was to confine the appointment of Major Stokes's in Southern Persia. In reply, the Foreign Minister stated that the suggestion could not be entertained by the Persian Government as it would be tantamount to a recognition of the sphere of influence of interest under the Anglo-Russian Agreement. However, the Minister for Foreign Affairs promised to reply in writing.

On the one side, the Persian Government was determined not to accept the Russo-British dictation, which was definitely an intervention in purely internal affairs of Persia. On the other hand, Russia had fully realized the weakness of the Great Britain and was firm to exploit the situation in her maximum favour. Consequently when on August 8, 1911, Sir G. Buchanan informed M. Neratof the substance of the warning which Sir G. Barclay had been instructed to communicate to the Persian

+ Ibid, No. 802, p. 796.
++ For the text of the aide-memoire communicated to Persian Government on August 8, 1911, by Sir G. Barclay see Cd. 6104, Enclosure 2 in No. 365, p. 169.
+++ Cd. 6104, No. 269, p. 127.
Government, the Acting Minister for Foreign Affairs unexpectedly raised another problem. M. Meratof, during the conversation with Sir J. Buchanan cunningly stated, that 'supposing the Persian Government did agree to confine Major Stokes’s command to the South, it would be difficult to prevent them from eventually employing the gendarmerie thus formed with or without their commander in the north'. Would the British Government, he enquired, make a statement to the effect that this would not be allowed. He thought that a public statement to this effect by the British Foreign Secretary could satisfy the Russian public opinion. Sir J. Buchanan replied that it might be possible for the British Foreign Secretary to assure the Russian Government that Major Stokes would not be employed in the North but it would be exceedingly difficult for him to state that the force which Major Stokes would organize in the South would not be allowed to move in the North to put down the disorders there. M. Meratof admitted that it would be undoubtedly difficult and suggested that in case Major Stokes was employed to organize the Southern Gendarmerie, the British Government would support the Russian demand, if made, that the organization of the Northern Gendarmerie should be entrusted either to a Russian officer or to a national of the minor power, whom Russia might propose. Sir J. Buchanan preferred this suggestion personally in comparison to the previous one.
but expressed his inability to commit on behalf of the British Government. M. Meratof once again expressed his doubts as to the possibility of the Persian Government persisting in placing Major Stokes in command of a national gendarmerie for the whole of Persia, and suggested that the Britain might in that case declared that she would support Russia's demand to some similar appointment in Persia such as the employment of a Russian officer as Chief of Staff of Persia. Sir J. Buchanan feared that such a demand would never be consented by the Persian Government. Meratof told that he had no intention to put forward such a demand at present. He desired to obtain a guarantee from the British Government to this effect. He wished a statement to be made by the British Foreign Secretary in the above sense either in the House of Commons or in the Press which would satisfy the Russian public opinion. Sir E. Grey now yielded completely. After receiving the above communication from Sir J. Buchanan, the British Foreign Secretary telegraphically instructed him to inform M. Meratof of what he (Sir E. Grey) now said in the House of Commons on August 8, 1911, and to let him

No. 805, pp. 792-793, also see Cd. 6104, No. 279, p. 133.

+++ In a reply to a question asked by the Earl of Ronaldshay in the House of Commons on August 8, 1911, regarding the appointment of Major Stokes, Sir E. Grey said: 'I understand that Major Stokes has been offered an appointment by the Persian Government. It cannot have the approval of His Majesty's Government unless the conditions of the appointment are consistent with the terms and the spirit of the Anglo-Russian Agreement of 1907.' Parliamentary Debate, 5th Series, (House of Commons), Vol. 29, p. 939 referred by Gooch and Temperley, Vol. X, Part I, No. 803, Note (4), p. 787.
know that the appointment of Major Stokes was in suspense pending the Persian answer. In case, the Persian Government did not give way, Sir G. Buchanan was further instructed to inform, the British Government would support the Russian demand that either a Russian officer or a subject of some minor power should be employed to organize the gendarmerie in northern Persia. Sir E. Grey, however, desired the appointment of a subject of a neutral power to command the whole revenue gendarmerie. Sir G. Buchanan informed M. Neratof the substance of Sir E. Grey's telegram on 10th August 1911. The Acting Minister for Foreign Affairs of Russia enquired that 'what His Majesty's Government would do should Major Stokes's appointment not be confined to the south', Sir G. Buchanan pointed out that 'if Russia obtained the control of the northern gendarmerie, it naturally followed that Major Stokes would be precluded from trespassing into the Russian Zone.

The anxiously awaited reply of the Persian Government was received by Sir J. Barclay on August 11, 1911. It was quite unexpected. The Persian Government was determined to maintain her sovereignty and integrity. The Persian note stated that the Government of Persia could not understand the attitude of the British Government regarding the appointment of Major Stokes.

+ Cd. 6104, No. 267, p. 126.
Had objection been raised on the basis of Anglo-Russian Agreement of 1907, the note argued, it was not just as the Convention had never been recognized by the Persian Government. Moreover, the preamble of the Agreement of 1907 had guaranteed the independence and integrity of Persia which also supported the Persian point of view. Furthermore, the preamble also declared the desire of the two governments to preserve order in Persia and by appointing Major Stokes, the note pleaded, the Persian Government desired to take necessary steps for the collection of taxes, without which the maintenance of order in any country would be a difficult task.

While handing over the above note to the British Minister at Teheran, the Minister for Foreign Affairs of Persia sought advice of Sir J. Barclay for an honourable settlement of the dispute. Sir J. Barclay suggested that Major Stokes's work 'might be confined not perhaps expressly to the south, but Fars'. The Minister for Foreign Affairs replied that had this proposal been consented, the Russian Government would demand equivalent in the North, which could not be accepted by the Persian Government as it was tantamount to the recognition of sphere of influence. The Minister for Foreign Affairs then suggested that the appointment of Major Stokes might be limited for only three years, and, he was ready to guarantee that Major's term of office would not be extended. At the expiration of his

term, the Minister assured, the command of the Gendarmerie would be entrusted either to Persians or to the nationals of some minor powers. To satisfy Russia, the Minister was ready to declare that Major Stokes would not be sent to any active mission in the North. He was only to organize the Gendarmerie in Teheran.

Sir J. Buchanan communicated the reply of the Persian Government to M. Keratof on August 15, 1911. He had already received a report on the subject from M. Pokleowski. In course of discussion, M. Keratof stated that the appointment would be prejudicial to the smooth working of the Anglo-Russian understanding and enquired what would have been the reaction in England, had it been a Russian Officer, who had accepted a post in the Persian Government which conferred on him the right to organize and control a gendarmerie force in South Persia? Sir J. Buchanan reminded him the various statements made by Sir E. Gray in the British Parliament; his promise to support any eventual demand which Russian might make respecting the gendarmerie in the North; and the serious warnings which had been addressed by the British Government to the Persian Government. Moreover, Sir J. Buchanan further reminded him that the resignation of Major Stokes had not yet been accepted and assured that it would not be accepted pending further developments. In the light of the British attitude towards the appointment Sir J. Buchanan remarked that

he did not understand what more could be done by the British Government to satisfy Russia and how the Anglo-Russian understanding could in any way be impaired. M. Neratof, however, adhered to his views and stated that all that Russia could do would be either to intervene by force or to demand some analogous appointment for a Russian officer, such as Chief of Staff. In the former case, he remarked, an entirely new situation would be created. As to the latter, he did not know whether he could count upon the support of the British Government. Sir J. Buchanan replied that the promised support of the British Government for the control of northern gendarmerie by Russia would be, however, enough to prevent any interference on the part of Stokes in the North. M. Neratof then pointed out the possibility of the ex-Shah's regaining the throne. In that case, he remarked, the Russian public opinion would force the Government to obtain from the Shah the appointment of Chief of Staff for a Russian officer. Had the ex-Shah regained the throne, Sir J. Buchanan replied, shuster and Stokes, both would probably disappear from the scene and consequently Russia would have no reason to ask for a counter-balancing appointment. M. Neratof stated that it would make no difference. When a Russophil Government would be installed at Teheran, the Russian public opinion would force the Government to obtain appointments for her subjects just as England had done in case of Major Stokes when an Anglophil Government was in power. He, however, requested the British Government either to recall Major Stokes temporarily or to appoint him somewhere else and remarked that
it was still possible as the Major's resignation had not yet been accepted. Ever-yielding British Foreign Secretary, telegraphically instructed Sir G. Buchanan to endeavour to remove the misunderstanding by reminding to M. Narutof the British attitude respecting Stokes's appointment. He also expressed his readiness to repeat the warning, already given to the Persian Government. He was also ready to inform the Persian Government that in view of well-founded Russian objections, the resignation of Major Stokes could not be accepted. In short, on August 19, 1914, the Russian Government warned the Persian Government not to appoint Major Stokes as it was incompatible with the Russian interests. In case of failure, the warning stated, the Russian Government would take such steps as she would deem necessary. On the same day, the British Minister at Teheran, repeated the warning which had already been given on 8th August and urged the Persian Government to appoint some subject of a minor power in place of Stokes. The Persian Government was also informed that in view of just and well-coured Russian objection, the resignation of Major Stokes would not be accepted. Unable to obtain the services of

Major Stokes for a long term, Shuster proposed that he should be allowed to engage the Major either for nine months or six months so that he could assist him in Teheran in the organization of Treasury Gendarmerie, but this proposal was also not consented by N. Weratof. The Persian Government thought it better to preserve her independence and consequently the matter was dropped. Major Stokes was ordered by the British Government to return to India. He left Teheran for India on December 13, 1911.

(B) THE DISMISSAL OF MR. SHUSTER

In the midst of Stokes's controversy, quite a new problem arose. The Persian Government decided to confiscate the properties of the Princes Shua-es-Sultanah and Salar-ed-Dowleh, the two brothers of the Ex-Shah, who had joined him in his recent attempt to regain the throne. A decree for the confiscation of the properties of the rebellious princes was issued and Mr. Shuster was ordered by the Council of Ministers on October 4, 1911, to convert the properties into the Persian Treasury. When the Persian Government decided to take this step, it notified the British and Russian Legations at Teheran of its contemplated measures. The two Legations were also informed that if any foreign interests were found to be...

2. Ibid, No. 821, p. 806.
involved in connection with these properties, all rights of the foreigners should be respected and safeguarded by the Government. No objection was raised by either of the Legations. On October 9, 1911, in the execution of the order of the Council of Ministers, Mr. Shuster sent his gendarmes to seize the estates of the insurgent princes with the instructions that they should take peaceable possession of these properties in the name of the Imperial Government, making known to the persons who might be found in actual charge of the estates the terms and conditions of the order of confiscation issued by the Council of Ministers, and calling special attention to the fact that any contracts which might exist with foreign subjects would be fully respected by the Imperial Government. But in case there should be a rental agreement with any foreign subject, the rent for the property to be paid in accordance with the agreement should be remitted to the Treasurer-General of the Government until the expiration of the term. When Shuster’s men reached the Park of Shua-es-Sultanah, they found some Persian Cossacks posted there, probably by the Turkish Embassy—Shua-es-Sultanah being claimed by the Turkish Embassy as a Turkish national. The

1. Ibid, p. 136.
2. Ibid pp. 139-140.
cossacks told them not to enter. After informing the
Cossacks that the Government had issued orders for the
confiscation of all the property of Shus-es-Sultanah, the
gendarmes managed to enter the garden and started preparing
a list of its contents. Soon after, two members of the Russian
consulate in full uniform, with ten Russian Cossacks arrived
and ordered the gendarmes to retire immediately. The latter
explained their mission but the Russian officials began to
threaten them. The gendarmes had no alternative but to withdraw
from the premises. Nevertheless, the Russian Officers and
Cossacks chased them up the street. Mr. Shuster hurriedly sent
telegram to Poklewski, the Russian Minister, who was at his
summer quarters in Zargundah, protesting against the action of
Russian Consular officers and requesting him to issue immediate
orders to his consulate to withdraw the force from the Park.
Mr. Shuster also despatched a letter to Poklewski informing him
that he (Mr. Shuster) would send his representatives to take
possession of the garden in question on October 10, 1911, with
the expectations that necessary arrangements would have been
made to avoid the possibility of any unpleasant incident.
M. Poklewski replied as follows:-
"Your wire, letter received. Dawlatabad is a property
rented by two Russian subjects and no measures against it
ought to have been taken without previously assuring Consulate-
general that all rights of Russian subjects will be safeguarded

1. Ibid, p. 140, also see Cd. 6105, No. 134, p. 55.
and their contracts not interfered with. It is on this explicit condition that measures taken by Persian Government against property of Shau's Saltana will not be opposed by Russian Legation which will also hold Persian Government responsible for any claims subjects may have against Shau's Saltana.

To Mr. Shuster's wonder, Poklewski did not mention anything about the withdrawal of the force from the Park but referred in his reply to the estate of Dowlatabad of which Mr. Shuster made no mention in his communications to Poklewski. As Mr. Shuster received no explicit reply on the subject of the withdrawal of the force, he decided to carry out his intention. Consequently, he sent his assistant Mr. Cairns with a force consisting of fifty Treasury gendarmes with five Persian officers and fifty gendarmes of the city police with three officers, under the command of Mr. Merrell, one of Shuster's American assistants, to take possession of the Park. The Government force was instructed to take possession of the property by peaceful methods, if possible. If the Cossacks offered forcible opposition, Shuster instructed his men, they would be allowed to fire first shot. However, the gendarmes were ordered to take possession of the property under any

1. Ibid, p. 142.
2. Ibid p. 142.
circumstances. When the expedition arrived at the gate of
the property, Messrs Cairns and Kerrell decided to call on
M. Pokhitonow, the Russian Consul-General, first. After being
received by the Consul-General, they read to him the order of
the confiscation, explained the instructions they had received,
assured him that the rights of the foreign nationals would be
safeguarded and begged him to withdraw the force from the garden.
M. Pokhitinow refused to withdraw the force. Mr. Cairns, there­
upon, informed him that he would take possession of the property
by force. However, the property was seized by the gendarmes
after disarming the Cossacks posted there. Of course, the
Cossacks, at first, raised objection to the entry of the gendarmes
in the Park, but after being informed that if they did not allow
to enter peaceably, force would be used, they kept themselves
quiet. As regards the properties of the rebel prince at
Dawlatabad and Mansuriabad, the Government gendarmes, at first,
took peaceable possession of the two properties but soon after,
the officers of the Russian Consulate accompanied with some
Russian Cossacks arrived. They arrested and insulted the
gendarmes. However, after giving a serious warning not to
repeat their action in connection with the properties of
Shua-es-Sultanah and Salar-ed-Dowleh, who were 'Russian subject',
the Russian officers allowed the gendarmes to go. It was a
gross violation of the Persian sovereignty. The Persian

1. Ibid, p. 142, 145, also see Cd. 6106, No. 134, pp 55-56.
2. Shuster, op. cit. p. 146.
Government protested against the actions of Consul-General and demanded that the Consul-General and the staff of the Consulate-General should be recalled. On October 16, 1911, Sir C. Barclay telegraphically reported that M. Pokhitinov, the Russian Consul-General at Teheran, had "quite unwarrantably interfered by force with the seizure by the Persian Government of certain properties of the ex-Shah's brothers which had been confiscated in consequence of the part their owners have taken in the insurrection". M. Poplewski, had disavowed M. Pokhitinov's action, but made reserves as to any Russian Claims.

At first, the Russian Government did not react to the forcible seizure of Shua's Park by the gendarmes and it seemed that no action would be taken by her in that connection. Though the Russian Government was determined to oust Mr. Shuster, but any hasty step in that connection would have upset the whole Russian plan. Moreover, the consent of the British Government was necessary to achieve the goal. Consequently, Russia proceeded very tactfully and cautiously in the matter. The Russian Foreign Office started a propaganda to the effect that the general situation in Persia was dark and gloomy; that it had taken an anarchic turn; and that the Persian Government was unable to maintain law and order. On 13th October, 1911, in the course of a conversation with Mr. O'Beirne, M. Neratof stated that he had received a report from Teheran to the effect that the

outlook in Persia was exceedingly dark and the situation there was deteriorating rapidly. He remarked that the Russian Government could no longer refrain from taking measures of 'extreme rigour' which might lead to an occupation of northern provinces of Persia. He complained of the serious disorders prevailing in the region of Ardabil and the frequent attacks on the Russian convoys there. Speaking of the prospects of increasing chaos in the Persian affairs, the Acting Minister for Foreign Affairs of Russia referred to the alleged quarrel between the Persian Government and M. Yeprem. He stated that the pending cabinet crises in Persia might bring the 'extremists' in power and feared that in such a case, no authority would be left to deal with. Above all, M. Neratof complained strongly of Mr. Shuster's attempt to obtain a control over the whole Persian administration, which he stated, was entirely incompatible with Russia's interest. He referred to Mr. Shuster's alleged intention to obtain full powers from the Majlis with regard to the railways and loans. Mr. O'Berine replied that if northern Persia was occupied by Russia, it would be very difficult for the British Government to defend such a Russian action before the British public opinion and warned that it might endanger the smooth working of Anglo-Russian understanding. He, nevertheless, assured Mr. Neratof that the British Government would do her level best to remove the reasons which, in Russian's view, made the occupation necessary. O'Berine, however, reminded
M. Neratof that Russia had vetoed the various schemes of the Persian Government, which, if implemented, would have enabled her (the Persian Government) to restore peace and maintain order in the country. Russia simply raised objections, O'Berine remarked, but suggested no proposals to take their place and enquired what Russia actually desired to be done in Persia? M. Neratof replied that Mr. Shuster should be made to understand that he must take into account the interests of the two Powers and must proceed in cooperation with them. As to the projected reforms, M. Neratof stated, Shuster must proceed gradually and in such a manner as to take Russia's interests into consideration. He further stated that Shuster must not forget the special position of Russia in Persia while working for the good of that country. If Mr. Shuster obtained full control from the Majliss regarding the loans and the railways, M. Neratof stated firmly, he must give an understanding that he would act entirely according to the wishes of the two Governments. If he would not give the required understanding, the Acting Minister for Foreign Affairs remarked, Russia would be compelled to play an obstructive role. Later on, M. Neratof informed Mr. O'Berine that the Russian Government was at present only considering the necessity of a military expedition but she 'counted on the assistance of His Majesty's Government in endeavouring to avoid active intervention on a large scale.'

When Sir E. Grey received the above report from St. Petersburg, he requested Count Benckendorff, the Russian Ambassador at London, to come to see and to discuss the matter with him. On October 23, 1911, the British Foreign Secretary urged upon the Russian Ambassador that 'an occupation of Northern Persia or even a military expedition would end the independence of Persia and entail a revision of the Anglo-Russian Agreement about Persia'. He also remarked that in his opinion, no necessity of such a strong step had arisen. Count Benckendorff replied that he had heard nothing of a military expedition but stated that the prospect of Mr. Shuster's getting the entire control of the whole Persian administration had annoyed his Government and was incompatible with Russia's interests. Sir E. Grey replied that if the Russian interests were being undermined, they must be protected but Shuster had not affected anything, he remarked. The British Foreign Secretary reminded the Russian Ambassador that the appointment of Major Stokes had been prevented, no loan had yet been made by Seligman.

As to the railway concession, for which a British group was applying, Sir E. Grey assured the Russian Ambassador that they would not be allowed to obtain a concession if it went into Russian sphere. He informed him that the British group had been

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*Mr. Shuster was negotiating for a loan of £4,000,000 with the representatives of Messrs Seligman Bros.*
told to arrange the matter with Russia. Lastely, Sir E. Grey stated that the mere fact that a private individual like Mr. Shuster had used adverse language was not a reason for destroying the independence of Persia. Informing about the substance of his talk with the Russian Ambassador, Sir E. Grey instructed Mr. O’Beirne to speak to the Acting Minister for Foreign Affairs of Russia in the above sense.

According to the instruction, Mr. O’Beirne communicated to M. Neratof, one October 23, 1911, the views of the British Foreign Secretary on the subject of the threatened Russian action in Northern Persia. M. Neratof replied that the despatch of a military expedition would not destroy the independence of Persia as the despatch of a Russian force to Kazvin in the past, he argued, did not have any such effect. He further pleaded that the presence of the Russian troops at Tabriz, on the contrary, saved that town from being captured by the supporters of the Ex-Shah at that time. Mr. O’Beirne then reminded him that he had used the word 'occupation' to which the Acting Minister for Foreign Affairs promptly replied that it was too strong a word. He, however, agreed that Mr. Shuster had so far been not able to enforce anything to which Russian Government raised objection and assured that so long as that was the case, no action would be taken. Lastely, he reiterated

+ Mr. Shuster wrote an open letter to the Times on October 21, 1911. The letter was printed into two sections on November 10, and 11—see Appendix No. G.

that Mr. Shuster should be made to understand that he must act in consultation with the two Powers.

The weakness of the British Foreign Office was apparent. The European situation was still disturbed and Russia was determined to take full advantage of it. On November 2, 1911, M. Poklewski, the Russian Minister at Teheran called on the Persian Foreign Office and made the following verbal demands:

1) That the gendarmes should be immediately withdrawn from the Shua's Park and the Persian Cossacks should be put in possession of the estate.

2) That the Persian Foreign Minister should apologize for the "insult" which had been offered to the Russian Consulate officers.

3) That the Persian should take back her note demanding the recall of the Consul-General.

The demands of the withdrawal of the gendarmes was based on the ground that the property was mortgaged to the Russian Bank and the gendarmes were sent to take possession of the property without previous notice, having been given

1. Cd. 6105, No. 58, p. 27.

* As has been referred to the Persian Government notified to the British and Russian Legations at Teheran of her contemplated measure regarding the confiscation of the properties. Moreover, it was also declared that if any foreign interest were found to be involved in connection with the properties, all rights of the foreigners should be respected and safeguarded.

(continued)
to the Russian Consulate-General. The apology was demanded
on the allegation that the gendarmes in possession the
property pointed their rifles at the two passing officers of
the Consulate-General and the Consulate-General itself.

Sir J. Barclay advised the Minister for Foreign Affairs of
Persia to comply with the demands, but the Persian Government
stood firm and rejected the humiliating demands on November 6,
1911. The Persian Government, however, expressed her readiness
to hold an impartial enquiry to elucidate the whole Shua-es-
Sultaneh's incident.

According to Sir J. Barclay, the Persian Government had
informally intimated to the Russian Minister at Teheran
that the estates of the certain reactionaries were to be
confiscated and assurances were given that any proper Russian
claim would be met, but Shua-es-Sultaneh's name was not
specifically mentioned — See CD 6105, No. 161, p. 170.

The claim that the property was mortgaged was also wrong

The allegation that the gendarmes pointed out their rifles
at the passing Russian consulate officers, was also not
correct. On the contrary, M. Petroff and M. Wilderband,
the two Russian Consulate officers, drove to the gate of
the Park. They abused and insulted the gendarmes and
threatened to kill them. It was all to provoke them, which
would have undoubtedly provided to the Russian consulate
officers a pretext for further action. Fortunately, the

Sykes also expressed his doubts as to whether the alleged

CD. 6105, No. 76, p. 33 For the demands made by Russia, also see

2. CD. 6105, No. 81, p. 35, also see Gooch and Temperley, Vol. I, Part
I, op. cit., No. 836, p. 818.

3. CD. 6105, No. 84, p. 35 and Enclosure in No. 161, pp. 70-71, also
Although, the Persian Government rejected the demands but it did not mean that she was not aware of its repercussions. The Russian Government was contemplating to send an expedition to Persia to get her demands complied with and the Persian Government was naturally alarmed. On November 8, 1911, the Persian Minister at London called on Sir A. Nicolson and begged for British support in the question of Shua-es-Sultaneh and the difficulty which had arisen with Russia. Sir A. Nicolson unexpectedly replied that it was exceedingly difficult for British Government to intervene in a difference between Russia and the Persian Government. He advised him to settle the matter locally. The Persian Government also endeavoured to enlist the support of United States of America. On November 8, 1911, the Persian Chargé d'Affairs presented to the State Department a communication from the Persian Minister of Foreign Affairs. The Persian Minister, after a description of the unjust and humiliating Russian demands, asserted that the true intention of Russia was to compel Persia to dismiss Mr. Shuster and thereby check the reforms which, if implemented successfully, would lead to greater Persian independence. As the Persian communication did not require a direct answer, the State Department decided to leave it unanswered. But Mirza Ali Kuli Khan, the Persian Charge d'Affaires, addressed

a note on that subject to the State Department and stated that Persia 'expects intrinsic assistance'. Secretary Knox replied that the State Department regretted the 'difficulties now existing between the two countries with which the United States is on terms of equal friendship'. Persia was isolated and without a friend to help her.

The Russian Government was now free to dictate her conditions to the Persian Government. On November 10, 1911, the Russian Government instructed M. Poklewski to present the same demands in writing, asking for an immediate reply. The Russian Minister at Teheran was also instructed to inform the Persian Government that if the demands were not complied within forty-eight hours, diplomatic relations between the two countries would be broken off. In the case of non-compliance with the demands, M. Poklewski was authorised to warn the Persian Government that the Russian Government would take such measures to protect her interests in Persia as might be deemed necessary. The Russian Minister communicated a note in the above sense to the Persian Minister of Foreign Affairs on November 11, 1911 together with a warning in the sense indicated. As to the measures to be taken M. Neratof informed O'Beirne on November 10, 1911, that the Russian Government would dispatch

1. Yeselson, op. cit., p. 119.
3. CD 6105, Enclosure in No. 101, p. 42.
a force of sufficient strength to Kazvin, a detachment of which, on being summoned by M. Poklewska, would go to Teheran to remove the gendarmes from the Shua's Park and to install Persian Cossacks in their place, after which it would return to Kazvin. Mr. O'Beirne remarked that the Persian Government would give way.¹

On account of the extensive preparations by Russia to occupy Northern Persia, the Persian Government was thoroughly frightened. Having no alternative, the Persian Cabinet again sought the advice of the British Government regarding the policy to be pursued. Sir E. Grey promptly advised to accept the Russian ultimatum and apologize as was demanded.² Consequently, the Persian Prime Minister instructed Mr. Shuster to withdraw the gendarmes from the Park of Shua-es-Sultanah. Mr. Shuster declined to remove his men on the ground that the order of confiscation was signed by all the Ministers, and could only be revoked by a similarly authoritative document.³ The reply of the Persian Government was, however, delayed owing to the Cabinet crisis in Persia. Nevertheless, on the expiration of forty-eight hours, Sir E. Barclay again urged the Persian Government to comply with the Russian demands, but 'any disposition to yield as regards the withdrawal of the Treasury gendarmes', he reported to Sir E. Grey on November

² Ibid., p. 161.
³ Ibid., p. 162, also see CD 6105, No. 115, p. 47.
14, 1911, 'is likely to be counter-acted by the influence of Shuster', regarding the other demands, he further reported, 'it will be difficult to find out a Minister who will consent to tender an apology.' On the one side, the delay in reply was being very much resented by Russia, on the other side, the 'recent misdeeds', as remarked by M. Meratof, tested the 'patience' of the Russian Government. On November 12, 1911, in the course of a conversation with Mr. O'Beirne, M. Meratof strongly complained of the refusal of Mr. Shuster to cancel the appointment of Mr. Lecoffre as Treasury agent at Tabriz, inspite of Sir J. Barclay's protests. He also bitterly criticized the circular of the Treasurer-General, addressed to the Russian subjects in Persia, requiring them to furnish him directly with the particulars of leases held by them, failing which their rights would not be recognized by the Persian

1. CD 6105, pp. 43-44.

Mr. Lecoffre, a British subject, who had been in the Ministry of Finance at Teheran, for nearly two years, was appointed by Mr. Shuster as a Treasury agent at Tabriz. Teheran was also included in the so-called Russian sphere of influence and by sending Mr. Lecoffre to Tabriz, the Treasurer-General had effected nothing but merely transferred him from one point in the Russian sphere of influence to another. On the instructions of Sir E. Grey, Sir J. Barclay warned Mr. Shuster on November 8, 1911 that the appointment would result in a protest by Russia to preserve her interests there but Mr. Shuster justified the appointment - See Shuster op. cit., p. 160, also CD 6105, No. 77, p. 33, No. 82, p. 35, No. 89, pp. 37-38.
Government. Such procedure, M. Neratof remarked, was contrary to the Persian Usage. Mr. O’Beirne suggested that the only way out of the difficulty was that the Persian Government should dismiss Mr. Shuster but the Acting Minister for Foreign Affairs of Russia feared that the Persian Government would not have the courage to take this step in the teeth of opposition from the Medjliss.

After receiving the report of the above conversation from St. Petersburg, Sir E. Grey decided to put the full responsibility of the whole incident upon the shoulders of Mr. Shuster. He instructed Mr. O’Beirne to tell the Minister for Foreign Affairs of Russia that the basis of the real difficulty was the anti-Russian policy being pursued by Mr. Shuster in northern Persia and therefore, he suggested, Russia should formulate her complaints against Mr. Shuster and make a formal demand respecting his anti-Russian activities. Mr. O’Beirne conveyed the substance of Sir E. Grey’s communication to M. Neratof. The Acting Minister of Russian Foreign Affairs pointed out that from a formal point of view, it would be difficult for the Russian Government to protest against the appointments, such as that of Mr. Lecoffre to Tabriz, since such a protest would be tantamount to an intervention in the internal affairs of

3. Ibid., No. 845, p. 823, also see CD. 6105, No. 109, p. 45.
Persia. He, however, stated that his Government was thinking to make the demand of Mr. Shuster's dismissal on the ground of his responsibility for the action of gendarmerie.

On 14th November 1911, M. Neratof informed Mr. O'Beirne that he had not yet received any report from Teheran regarding the compliance of the demands and intimated that if a satisfactory reply was not received by tomorrow, the Russian Government would take the contemplated measures. In reply, Mr. O'Beirne referred to the resignation of the Persian Cabinet and suggested that the period given for the acceptance of the demands should be extended — a week for instance — within which the demands must be fulfilled. The extension in the period was necessary, he argued, as owing to the resignation of the Cabinet, it was impossible for Persia to comply immediately with the demands. M. Neratof replied that the resignation was clearly to avoid the compliance and remarked that whoever held office would resign after the expiration of one week's duration for the same purpose.

On November 15, 1911, Sir E. Barclay reported to Sir E. Grey that the Russian Legation at Teheran had been instructed to break off the relations with the Persian Cabinet, if one existed. The Russian Minister had also been informed, the report stated, that a detachment of the Russian Troops would


then soon be dispatched to Kazvin. In response to the above communication M. Poklewski telegraphed to his Government that no Cabinet had yet been formed. If the Cabinet was formed and did not comply with the demands, he informed his Government, the relations would be broken off. He further informed his Government that if the compliance with the demand did not result from the despatch of the troops to Kazvin, it would be necessary to send a force consisting of 2,000 men to Teheran and a force of equal strength should necessarily be kept in reserve at Kazvin. On the same day, Mr. O’Beirne made a strong appeal to M. Mératof that the period for the compliance of the demands should at least be extended for three days. If an extension in the period was not granted, Mr. O’Beirne pointed out, the Russian Government would be accused of taking advantage of the temporary absence of a Persian Government to intervene by force in that country. M. Mératof did not give any definite answer, nevertheless, he held out some hope to pursue the course suggested but 'if Russia accorded a further delay’, he remarked, 'she should also increase her demands'. The Acting Minister for Foreign Affairs of Russia stated that in such a case, he might put forward a demand for the dismissal of the officials responsible for the action of the gendarmerie, including the Treasurer-General.

1. CD 6105, No. 110, p. 45.
The reports from St. Petersburg and Teheran were of alarming nature. M. Pokleowski's recommendation that, in case of non-compliance of demands, even after the arrival of the Russian force at Kazvin, a detachment of sufficient strength should be sent to Teheran, was a source of great anxiety to the British Foreign Office. Consequently, Sir E. Grey told the Councillor of the Russian Embassy on November 16, 1911, that it was for Russia to decide and formulate her own demands. If Russia was convinced that no settlement could be reached without Mr. Shuster's dismissal, the British Foreign Secretary stated, she could demand its expulsion and assured that Britain would raise no objection. 'As a matter of fact', Sir E. Grey remarked, 'he had given me endless trouble by his inconvenient appointments of British subjects inspite of all I could say to him.' The intention of the Russian Government to despatch an expedition to Kazvin did not annoy the British Foreign Secretary, but the contemplated dispatch of a force consisting of 2,000 men, from Kazvin to Teheran, had disturbed him. 'This would mean an occupation of the capital of Persia', he told the Councillor of the Russian Embassy, which would surely have an effect upon the Mohammedan world. If Britain appeared to be a consenting party to such a step, Sir E. Grey pointed out, it would certainly excite the feelings of the Mohammedans and it might react most unfavourably in India, especially at the moment of the king's visit to that country. Pointing out the difficulties of the British Government, Sir E. Grey suggested to the Councillor
that the Russian should formulate her demands after the arrival of her troops at Kazvin and give further time to the Persian Government before taking any other step. If it became necessary to take further steps, Sir E. Grey further suggested, it would be better to seize either some of the Customs houses or to impound the revenues of Tabriz. Such an step, the British Foreign Secretary remarked, would be relevant to Mr. Shuster’s action. Sir E. Grey telegraphically reported the substances of the above talk to O’Beirne and instructed him to talk in that sense to M. Meratof. On November 17, 1911, M. Poklewski was instructed to break off the relations with the Cabinet.

The Russian Government also instructed the military authorities in the Caucasus to despatch troops to Kazvin. It was

2. There were already 3,922 military men of Russia in Persia, stationed at various places. The statement showing the numbers of the troops and the places where they were stationed, is as follows:

<table>
<thead>
<tr>
<th>Place</th>
<th>Number of Troops</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ardebil</td>
<td>2,000</td>
</tr>
<tr>
<td>Tabriz</td>
<td>1,000</td>
</tr>
<tr>
<td>Tabriz</td>
<td>400</td>
</tr>
<tr>
<td>Meshed</td>
<td>600</td>
</tr>
<tr>
<td>Kazvin</td>
<td>52</td>
</tr>
<tr>
<td>Meshed</td>
<td>150</td>
</tr>
<tr>
<td>Isfahan</td>
<td>32</td>
</tr>
<tr>
<td>Kerman</td>
<td>11</td>
</tr>
<tr>
<td>Isfahan</td>
<td>11</td>
</tr>
<tr>
<td>Kerman</td>
<td>11</td>
</tr>
<tr>
<td>Isfahan</td>
<td>10</td>
</tr>
<tr>
<td>Astrabad</td>
<td>12</td>
</tr>
<tr>
<td>Isfahan</td>
<td>12</td>
</tr>
<tr>
<td>Isfahan</td>
<td>10</td>
</tr>
<tr>
<td>Isfahan</td>
<td>10</td>
</tr>
<tr>
<td>Turbat-i-Haidari</td>
<td>12</td>
</tr>
</tbody>
</table>

The above information was given by Sir J. Barclay to Sir E. Grey on October 31, 1911. See CD. 6105, No. 137, p. 57 and Enclosure in No. 137, p. 57.

On November 12, 1911, Mr. O’Beirne reported that the Russian Govt. had decided to increase the escort of her Consul at Astrabad by 200 Cossacks. See CD 6105, No. 114, p. 46 and Enclosure in No. 114, p. 47.
interesting to note that no Cabinet existed in Persia at that time.¹ On the same day, M. de Etter, the Councillor of the British Embassy at London communicated a note to the British Government stating that in order to exercise pressure on the Persian Government to comply with the demands, the Russian Government had decided to dispatch to Kazvin at once a force of different arms. The Russian Minister at Teheran had been authorised, the note stated, to summon to Teheran a detachment of sufficient strength from Kazvin, to expel the gendarmes from the Shua’s Park, if necessity arose. The note further stated that the step taken by the Russian Government were of a purely provisional character and assured that as soon as the incident was closed and guarantee was secured for the correct attitude of the Persian Government in future, the force would be withdrawn. On the 18th November 1911, Count Benckendorff also communicated a note to the British Government exactly in the above sense.² On the same date, M. Poklewski informed the Persian Government that the diplomatic relations between the two countries had been broken off.³

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4. Ibid., No. 298, p. 125.
As instructed by Sir E. Grey on the 16th November, 1911, Sir G. Buchanan spoke to the Acting Minister for Foreign Affairs of Russia on the 18th November. He warned M. Neratof of the serious consequences which would result from the occupation of Teheran by Russia and urged him not to issue orders for an advance of the Russian troops from Kazvin till all other means of exercising pressure on the Persian Govt. such as the seizure of the Custom-houses, had been exhausted. Sir G. Buchanan suggested that sufficient time should be granted to the Persian Government to fulfill the demands before issuing the order for an advance from Kazvin to Teheran. M. Neratof rejected the idea of exercising pressure by the seizure of the Custom-houses on the ground that it was not likely to carry serious weight. He also declined to grant the Persian Government any further time after the arrival of the Russian troops at Kazvin and based his refusal on the ground that the Russian force would reach Kazvin in three days, which provided sufficient time for the Persian Government to reach a decision. To Sir G. Buchanan's suggestion that a serious warning should be given to the Persian Government as to the serious consequences which would result from the refusal to accept the demands, M. Neratof replied that as the diplomatic relations had been broken off, it was impossible to address a warning. Moreover, any communication to the Persian Government at that stage, M. Neratof remarked, would be against the prestige of Russia. He also rejected Sir G. Buchanan's proposal that a last warning message should be sent through
the Persian Charge d' Affairs at St. Petersburg and stated
that the demands would be increased as the Russian troops
would advance. The British Ambassador then enquired of M. Meratofo
whether the thought it would answer a useful purpose were
Sir G. Barclay to inform the Persian Government that we had been
told that unless they gave Russia immediate satisfaction, not
only would Teheran be occupied, but fresh demands be insisted
upon. He replied that he would raise no objection to such a
communication by Britain to the Persian Government. In the
course of the conversation, M. Meratof stated that Russia
really wanted to get rid of Mr. Shuster and expressed his
readiness even to abandon the demand for the replacing of the
gendarmerie by the Persian Cossacks, provided Mr. Shuster be
expelled. On November 19, 1911, Sir L. Buchanan called on
M. Kokovtsov, the President of the Council and reported the
substance of his talks with him to Sir E. Grey. In the course
of conversation, the British Ambassador reported, the President
of the Council assured that as soon as Russia's two demands,
namely, a formal apology to the Russian Minister at Teheran
by the Persian Minister for Foreign Affairs and the replacing
of the gendarmerie by the Persian Cossacks, had been complied
with, the Russian troops would be withdrawn. He also consented

1. Ibid., No. 131, pp. 53-54, also see Gooch and Temperley
to grant the Persian Government further time after the arrival of the Russian troops at Kazvin. On the 20th November Sir E. Grey telegraphed to Sir J. Buchanan that he was glad to hear that when the two demands were complied with, the Russian troops would be withdrawn. He also appreciated much the report that a delay would be accorded before an advance to Teheran would commence. This telegram was repeated to Teheran also.

On the same day, Sir J. Buchanan reported that he had been informed by the Acting Minister for Foreign Affairs of Russia that if the demands were complied with by the time of Russian troops reached the Persian territory, they would be recalled without further demands being formulated, but that, if they had be proceed further, the demands would be increased and Mr. Shuster's dismissal might be insisted upon. There was, however, contradiction between the statement of the President of the Council and the Acting Minister for Foreign Affairs of Russia. M. Kokovtsov had attached no condition to the withdrawal of the troops whereas M. Neratof made the withdrawal conditional. Nevertheless, the British Foreign Office was hopeful and Sir E. Grey informed Sir J. Barclay that 'we have every reason to believe that if Persian Government comply with Russian demands Russian troops will be withdrawn.' He also instructed his

2. Ibid., No. 355, p. 331.
3. Ibid., No. 357, p. 332, also see Cd. 6105, No. 146, p. 65.
Minister to point to the Persian Government that no time should be lost in complying with the demands. Consequently, when on November 20, 1911, Koin-el-Vezireh, the 'Chef de Cabinet' of Ex-Foreign Minister, Vosak-ed-Dowleh, called on Sir J. Barclay and stated that if the Persian Government was assured that the Russian troops would be recalled on the compliance of the two demands, and that no further demands would be formulated by Russia, the Persian Minister for Foreign Affairs would apologize as soon as the Cabinet was formed, and the gendarmes would be replaced by the Persian Cossacks.

Sir J. Barclay replied that his Government had reason to believe that, if the demands were complied with, the Russian troops would be withdrawn. He advised the 'chef de Cabinet' that it would be wiser for the Persian Government to comply without loss of time.

On November 21, 1911, Sir J. Barclay reported that Samsam-es-Sultaneh had formed a Cabinet which would be presented to the Majliss tomorrow. The report continued to state that orders, signed by all the Ministers had been sent to Mr. Shuster to withdraw the gendarmes and hand over the properties to the delegates of the Persian Government. The Persian Cossacks had been ordered to furnish guards. The report further stated that as soon as the cabinet had been introduced to the Majliss, the Persian Minister for Foreign

1. Cd. 6105, No. 145, p. 64.
2. Ibid., No. 293, p. 125.
Affairs would tender the apology to the Russian Minister at Teheran.¹ On the same day, Sir G. Barclay reported that he had been informed by Moin-el-Vezireh that the British Communication regarding the compliance with the demands had been discussed by the new Cabinet and by the prominent deputies of the Majliss and decision had been taken on comply with the demands as soon as the Cabinet would be introduced to the Majliss.

On November 22, 1911, Sir G. Buchanan called on the Acting Minister for Foreign Affairs of Russia and stated that as the Persian Government had agreed to comply with the Russia's two demands, no difficulties would be made regarding the withdrawal of the troops. Contrary to the pledges previously made, M. Neratof replied that it would be impossible to withdraw the troops till some guarantee had been obtained with regard to the future. He argued that the situation had been changed as a result of the arrival of a portion of the Russian troops, at Izfeli. Sir G. Buchanan reminded him of the assurances given by the President of the Council and pointed out that if the troops were not withdrawn, it would place the British Government in an invidious position. M. Neratof replied that the President of the Council had adhered to the assurances which he had given regarding the policy of the Russian Govt.

¹. Ibid., N° 151, p. 66.
². Ibid., No. 298, p. 125.

* A force consisting of 500 Russian infantry was reported to have arrived on 21st November, 1911.
and delay would be accorded at Kazvin. He further stated that while giving assurance regarding the withdrawal of the troops, the President of the Council had not intended to exclude discussion with the Persian Government of general settlement of pending questions. Moreover, the dispatch of the troops, M. Neratof pointed out, had not only been very inconvenient to the Russian Government but had involved great expense, and the question of the expenses would have to be raised. Sir J. Buchanan, however, pressed to prevent the Russian troops from advancing beyond Resht. The Acting Minister for Foreign Affairs of Russia replied that he thought that if satisfaction was given, troops might for the present be retained at Resht. M. Neratof then reverted to the necessity of reforming the Persian Government and getting rid of Mr. Shuster. He demanded that his country should be given a free hand to procure the dismissal of the latter. Sir J. Buchanan replied that Britain would not oppose such a Russian move but it must be accomplished by diplomatic means.

M. Neratof remarked that it could not be done until Teheran was occupied by Russia. Sir J. Buchanan reported the substance of a conversation with Sir J. Buchanan on November 21, 1911. M. Neratof complained that Majliss had arrogated itself the executive powers which did not belong to it and suggested that it would be well to restrict its role to a purely legislative one. He further suggested that a Senate should be constituted and the powers of the Regent should be increased. M. Neratof desired the reformation of the Persian Govt. on the above lines to make the Majliss ineffective—See Gooch and Temperley, Vol. X, Part I, op. cit., No. 858, p. 833, also Cd. 6105, Wo. 152, p. 67.

the above talk to Sir E. Grey with the remarks that it
seems that Russia was determined not to recall her troops
till she got rid of Mr. Shuster and she would do it even if
she had to send her troops to Teheran to expel him. 1

After receiving the above communication, Sir E. Grey
hurriedly despatched a telegram to the British Ambassador
at St. Petersburg, instructing him to urge upon the Ministers
for Foreign Affairs that if the demands were complied with,
troops should not be landed, or if disembarked, should at once
be re-shipped. 2 In the meantime, the Persian Cabinet was
introduced to the Majlis in a somewhat incomplete form.
Vosuk-ed-Dowhh, the Ex-Foreign Minister resumed his portfolio
but could not tender the apology due to his indisposition. He,
however, expected to do so as soon as he would recover. The
gendarmes could also be not withdrawn from the Shua's Park due
to formalities for checking the inventory of moveables. It was
expected that the checking procedure would take at least four
or five days, after which the gendarmes would be withdrawn.

The delay in complying with the demands, which was un-
doubtedly caused owing to the unavoidable circumstances,
provided further pretext to Russia to intervene in Persian
activity. On the 23rd November, 1911, M. Wernatof informed
Sir G. Buchanan that he had received a report from Teheran

3. Ibid., No. 158, p. 68.
to the effect that the new Persian Cabinet had been formed on provisional basis and it consisted of only three Ministers; that the gendarmes had not been replaced and would not be withdrawn for four or five days more on the pretext of arranging the necessary preliminaries, and that until the gendarmes were not removed, M. Poklewski would not receive the visit of apology.

He further stated that Mr. Shuster had managed to get published a pamphlet in Persian dealing with the recent incident and got it circulated amongst the people for the purpose of fomenting anti-Russian agitation. It would not be tolerated, he remarked and stated that instructions would be sent to M. Poklewski to demand the dismissal of Mr. Shuster. He further stated that the Russian Government would also demand, for the conciliation of Mr. Lecoffre's appointment and for a declaration from the Persian Government that in future no subject of a Great Power should be employed in the Persian Service, without previous consultation with the two legations. Sir J. Buchanan replied that Britain had already informed the Russian Government that she would raise no objection to the demand of Mr. Shuster's dismissal but the march of the Russian troops on Teheran was another matter. The British Ambassador then requested Mr. Neratof to defer presenting the demand till he could consult

+ A local Persian Newspaper 'Tamadun' got the letter of Mr. Shuster to the 'Times', translated, printed and circulated. See Shuster, op. cit., p. 161.
the British Foreign Secretary. Sir G. Buchanan added that Sir E. Gray might be able to induce the Persian Government to consent to Mr. Shuster's dismissal which would make the use of force quite unnecessary. M. Neratof replied that he would send the required instructions to M. Poklewska by tomorrow night and remarked that once demand was presented, Russia would be obliged to see it complied with, even if she had to occupy Teheran. \(^1\) In response to the above communication, Sir E. Gray telegraphically informed Sir G. Buchanan on the 24th November that, taking the renewed attack of Mr. Shuster on the Russian Government into consideration, the British Government could not raise objections to the Russian demands being formulated, but it was most necessary that the movements of the Russian troops should stop after the two original demands had been complied with. As regards the new demands, Sir E. Gray suggested that time should be given to Persia so that diplomatic pressure could be put on the Persian Government to accept them. The British Foreign Secretary assumed that after the compliance with the two original demands, diplomatic relations between the two Governments would be resumed.

On 24th November, the Persian Minister for Foreign Affairs called on the Russian Minister and tendered the desired apology. By that time, the gendarmes had already been replaced by the Persian Cossacks. After receiving the


apology, M. Poklewski told the Persian Minister for Foreign Affairs that his Government had authorised him to resume the diplomatic relations. He, however, informed the Persian Minister for Foreign Affairs that as there had been much delay in compliance with the demands; and as troops had already landed on the Persian territory; and as Mr. Shuster had managed to get his recent letter to the 'Times' translated and circulated amongst the people; the Russian Government would not be entirely satisfied with the compliance with the two original demands. Some further demands would be formulated and presented to the Persian Government.

The above warning of M. Poklewski to the effect that some further demands would be formulated and presented, alarmed the Persian Government much. The 'Nominal' independence of Persian was now incomplete danger. Vosuk-ed-Dowh, the Persian Minister for Foreign Affairs expected that he might make the U.S. Government to give some help to Persia. Consequently, he informed the Persian Charge d'Affaires at Washington that Russia would probably demand the dismissal of Mr. Shuster, and our Government would either be compelled to consent to Mr. Shuster's removal or to the actual and immediate destruction of country. Pointing out the danger facing the Persian nation, Vosuk-ed-Dowh instructed the Charge d'Affaires to discuss with the Secretary of State the matter regarding the course of action which the Persian Government must adopt. According

the instruction, the Charge d' Affaires discussed the matter with the U.S. Secretary of State on November 27, 1911, but the Secretary of State declined to offer any suggestion. Persia, which may rightly be called the sickman of Asia, had no alternative but to wait helplessly for the forthcoming demands. On November 29, 1911, the demands were presented to the Persian Government by M Poklewski in the shape of an ultimatum. Russian demanded:

'Firstly, the dismissal of Mr. Shuster and Mr. Lecoffre; and the status of other persons invited by Mr. Shuster to serve the Persian Government will come under the second item of these demands.

Secondly, an undertaking on the part of the Persian Government not to invite any foreigners to join their service without the previous consent of the British and Russian Legations.

Thirdly, payment by the Persian Government of the expenses of the present Russian military expedition to Persia; the sum payable to the Imperial Government and the manner of its payment will be fixed after the receipt of the Persian Government's reply'. Furthermore, M. Poklewski warned that his Government 'cannot wait more than forty-eight hours for the fulfilment of these conditions, during which time the Russian troops will remain at Tesht; but if, before the expiration of this term,

1. Ibid., p. 634.
no answer is received or if the answer is unsatisfactory, the troops will advance, and this will of course increase the sum payable by the Persian Government to the Russian Government. The reasons for the above measures, the Russian Minister explained, were:

1. The absolute necessity of obtaining compensation owing to the fact that Russia had been compelled to despatch troops to Persia and owing to the recent insulting acts of Mr. Shuster towards Russia.

2. The sincere desire of Russia now to remove the principal source of the differences, which had arisen between the two governments and to lay the foundation upon which the two governments could build up friendly and stable relations in future, as well as, to give a prompt and satisfactory solution to all Russian matters and pending questions.

The demands came to the Persian Government as a complete surprise. Nothing was mentioned in the ultimatum regarding the withdrawal of the troops, even if, the demands were complied with. The Persian Minister for Foreign Affairs hurriedly sent his 'chef de Cabinet' to Sir 3. Barclay to appeal that Britain should use her good offices to obtain some mitigation of the demands or at least an extension of the period of grace. To the disappointment of the 'Chef de Cabinet', the British Minister advised him to comply with the demands immediately. The Persian Government attached not so

1. Cd.6105, Enclosure in No. 182, pp. 81-82.
2. Ibid., No. 183, p. 82.
much importance to the demands themselves as to the explanations put forward by M. Poklewski. It was feared that the 'explanations' left the Russian Government free to make further demands in future and even to compel Persia to help establish a pro-Russian Government in the country.¹ On the 30th November 1911, the Russian Minister was, however, authorised by his Government to announce that the Russian troops would be withdrawn as soon as (1) the first part of the first condition has been defacto fulfilled; and (2) the Persian Government have undertaken to fulfil the second part of the first condition and also condition two, and have promised to pay an indemnity'. Satisfactory assurances were also given by M. Poklewski regarding his 'explanations' attached with the ultimatum and the Persian Foreign Minister was no longer anxious on that point. But the time allotted to fulfill the demands was very short. Majliiss was strongly against the compliance. It was very difficulty for the Persian Cabinet, which favoured the view that the demands would be complied with, to win over a majority of the deputies. Consequently, the Persian Minister for Foreign Affairs discussed the problem with Sir 3. Barclay and hoped that the delay would not be utilized by the Russian Government as a pretext for putting forward further demands. The British Government was, however, disappointed at the shortness of the time given to the Persian Government for returning a satisfactory

¹. Ibid., No. 187, p. 34.
2. Ibid., No. 188, p. 84.
3. Ibid., No. 189, p. 84.
answer and urged that a further delay would be accorded to the Persian Government on the arrival of the Russian troops at Kazvin. It was also insisted by the British Government that assurance would be given regarding the withdrawal of the troops after the compliance with the demands. M. Weratof replied to Sir J. Buchanan on the 30th November, 1911 as follows:

'As regards halt of troops at Kazvin, it was decided that it would be necessary to order troops to rest there for several days, without fixing exactly length of their stay.

'We have, I think, time enough before us to discuss the question, should it arise.

'As regards question of recall of our troops, it is difficult for me to give you categorical answer, as all will depend on circumstances under which march into the interior will take place. At the present moment it is not our intention to formulate other demands beyond those already known, but if we are obliged to employ force in order to carry business through, our demands, may be increased.' On the same date, Sir E. Gray informed the Persian Minister at London that if the demands were not complied with, it would inevitably mean advance of Russian troops.

The Russian threat accompanied with the British advice to accept the demands, compelled the Persian Cabinet to make up its mind to yield. Consequently, the Persian Minister for Foreign Affairs moved a resolution in the Majliiss on December 1,

1911, to the effect that the demands would be complied with. Several speeches followed. The acceptance of the demands was firmly deprecated as incompatible with the independence of the country. Haji Ez-ul-Namalek, after strongly opposing the acceptance of the demands moved a resolution to the effect that as the demands were incompatible with the independence of the country, the Persian people would not accept it. The motion was practically approved unanimously, only six members voted against it. Thus, the Russian ultimatum was rejected.

On December 2, 1911, Vosuk-ed-Dowlah, the Persian Minister for Foreign Affairs informed M. Poklewski that it was practically impossible for the Persian Government to accept the unjust and humiliating demands. He, nevertheless, did not close the door for negotiation and expressed his readiness to accept any just proposal which should be made to the Persian Government by Russia. Reporting the incidents that led to the rejection of the Russian demands by Persian Government to the British Foreign Secretary, Sir G. Barclay remarked as follows:

'These demands are in my opinion most ill-advised. I cannot but feel that unless Russia is playing for a protectorate she has blundered badly for, unless the Majliss is removed by a COUP d'ETAT there is, so far as I can see, no chance of the Persian Government's complying. Russia cannot now draw back or

1. Ibid., Enclosure, 2 in No. 216, p. 93.
2. Ibid., Enclosure, 1 in No. 216, p. 92.
submit to the statement involved by the retention of her troops at Kazvin while the Majliss remains obdurate, and I fear that unless there is some Persian COUP D'ÉTAT she will be compelled to advance her troops to Teheran and turn out the Majliss herself. Even should the unexpected happen and the Majliss yield, I fear that Mr. Shuster's dismissal would be followed by even worse chaos in the administration than existed before his able hands took over the task of the reform.

On December 1, 1911, the day the Majliss rejected the demands, M. Meratof re-assured Sir J. Buchanan that the Russian troops would make a halt at Kazvin for a few days inspite of the rejection of the demands. He, however, remarked that there was now no prospect of the demands being complied with by the Persian Government so long as the Majliss remained in session. He further stated that the only way out of the imposses was that the Majliss should be dissolved. He was, however, not sure whether the Regent was empowered by the Constitution to take such a step and feared that the Regent was hardly the man to make such a controversial decision. He further stated that Sardar Asad, the Bakhtiyari leader, had arrived at Baku and orders had been sent to allow his un molested journey to the Persian Capital. His arrival in Persia, he hoped, might encourage the Bakhtiyari's to make a

COUP DE ETAT. M. Neratof was inclined to encourage the Bakhtiyaris as the Coup De Etat meant the dissolution the Majliss. Sir J. Buchanan warned that the occupation of Teheran would cause serious implications and give rise to fresh incidents which would lead to the presentation of fresh demands by Russia. He further pointed out that the Russians, after their arrival at Teheran, would find no regular Government in the Capital and there was likelihood that the ex-Shah, tempted by the confusion, might try to re-instate himself in the throne. For this, Sir J. Buchanan firmly stated, the British Government under no circumstances would consent. M. Neratof assured that the Russian Government would not support the ex-Shah. 1 On the same day, Sir G. Barclay reported that the Russian ultimatum had caused much excitement in Teheran. There were reports of several anti-Russian demonstrations in the Capital. Due to his Pro-Russian sympathies, Ala-ed-Dowbh

1. For some time, Bakhtiyaris were contemplating a Coup. The Russian Minister at Teheran inclined to encourage them but Sir E. Grey advised the desirability of maintaining an attitude of neutrality in the internal movements of Persia. Consequently, the British and Russian representatives at Teheran had made a joint communication to the Bakhtiyari Khans in the above sense. See Gooch and Temperley, Vol. III, Part I, op. cit., No. 862, pp. 837-37, No. 862, Note(2), p. 837, No. 866, Note(4), p. 842, No. 899, Note(3), p. 844.

became one of the victims. On the other day, the British Minister sent a report from Teheran that a branch of the Bakhtiyaris would not oppose the Ex-Shah and that Ala-ed-Dowb was assassinated on a suspicion that he was intriguing with the Russians and the Bakhtiyaris. In reply, Sir E. Grey sent a note saying that the Ex-Shah would not be recognized by the British Government under any circumstances. The envoy at Teheran was also instructed to avoid any intrigue with the Bakhtiyaris. Meanwhile, M. Neratof informed Sir E. Buchanan that the Commander of the troops had been ordered not to advance beyond Kazvin without further instructions either from St. Petersburg or from the Russian Legation at Teheran. Yet he could not guarantee that the troops would make a halt at Kazvin as disorders might make their presence at Teheran necessary to protect the Legation. As to the further demands, which might be made by Russia, M. Neratof stated as follows:

'Should circumstances arise to render necessary the presentation of further demands, those demands will not go beyond questions having a particular interest for Russia, such as the settlement of outstanding matters in dispute or other matters having an exclusive interest for Russia in the zone

3. Ibid., No. 884, p. 860.
that has been reserved to her, and will not touch questions of a general political interest.

The contradictory statements made by the Acting Ministers for Foreign Affairs of Russia, the fear of presenting further demands by Russia, the danger of Tehran being occupied by the Russian forces and the prospects of Ex-Shah exploiting the confusion that ensued, were cause for annoyance to the British Foreign office. Sir E. Grey telegraphically informed Sir J. Buchanan on December 2, 1911 that the attitude taken by him regarding the Ex-Shah was quite in conformity with the British policy and was gratified to note that M. Keratof had agreed to it. He stated that it was utmost necessary that Tehran should not be occupied by Russia except in the last resort. The British Foreign Secretary further pointed out that it was also absolutely necessary that no demands of far-reaching nature should further be put forward. If, however, the situation necessitates for more demands, Sir E. Grey advised, Russia would consult Britain first. He warned that if any further far-reaching demands were made, it would be difficult for the British Government to defend them as being consistent with the Anglo-Russian Agreement. In that case, he pointed out, the necessity of major changes in British as well as Russian foreign policy would arise which might make the British cooperation with Russia exceedingly difficult.

1. Ibid., No. 886, pp. 661-662, No. 894, p. 869, also see Cd. 6105, No. 203, p. 89.
Sir E. Grey also spoke anxiously to Count Benckendorff about Persia. He stated that the first Russian ultimatum to the Persian Government was an unfortunate one as the question involved was of slight importance, and as the Russian case also was not a strong one. He further stated the retention of the Russian troops even after the compliance with the demands, inspite of the assurances given by the President of the Council, was still more unfortunate. He admitted that there had been some delay in compliance with the demands but to exploit it as a pretext for putting forward further demand, he remarked, was flimsy one. As to the three further demands made by Russia, Sir E. Grey stated that he had no objection to the first two, though he wished that it would have been better to ask the Persian Government to promise not to appoint foreign nationals in the Persian service without consulting the Russian and the British Legations instead of binding her to obtain Russo-British consent in that regard. However, he remarked that it was a matter of form only. As to the third demand of the payment of indemnity, Sir E. Grey regretted much. He stated that money was urgently needed by the Persian Government to restore peace in the South — the disturbed region. He further stated that the disorders in South had caused the British trade to suffer comparatively much than the Russian trade in North. In fact, the British Foreign Secretary pointed out, the Russian trade might have been prosperous owing to the stoppage of the British trade. The demand for the payment of
the indemnity, he further pointed out, would lessen the chance of the restoration of peace in the South and would be injurious to the British trade. He suggested that it should either not be pressed for or be commuted for some other advantage. The British Foreign Secretary then advised Count Benckendorff that Teheran should not be occupied by the Russian forces except in the last resort and no further demands should be made without consulting the British Government. He warned that if the Persian question was mismanaged, it would raise the whole question of Foreign Policy. 'If further demands were to be put forward with regard to which we might be obliged to say that they were not justified, or were inconsistent with Anglo-Russian Agreement, the Persian question would disappear, and the much more serious question of foreign policy, both for us and for Russian, would take its place'. The only way out of the difficulties, Sir E. Grey remarked, would be that Russia keep to her existing demands and avoid an occupation of the Persian Capital. In that way, he pointed out, a Persian Government 'with a good disposition towards Russian interests' might be secured. To such a Persian Government, the British Foreign Secretary desired, Britain and Russia should provide foreign advisers and facility should be given to her for concluding a loan on favourable terms.¹

In the course of a conversation with M. Neratof on December 5, 1911, Sir G. Buchanan informed him of the British point of view regarding the occupation of Teheran by the Russian forces and the presentation of further far-reaching demands by Russia to the Persian Government. Mr. Neratof replied that he could not understand the British apprehension in spite of the assurances which he had already given. Sir G. Buchanan stated that though the British Government had full confidence in his assurances yet the circumstances might arise which might change the situation to such an extent as to make it difficult if not impossible, for the Russian Government to give effect to her assurances. That was the reason, he pointed out, why the British Government was urging that the Persian capital should not be occupied except in the last resort. The British Ambassador stated that the march of the Russian troops on Teheran might lead to regrettable incidents which would compel the Russian Government to demand satisfaction of a more exemplary character. Moreover, 'a mere temporary occupation might, by the force of circumstances, be converted into an indefinite one'. The Acting Minister for Foreign Affairs of Russia assured that the advance on Teheran should only be ordered if the demands were not complied with before the troops had left Kazvin, or if M. Poklewski should consider their presence in the Persian capital necessary for the protection of the lives of the foreigners. He informed that it would take at least eight days to reach the Russian troops.
at Kazvin and at least a fortnight should be required to reach them to Teheran. As to the question of possible presentation of further demands, M. Nematof assured that he would not put forward any that touched the political future of Persia without first consulting the British Government. As regards the indemnity, he declared that Russia might renounce it in return for railway concession. Sir G. Buchanan then proceeded to speak regarding the question related to the Ex-Shah. He enquired of M. Nematof whether the British Foreign Secretary could state in the Parliament that the two Governments had agreed not to recognize the Ex-Shah under any circumstances? The British Ambassador pointed out that such a statement would create a good impression in Britain and would serve a pledge for Russo-British cooperation in Persia. M. Nematof replied that he had sent a warning to the Ex-Shah a few days back to the effect that he must not count on Russia's support, but raised objection to the statement the British Foreign Secretary desired to make in the Parliament. He pointed out that such a statement, if made, would bind the two Governments never to recognize the Ex-Shah even if, he be recalled to Persia in a few years time. Sir G. Buchanan stated that it was generally believed in Persia and in certain quarters in England too, that the Russian agents were assisting the Ex-Shah in his attempt to regain the throne and the Russian troops were about to replace him on the throne. It was, therefore, the British Ambassador pointed out, necessary to remove the apprehension of the public and to show them that there was no truth in those
reports. He reminded M. Neratof that the Ex-Shah had already attempted to regain the throne and had undergone defeat after defeat. If he returned, it would be solely due to confusion caused by the march of Russian troops at Teheran as the consequence of which the Persian Government would be powerless to oppose the Ex-Shah. M. Neratof stated that he was ready to give an assurance that the Ex-Shah would not be recognized so long as the Russian troops remained in occupation of Teheran or without Russo-British consent. Sir J. Buchanan pointed out that 'a declaration to which a time limit was attached would amount to an invitation to His Majesty to return when the time specified had expired'. Finally, the British Ambassador appealed to him to act according to the British suggestion and pointed out the necessity of Russian cooperation with British to secure a government at Teheran that would be friendly disposed towards Russia. M. Neratof replied that he would endeavour to find out a formula which would satisfy the British Government.

In order to avoid any possible misunderstanding between Russia and Great Britain and to record the lines of the policy which would enable the two Governments to continue to cooperate in the future, Sir J. Buchanan was instructed on December 7, 1911 to hand over to M. Neratof a memorandum in the sense of

the following communication of Sir E. Grey:

1. The solution of the present crisis must be such as to secure a Government in Persia which will conform to the principles of the Anglo-Russian Agreement, and not disregard the special interests which the two Powers respectively have in that country.

2. I trust that the Russian Government will not allow any solution which would entail the return of the Ex-Shah. Such a restoration could only embarrass an already complicated situation, and is not essential to the object above indicated. It would be inconsistent with our dignity to recognize him now, after his recent disregard of the warnings of both Governments not to return. His restoration would, moreover, give rise to apprehension of vindictive measures on his part against persons who were instrumental in expelling him.

3. As soon as Mr. Shuster goes, it is of the greatest importance that a foreigner, whom both Powers could accept, should be appointed to succeed him. This point should be discussed by the two Ministers, and they should recommend a suitable candidate.

4. When Persian Government have complied with Russian demands they should be placed in a position to restore order in the country. They will require money for this purpose, and the two Governments should therefore assist them to obtain a loan.

5. The Persian Government would be seriously hampered in this connection were the Russian Government to insist on payment of an indemnity. I hope, therefore, that when the crisis is over some way of avoiding this difficulty may be found.

6. It is understood that occupation of Persian territory by Russia and the military measures now in progress are not permanent, but provisional, and they will cease as soon as Persian Government have carried out Russian demands and have re-established order in Northern Persia.

Sir E. Grey also instructed Sir F. Bertie, the British Ambassador at Paris, to hand over a memorandum on the above

lines to M. Sazonow, the Russian Minister for Foreign Affairs, who was at that time in Paris.\(^1\) According to the instructions, Sir J. Buchanan called on M. Neratof on the 7th December and handed over to him an aide-memoire embodying the six points. The Acting Minister for Foreign Affairs of Russia promised to give his careful consideration to the aide-memoire. As regards Mr. Shuster's successor, he, however, remarked that it was essential that no foreign advisers should again be engaged in Persia from among the nationals of any of the Great Powers and that the attributions of the future financial adviser should carefully be defined, so that it would be impossible for him to assume dictatorial powers unlawfully. Sir J. Buchanan subsequently discussed with M. Neratof the proposed statement to be made in the Parliament with regard to the Ex-Shah by the British Foreign Secretary. The Acting Foreign Minister accepted the following text as open to no objection, though he added that he must first submit it to M. Sazonow:

"His Majesty's Government have informed the Russian Government that they would be unable to recognize the Ex-Shah were he now to re-establish himself on the throne. The Russian Government have, on their side, assured them that, were the Ex-Shah now to attempt to regain the throne, they would equally not recognize him, and that so long as the Russian troops remain in occupation, they will do nothing either to encourage or facilitate His Majesty's return to the throne."\(^2\)

As instructed, Sir F. Bertie also handed over a memorandum consisting of six points to M. Sazonow on 8th December when

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1. Ibid., No. 248, p. 102.
the latter visited the British Embassy at Paris. The Russian Foreign Minister replied that personally he had no objection to the British views but expressed his inability to say anything regarding the indemnity until he had consulted the Russian Minister of Finance. He, however, promised that after reaching St. Petersburg on 13th instant, he would do his best either to drop the demand for the payment of indemnity or to evolve a formula of compromise which would mitigate the burden of it.  

On 8th December, Sir E. Grey telegraphically instructed Sir J. Buchanan to address a supplementary memorandum to M. Neratof, explaining that point 6 was intended to mean that as soon as peace was re-established in Persia, all Russian troops, including those at Tabriz and Ardebil would be withdrawn from Northern Persia.

On December 9, 1911, M. Neratof communicated a note to Sir J. Buchanan referring to the point 3 of the aide-memoire. The note stated that the Russian Government had no objection to the proposal that the representatives of the two Powers should be instructed to consult together as to the selection of a foreigner to replace Mr. Shuster. The note, however, made it clear that the official in question should be chosen from among the subjects of one of the minor Powers. It also added that the functions of the officials selected should be limited strictly to those of an adviser to the


2. The same instruction was sent to F. Bertie.

2. CD 6105, No. 252, p. 103.
Persian Financial Administration. On the following day, Sir G. Buchanan received an aide-memoire from M. Mertotof, which explained the views of the Russian Government concerning the Ex-Shah and the withdrawal of the Russian troops from the Persian territories. It stated that as had already repeatedly been declared, the military measures, which Russia had been forced to take in Persia, had absolutely no connection with Mohammad Ali Shah's aspiration to the Persian throne. Russia, the aide-memoire declared, never had an intention to impose a sovereign upon Persia as it would be against the accepted principle of non-intervention in the struggle between the Ex-Shah and the present Government. If further declared that if the Ex-Shah would take advantage of the presence of the Russian troops in Persia to realise his designs, the Russian Government would not recognize him as Sovereign of the country without a previous arrangement with the British Government. The aide-memoire expressed its gratification that the British Government had promised to lend her energetic support for the establishment of normal relations between Russia and Persia, as well as for the formation and maintenance of a Persian Cabinet, well disposed towards Russia. As regards the march of the Russian troops on the Persian capital, the aide-memoire stated that the troops concentrated at Qazvin, would not march, provided the Russian Minister did not deem their presence necessary in Teheran. As to the withdrawal of the troops, it stated that

1. Ibid., No. 255, p. 105, and Enclosure in No. 255, p. 106.
if the three demands were complied with, the troops at Kazvin would be recalled provided that, in the meanwhile, no fresh incident such as an attack on Russian Consulate occurred. In the course of a conversation with M. Neratof on the 12th December Sir G. Buchanan told him that he had been disappointed with the language of the Russian aide-memoire. M. Neratof replied that the assurances which it recorded both with regard to the Ex-Shah and to the eventual withdrawal of the troops were quite explicit. The British Ambassador then requested M. Neratof to try to find out a formula acceptable to the Persian Government with regard to the second Russian demand and suggested that it might be done by substituting the word 'consultation' for 'consent'. M. Neratof declined to accept this as well as other suggestions made by the British Ambassador and stated firmly that he would not make any concession as to the tenor of the demand in question. He was, however, willing to admit a modification of its text and stated that a declaration by the Persian Government to the effect that she would engage foreign advisers in future without a previous 'entente' or 'accord' with the two Legations, would satisfy him. On the same day, Count Benckendorff informed Sir E. Grey that the Russian Minister for Foreign Affairs had no objection to the general lines of the policy proposed in six point-British Memorandum excepting the

1. Ibid., Enclosure 2 in No. 257, p. 103.
proposal regarding the withdrawal of the Russian troops from Tabriz and Ardebil. M. Sazonow, the Count stated, had instructed him to inform the British Government that the Russian forces stationed at Tabriz and Ardebil could be recalled only after order was made very secure in Northern Persia. The British Foreign Secretary disagreed and suggested instead that when the three demands were complied with, the Persian Government would employ Russian officers to organize and command a Persian police force in Northern Persia. A similar force, organized and commanded by British Officers would be formed in Southern Persia. In that way, Sir E. Grey hoped, order would be restored and maintained in Northern Persia and then all Russian troops might be withdrawn. On 15th December, M. Poklewski informed the Persian Minister for Foreign Affairs that the withdrawal of the troops would begin as soon as the three Russian demands were complied with by the Persian Government. The Persian Foreign Minister was also informed that a slight amendment in the formula put forward by him regarding the second demand, would


* The formula proposed by the Persian Minister for Foreign Affairs for the second demand is as follows:

'As regards engagement of foreign officials or officers needed by Persia for the organization of the public services, Persia, animated by the desire to maintain on all occasions the best relations with Great Britain and Russia, will see to it that the choice of these persons shall not be such as to injure the legitimate interests of the two Powers in Persia. Consequently, the Persian Government will be ready, as regards these officers and officials, to enter into exchange of views with the two legations'. Cd. 6105, No. 273, p. 113.
be acceptable to the Russian Government. On the 17th December, M. Sazonow informed Mr. O'Beirne that he had decided to accept the proposed formula by the Persian Government with the modification that the concluding passage of the declaration to be made by the Persian Government would now run, 'would enter an exchange of views for the purpose of arriving at an understand'.

On the one side, Russia and Great Britain were engaged in negotiating the lines of the general policy to be followed by the two Governments in Persia, on the other, there was a tussle going on between the Persian Cabinet and the Majliss. The Cabinet insisted that the demands would be complied with. They were ready to satisfy Russia but endeavoured to get the demands somewhat mitigated. The Majliss refused to yield as the demands were not consistent with the dignity and honour of the country. The people supported the Majliss. To meet the Russian challenge, the Majliss appealed to the United States House of Representatives for help and sent the following message:

The ultimatum of the Russian Government, threatening our independence, having been rejected with one accord by a country which, jealous of its liberties, tries to preserve it at any price, the Russian Government would impose it upon us by armed forces. Our one offence is, perhaps, that we have understood the necessity of a new regime and wish to enter upon an era of reform and organization. Convinced of our perfect innocence and of not being guilty of any aggressive act, we appeal to the humanitarian sentiment of the United States in saying to them: You who have tasted the benefits of liberty, would you witness the fall of any people whose only fault was to sympathise with your system to save its future? Would you suffer that Persia should fall for having wished to preserve its national dignity and for having understood

2. Ibid, No. 304, pp. 132-133.
the sentiments so dear to a free people? Trusting
in the sentiment of honour and justice of the generous
people of which you are the representatives, we are
sure that our appeal will penetrate directly to your
ears and will gain for us your precious aid in a
solution consistent with the dignity and independence
of Persia.1

But the Persian patriots were disappointed when they found
that their appeal could not arise any interest in America.
Although, Russian troops were in the country and they were
threatening to occupy the whole of the Northern Persia, yet
the Majliss stood firm. Death or independence was their
slogan. The Russian ultimatum as well as the British
intrigues with Russia against the independence of Persia,
naturally caused great resentment amongst the People. A
boycott was proclaimed against the Russian and British goods
by the Muslim priests. The boycott of the English goods in
South became very serious. The Chief Mullah at Shiraz issued
a Fatwa forbidding Muslims to have any dealings with the
British troops as a consequence of which it became very difficult
for the British troops to obtain food supplies. Purchase was
practically impossible and the British troops had in store
articles which could meet the necessities of one day only. The
Karaguzar refused to interfere with the Mullahs. Thereupon,
Sir E. Grey instructed Sir J. Barclay on December 16, 1911, that
the Shiraz troops should be authorised to take necessary measures

1. Congressional Record, 62, Cong. 2, Sess. Dec. 7, 1911,
43: 88 89 — referred by Yesselson, op. cit., pp. 119, 120.
to provide supplies for themselves. Even force, Sir E. Grey instructed, could be used in that connection. Meanwhile, the notes of the Imperial Bank of Persia were being turned into the Bank for redemption in Government-minted coins at a rate of 15,000 tomans a day in Shiraz only. However, the British authorities at Shiraz managed to obtain the supplies peacefully on the 18th December.

Inspite of the strong opposition of the Majliss and the people, the Cabinet decided to satisfy Russian demands. On December 13, 1911, the Cabinet proposed to the Majliss that either full powers should be given to it to settle the Russo-Persian dispute, or the Majliss should select a committee to assist the Cabinet, without further reference to the Majliss, in dealing with the question. Both proposals were rejected.

On 20th December, the Majliss held a public sitting and the Cabinet's second proposal was voted again. Thirty-nine members favoured it and nineteen voted against it. A Committee of five


2. Cd. 6105, No. 306, p. 133, also see Cd. 6264, Enclosure in No. 89, p. 32.

3. Cd. 6105, No. 314, p. 135, also see Cd. 6264, Enclosure in No. 89, p. 32.
persons was chosen, with some difficulty. The following day the Committee and the Cabinet decided to agree with the Russian demands. The Russian Minister was informed of this decision on the 22nd verbally and on 24th December in writing. M. Poklewski declared himself satisfied. On 24th December, the Cabinet engineered a coup against the Majlis. It recommended to the Regent the dissolution of the Parliament, which, was alleged to have impeded the task of the Government both in foreign relations and internal administration. Consequently, the Regent issued a decree declaring the closure of the Majlis.