W. LORган Shuster in Persia 1911-1912

A Thesis Presented for the
Degree of Master of Arts

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OHIO STATE
UNIVERSITY

THE OHIO STATE UNIVERSITY
1941

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INTRODUCTION

At first sight Persia does not have the appearance of a land that would be a center of conflict for world powers. The interior of the country is a vast plateau ranging from two-thousand to sixteen-thousand feet in elevation, separated from the low-lying lands on the Persian Gulf and the Caspian Sea by mountains some of whose peaks reach a height of fifteen-thousand feet. Stretching across the plateau from northwest to southeast is a great salt desert which divides the fertile provinces of the land into two groups. Though there are many mountain streams, the land is poor in navigable rivers. So great are the variations in climate in this country that Cyrus the Great once said that at one end of it his subjects might be dying of cold, while at the other they were being suffocated by the intense heat.

Throughout its entire history the geographical features of Persia have tended to cause political disorganization. At the opening of the twentieth century, the Persian people, estimated at about fifteen millions in numbers, were under a ruler known as the Shah, a sovereign who termed himself "Pivot of the World" and "The Shadow of Allah," and whose power was absolute. Yet at about that time it became clear that a political change was inevitable. Slowly the initial stages of popular revolt expressing justified resentment against the Shah's misrule became evident. Impetus was
given the movement by the introduction of western influences which caused dissatisfaction with a government that still belongs to the Middle Ages. The people began to demand a voice in public affairs.

This new attitude was, perhaps, most clearly demonstrated when in 1891, after the Shah had granted a monopolistic concession for the production and sale of all tobacco to a British Corporation, the populace, tired of continuous treatment of this nature, voluntarily ceased almost entirely to use tobacco. The Shah was forced by this measure to rescind the concession from which he had expected to receive a handsome revenue.

On May 1, 1896 this Shah, Nasiru's-Din Shah, was assassinated after a reign of nearly fifty years. Under his son and successor, Muzaffar-u-Din, a weakling in character and in health, the disorders that had been growing more and more rife, finally culminated in the granting of a constitution on August 5, 1906.

The principle modification that this new instrument effected in the position of the Shah was the right given the people to have a national elective assembly, the Medjlis, which should have a voice in legislation and in the selection of ministers. Whether the people of Persia were yet ready for this constitution may be a moot point. At any rate it had been won, and on October 7, 1906, the first Medjlis was opened at Teheran.
But whatever may have been Persia's concern over internal political problems and however much strife they may have caused her, she was to get into greater turmoil over matters that were completely beyond her control. She was to become the victim of the struggle between European powers for the mastery of Asia.

From the beginning of her expansion in Asia, Russia was accustomed to regard Persia as legitimate territory for penetration southward, while Great Britain was accustomed to look upon it as in her "sphere of influence." Russia hoped for a "window on the open sea" in the Persian Gulf with which port a trans-Persian railroad would connect Russia. England, to protect her Indian empire, felt it necessary to keep that area free of the aggression of other powers. Both countries realized the value of Persia for commercial exploitation, and each looked with some disapproval on the "peaceful penetration" policy that German merchants were beginning to promote. This situation was not new to the twentieth century, but it became aggravated at about that time, and the century opened with Teheran the center of intense and endless intrigue. This was one of the fields where Britain and Russia fought each other's dream of dominating Asia.

In 1900 England felt keenly the extension of Russian influence when the Loan Bank of the latter country issued a large loan whose interest and sinking fund were to be guaranteed by Persian customs receipts at all save a few specified ports. Russia also received the concession for the construction of a railroad in Persia, as well as certain rights to
work coal and petroleum.

Further consternation arose in England when in 1902 Russia managed to have the Persian tariff revised in a manner highly satisfactory to Russian interests and inimical to British, and in the same year arranged another loan. By these and other acts, Russia had shown sufficient aggression that England felt it desirable to make an imposing display of naval power at the Persian Gulf, and accordingly sent Lord Curzon to perform the mission.

Russia seemed not overly impressed by the display, and was still anxious for her coveted "window to the sea." Nevertheless, after Russia's defeat in the Russo-Japanese War, it slowly dawned on both of the powers that neither could oust the other from Persia, that each was preventing the other from developing trade and concessions, and that a mutual agreement as to "spheres of influence" might be more profitable for both. Consequently, there came into being the Anglo-Russian Convention of 1907.

This convention was designed to remove all causes of friction in the future. In the preamble Great Britain and Russia affirmed their intention of maintaining the independence and integrity of Persia, and of allowing equal facilities for trade to all nations. But it also stated that owing to geographic proximity to their own territories, Great Britain and Russia had "special interests" in specific parts of Persia; the former in the South, the latter in the North. Aside from establishing these two zones the Convention estab-
lished a neutral zone, confirmed the existing mortgages of Persian revenues, and declared the mutual privilege of instituting control over the revenues in the respective zones "in the event of irregularities."

While England and Russia were thus concerning themselves with Persia, things were not going too well within her own borders. Shortly after he had granted the constitution, Muzaffar-u-Din was succeeded as Shah by his infamous son, Mohammed Ali, who swore to uphold the new laws but soon grew impatient at the curtailing of his powers by the Medjlis. The friction increased, and in June of 1908 the Shah went so far as to bombard the House of Parliament, dissolve the Medjlis and establish martial law in Teheran.

Persia was in the throes of civil war. Throughout the provinces and in the principle cities, Nationalists were pitted against Royalists. Repeatedly the Shah promised to restore the constitution, and repeatedly he broke his promises until, finally, when Nationalist forces were closing in on Teheran, he saw that it was too late, and sought refuge in the Russian legation outside the city. This act constituted a virtual abdication and July 16, 1909, he was formally deposed by the National Council, granted a pension, and expelled from Persian territory. His twelve-year-old son, Shah Ahmed, was elected to succeed him with Azad-al-Mulk as regent.

The period of the civil war in Persia had been one of almost complete anarchy in some regions. Giving conditions
arising from this situation as reason for her action rather than any ulterior motives, Russia reenforced her consular guards at various places, such as Tabriz, Meshed, Astarabad, and Resht. This action had been taken early in the revolution, but only after the British Foreign Office had been consulted and found agreeable. For the protection of Russian subjects and foreigners, the increase of consular guards under such circumstances as existed was not regarded as an undue protection.

Nevertheless, by April 21, 1909, Russia was not content that such precaution was sufficient. On that day, a Russian force of some four-thousand men was dispatched to Tabriz where the food situation had become serious because that city was still undergoing a six-months seige. Only when the situation had become desperate, Russia maintained, had she made this move, and then only after England had been consulted and had concurred. Russia was explicit in her assurances that the troops would remain only as long as it was necessary to guarantee the safety of lives and property of the foreigners there, and that the soldiers would take no part in the conflict.  

How sincere these protestations were was demonstrated in the following months. The revolution had created an opportunity that Russia was glad to seize, and indications are that once her troops were there she intended

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to keep them there.  

Early in the Spring, Russia had assembled a force at Baku, and when the Nationalists began to move toward Teheran in June, she decided that a force of fifteen-hundred men should be dispatched to Kasvin. Their sole duty was to protect the legations and foreign subjects and institutions, and they were not to remain after this danger had passed.  

The British Foreign Office regarded the moving of a Russian contingent to Kasvin with some apprehension, but was assured by Iswolsky that his country did not propose to assist the Shah in any way nor to interfere in the internal affairs of Persia, but was sending its troops toward Teheran only in case Russian interests there should need protection. But the continued presence of these troops was a constant source of suspicion and irritation to Persia and added greatly to the anti-Russian feeling there. England too, was anxious that they be withdrawn, but, though many promises were made and a few reductions effected, negotiations concerning their withdrawal were still going on in February of 1911.

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2 The following excerpt from the diplomatic correspondence of the Russian Ambassador in London and M. Iswolsky seems to point to Russia's lack of real sincerity: "The best way to create a favorable impression in Persia and to allay all suspicions as to our further intentions would be, in my opinion, if a small part of our troops were withdrawn as soon as the necessary order had been re-established...." Siebert, Baron De and Schreiner, G.A., Entente Diplomacy and the World, 50.


4 Siebert., op. cit., 54-55.

5 Brit. Doc's., op. cit., 772.
FINANCIAL STRAITS AND DEPENDENCE OF PERSIA ON RUSSIA AND GREAT BRITAIN AND THE APPOINTMENT OF SHUSTER.

The finances of Persia had long been on shaky foundations. The Persian national debt had really started in 1891 when the Shah had to pay compensation to the extent of half a million pounds for the Tobacco Concession that he had been forced to rescind. There was no such amount of money in the constantly bankrupt treasury, so the sum had to be borrowed from the Imperial Bank of Persia, a British enterprise for which the concession had been granted in 1889.

The greatest part of the debt was contracted, however, in 1900 and 1902 when loans had been secured from the Russian Bank, a branch of the Russian Ministry of Finance, for 32,500,000 roubles and 11,000,000 roubles respectively. The security for these loans was the Persian customs exclusive of the Gulf ports, and without the consent of Russia, customs dues were not to be lowered.¹

There was virtually no systematic administration or expenditure of the revenue in Persia, so that in view of the huge debt that had been contracted and the extraordinary lack of organization incident to the revolution, it could only be expected that the finances would have fallen into an even more deplorable condition by the end of that period than had existed before. This is precisely what happened, and the new government,

bound by almost total lack of funds, found itself helpless to 
establish its authority or to restore order. Their only 
recourse was to another loan.

Accordingly, on December 13, 1909, the ministers of 
Foreign Affairs and Finance respectively visited the British 
and Russian legations in Teheran and applied for an advance 
from the two governments of £500,000, "urgently needed" by 
the Persian government. They were able to offer no security, 
but hoped to obtain it later by reduction of charges on the 
customs houses through a larger loan that would enable them 
to consolidate the floating debt at a lower rate of interest. 
The advance they were requesting was to be used largely for 
the restoration of order and for financial reforms.2 The 
British response was that if proper security could be obtained, 
they would make an advance of £200,000. They said also that 
they would propose that Russia do the same, thus making it a 
joint-advance of £400,000.3

Russia at first showed some reluctance to join with 
England in such a course because she felt that the amount was 
not sufficient to restore order and that an advance should be 
made only in connection with a larger loan. She felt, moreover, that "...it (would) only be by means of negotiating a 
large loan that Russia and England will be in a position to 
to insist on the institution of an effective financial control."4

2 G. Barclay to E. Grey, Dec. 14, 1909, Parliamentary Papers, 
Persia No. 1 (1911), Cd. 5650, no. 2. 
3 E. Grey to G. Barclay, Nov. 17, 1909, Ibid., no. 6. 
4 A. Nicolson to E. Grey, Jan. 6, 1910, Ibid., no. 12.
The two governments decided to take this opportunity to impress their authority on Persia, so when on February 16, 1910, their answer was finally given, there were six conditions imposed "which," the despatch reads "were no more than consistent with the line of policy of the two powers in Persia under the Anglo-Russian Agreement." The stipulations under which a joint-advance of £400,000 would be granted to the Persian government were as follows:

1. The government was to present a detailed plan of expenditure, to be approved by the two legations and to be controlled by a commission composed of the financial adviser, the administrator of customs, two members of the Medjlis, and two other Persians.

2. The plan was to provide for the appointment of seven French officials in the Ministry of Finance, with executive powers.

3. There was to be a gendarmerie for protection of trade routes. These were to have foreign instructors.

4. No railway concessions were to be granted unless the options were previously offered to the two governments.

5. The Tabreez Road Company was to have concession for the navigation on Lake Urumia.

6. The repayment of this advance was to be a first charge on a subsequent loan if one were granted by the British or Russian Governments.\(^5\)

\(^5\) G. Barclay to E. Grey, Feb. 16, 1910, Ibid., no.45.
Earl in March, the British Representative at Teheran wired to Sir Edward Grey, who was then British Foreign Secretary, that in principle the Cabinet was entirely in favor of the joint-advance, but that they expected to meet some difficulty in inducing the National Assembly to agree to it.6

At about this same time, the British Foreign Office was informed that the International Oriental Syndicate was offering a British firm the option of making a loan to the Persian Government. The security was to consist of (a) interest held by the Persian Government in an oil concession, (b) profits from the mint, and (c) receipts of postal and telegraph departments after deduction of those portions already pledged. Great Britain immediately extended this information to Russia, suggesting that a joint-declaration be made to the Persian Government as follows:—

"...that the two governments cannot sanction the pledging of any sources of public revenue as security for advances other than the proposed joint advance so long as not only the two banks but also the two governments are not receiving the payments due to them, and so long as negotiations are still proceeding for a joint advance."7

This warning was dispatched and the Persian Government acknowledged it, saying that while engagements with England and Russia would always be respected,"...such of the country's revenues as are uncharged are available for transactions of any description...." England, on the other hand, could not

6G. Barclay to E. Grey, March 7, 1910, Ibid., no.36.
7E. Grey to A. Nicolson, March 8, 1910, Ibid., no.37.
"...admit that concessions by which England's and Russia's political or strategic interests might be adversely effected should be given to foreigners,"8 and sent Persia a warning that "H. M. Government (could) not agree to the hypothecation by the Persian Government of any sources of its public revenues to any advance except that now under negotiation between the British and Russian Governments on the one side and the Persian Government on the other."9

Persian officials became indignant over this and answered that England and Russia had no power over her uncharged revenue.10 They persisted in this point of view, and some time later England and Russia finally recognized the right of Persia to borrow money of parties other than themselves on condition that (1) none of the revenues serving as security on English and Russian loans would under any circumstances serve in the new financial operations, and that (2) on all debts owed to England and Russia there should be fixed a definite indication made of the sources of revenue for regular payments; i.e., they should be consolidated. Moreover, no concession that would prejudice the political or strategic interests of either Russia or England was to be granted.11

With regard to the proposed joint advance, Persia wrote in April that England had exceeded anything that was expected in the way of conditions when she made specifications relating

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8 G. Barclay to E. Grey, March 23, 1910, Ibid., no. 60.
9 G. Barclay to E. Grey, March 24, 1910, Ibid., no. 67.
10 Ibid.
11 G. Barclay to E. Grey, April 8, 1910, Ibid., no. 87.
to financial reforms and means of maintaining order.\(^{12}\) Disagreements followed one upon another, particularly respecting the clause concerning concessions,\(^{13}\) and finally Russia and England mutually agreed to leave the matter in abeyance until Persia would accept their point of view,\(^{14}\) though it was hardly likely that that nation would apply to either of the powers for an advance of money.\(^{15}\)

The Treasury remained in serious straits. Persia was not willing to borrow of Russia and England on the terms that they had exacted, and before she could conclude any financial operation except with the two Powers, it was necessary to formulate an agreement for the consolidation of the government's debts to the Russian Bank. The debts due to the Imperial Bank were converted to a 7% basis by an agreement with the Persian Government dated May 26.\(^{16}\) Negotiations to conclude an arrangement with the Russian Bank were entered into, but not until January 23, 1911, had the terms of the agreement finally been reached.\(^{17}\)

Shortly later, the Persian Government applied to the Imperial Bank at Teheran for an advance of 120,000\(^{18}\) tomans.

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\(^{12}\) G. Barclay to E. Grey, April 14, 1910, Ibid., no. 88.

\(^{13}\) Sir E. Grey to W. Harling, July 22, 1910, Ibid., no. 131.

\(^{14}\) W. Harling to E. Grey, July 24, 1910, Ibid., no. 133.

\(^{15}\) Sir E. Grey to W. Harling, June 9, 1910, Ibid., no. 108.

\(^{16}\) Brit. Doc.'s., op. cit., 745.

\(^{17}\) G. Barclay to E. Grey, Jan. 23, 1911, Parliamentary Papers, Persia No. 3 (1912) Cd. 6104, no. 25. Of 6,041, 662:28 tomans owed the Bank 41,662:28 were to be paid immediately, leaving a consolidated debt of 6,000,000 tomans which was to carry interest at 7\% and to be paid off in fifteen years by equal semi-annual installments. Customs revenue still constituted the security.

\(^{18}\) G. Barclay to E. Grey, Feb. 21, 1911, Ibid., no. 34.
England made no objection to the Bank's advancing the re-
quest, and in March the Representative in Persia wrote to 
England that he thought the loan would go through. In 
the next month the terms of the contract were still a matter 
of heated debate in the Medjlis, but it was accepted at 
last, despite the opposition of sixty-five democrats. The 
proceeds were to remain in the Bank until the Medjlis had 
approved the Cabinet's proposal for control.

For some months the Persian Government had been consider-
ing the wisdom of appointing foreign advisers to their Ministry 
of Finance as a step toward converting the chaotic condition 
of its affairs into some form of order. This had already 
been tried when a Frenchman, M. Bizot, had been employed in 
1909 to reorganize that department. The degree of Bizot's 
success was negligible, and he had returned to France within 
two years.

By August, 1910, the activities of the Medjlis in ap-
pointing foreign advisers had become a matter of the greatest 
concern to Russia and England. On the fifth of that month 
the Russian minister at Teheran wired the following to 
Sazanoff, then Russian Minister of Foreign Affairs: "The 
Persian Government has introduced a Bill into Parliament re-
lating to the appointment of foreigners, without having

19 E. Grey to C. Barclay, Feb. 22, 1911, Ibid., no. 35.
20 G. Barclay to E. Grey, March 10, 1911, Ibid., no. 49.
21 G. Barclay to E. Grey, April 28, 1911, Ibid., no. 91.
22 G. Barclay to E. Grey, May 3, 1911, Ibid., no. 97.
previously communicated with the two Legations (Russian and British). Without exerting strong pressure it will be impossible to obtain a withdrawal of the Bill. As our main object is to prevent the appointment of German or Austrian instructors in the Persian army, it might possibly prove sufficient to declare that the appointment of subjects of a great power as instructors, might induce Russia and England to place some of their own subjects in Persian services."24

Later in the same month Sazanoff received another telegram from Poklewsky-Kozie11, the Russian representative at Teheran, informing him that in a few days the Persian Parliament would decide on the question relative to the appointment of foreigners. "It is believed," the wire states,"that either Swiss or Americans will be appointed...The Americans seem to have the biggest chances."25

The belief of the Russian Minister that Americans, rather than the representatives of some European country, might be chosen to serve as advisers to Persia was confirmed when on September 6, a proposal that the United States be asked to supply a treasurer-general was made in the Persian Assembly. The Cabinet at first objected for reasons which they would not state publicly, but the majority of the assembly favored the proposal at once.26 It was hoped that officials free of

23 Despite this incensed tone, the Parliament had acted perfectly in accordance with its rights.
24 The Russian Minister at Teheran to Sazanoff, Aug. 5, 1910, Siebert, op.cit., no. 107.
European influence would be more efficient in effecting the
reforms the Medjlis wanted than those who might wish through
their positions to secure some advantage for themselves or
prestige for their own country. 27

On September 8, Sazanoff informed the minister at
Teheran that he thought the appointment of Americans would
not of itself endanger Russian interests, but he added this
note of disapproval to the projected measure, "...however
the mere fact that subjects of a Great Power are being ap-
pointed proves that the Persians do not desire to follow
the advice given by Russia and England. 28 Besides, the
appointment of Americans constitutes a precedent in view
of which it will prove hard to prevent the appointment of
the subjects of other Great Powers..." 29 Herein it was that
Sazanoff's real concern lay. If the Medjlis were to decide
to appoint not only American advisers, but some from the
Great Powers of Europe as well (Germany was most feared),
the influence that Russia had obtained in Persia by the
Convention of 1907 and by continuous effort since that time
might be jeopardized. Correspondence from the British Foreign
Office revealed that England, too, was determined to avoid
such contingency.

28 This advice was that it would be preferable for Persia
to apply to minor powers, since appointment of advisers
from major powers would induce England and Russia to in-
sist that some of their own nationals be chosen. Brit.
Doc's., op.cit., 750
29 Sazanoff to Russian Minister at Teheran, Sept. 8, 1910,
Siebert, op.cit., no. 109.

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Accordingly, in a message to Sazonoff shortly after the action of the Medjlis, the Russian Minister at Teheran, having agreed with the former that the appointment of Americans would not impair Russian interests, and stating that he doubted whether such appointment "might be construed as a case in precedent since the United States are not a European Great Power, and since they pursue no political aims in Persia," still writes: "... it cannot be denied that the Persian Government had not followed our advice in this regard. However, without resorting to extreme measures we shall be unable to cause the decision arrived at to be cancelled." The message continued to propose the steps this Minister believed necessary: "If our two governments desire to avoid this it would be best to disregard the question entirely so far as the Persian Government is concerned, and to address ourselves to the Governments of those countries from among the subjects of which the Persian Government desires to obtain its foreign advisers." The message closes with a note of impatience: "To constantly tender advice to this government which is never followed only lessens our prestige." 30

It has been written that when efforts of Russian emissaries to coerce outstanding members of the Persian Parliament to use their influence to defeat the project of securing finance administrators from America failed to have any effect

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on the majority opinion of the deputies, Russia next ap-
proached the American State Department and "delicately
intimated that it would be unwise or unkind to send American
financial experts to Persia."31 In a communication of late
September the Russian Ambassador at Washington sent Sazanoff
"... a memorial from the Department of State the translation
of which reads..."The Department of State duly appreciates
the statements made by the Russian and British Governments
that the United States had no special interests in Persia
... Up to the present, the Department of State has received
no inquiry on the part of Persia with regard to the appoint-
ment of American Advisers, and the Department is not awaiting
any such step. Consequently no cause exists for taking any
measures in this connection."32

During the months of November and December, the deputies
of the Medjlis discussed further the idea of securing American
advisers, and on the twenty-fifth of the latter month, finally
took action in the cablegram which reached the Department of
State through Mirza Ali Kuli Khan, the Persian Charge
d'Affaires in Washington on the twenty-eighth. The cable-
gram was in the form of instructions to the Persian Legation
in Washington as follows:

"Request immediately Secretary of State put you
in communication with Imperial American financial
people and arrange preliminary employment for three
years subject to ratification by parliament of
disinterested American expert as Treasurer-general

31 Shuster, op.cit.; 5.
32 Siebert, op.cit., no. 111.
to reorganize and conduct collection and disburse-
ment revenue assisted by one expert accountant and
one inspector to superintend actual collection in
provinces secondly one director to organize and
conduct direct taxation assisted by one expert
inspector similar to above....
"Give exact copy to Secretary of State and do
whatever he may suggest

....

Hussein Kuli (Persian
Minister of Foreign
Affairs)

To this request P. C. Knox, the United States Secretary
of State at the time, replied that if possible the Department
would comply with the wishes of the Persian Government. 34

While these and ensuing negotiations between the Persian
Government, and the American State Department assisting them,
were in progress, the Russian and British Foreign Offices
were attacking the problem with renewed concern, for in the
meantime Persia had approached France in the same manner for
advisers to the Ministries of Interior and Justice, and the
fear of influence to be sought by the Great Powers of Europe
through such positions arose with a greater measure of reality
than at the earlier date when the two governments first became
concerned over the possibility.

In January, 1911, Sir Edward Grey wired to the British
Ambassador at St. Petersburg to tell him that the London
Office had confidential information that the German Minister
for Foreign Affairs had notified France that Germany would
have no objections to the French Government's supplying advisers

33 Papers Relating to the Foreign Relations of the United States,
1911, 679.
34 Ibid.
to the ministers of Justice and Interior in Persia. The German Minister anticipated that his own government would shortly be approached for an adviser for some other ministry. Grey wanted to know what the reaction of the Russian Minister was to this, and added that "it would be difficult to prohibit (the) Persian Government from applying for foreign advisers but... we must insist that if they get advisers from other Great Powers they must also take some from England and Russia."\(^{35}\) This "confidential" information was based upon Sir A. Nicolson's record of his conversation with M. Paul Cambon, the French Ambassador to London, two days before the message was sent.

Learning that negotiations for the appointment of American financial experts was all but effected, Sazanoff became incensed about the matter and wired to Count Bencken- dorff, the Russian Ambassador in London, to the effect that the appointment of Americans was contrary to the Russian Convention with England "that the Persian Government was not to appoint the subjects of any Great Power", for"... this again would give Germany the possibility of insisting on the appointment of German experts."\(^ {36}\) He stated that the French Ambassador was equally disturbed by the situation because he was fully convinced that Germany would take advantage of an opportunity that so clearly offered itself. Sazanoff was beginning to wonder just what stand England was taking on this


\(^{36}\) Sazanoff was not wholly of that opinion on Sept. 8, 1910, *v. supra* 16.
matter and closed the message with an urgent request that Benckendorff"...ascertain as soon as possible to what extent the Americans are entitled to maintain that England is raising no objection to the appointment of Americans."37

Benckendorff lost no time in explaining the contents of this telegram from Sazanoff to Sir Edward Grey. In the letter he wrote, he emphasized especially that Sazanoff was anxious to know Grey's opinion immediately, and that he hoped they would be able to agree in raising "serious objection to the appointment of American advisers." This note gave rise to lengthy minutes which reveal clearly the British attitude, and disclose that though members of the Foreign Office there did not approve the course of events, they yet felt their hands tied by previous negotiations. It was to be recalled to Sazanoff that when the resolution of the Medjlis to appoint Americans was first revealed, he had finally agreed that neither of the Powers (England or Russia) should oppose it, and that it would be extremely awkward to change that attitude at this point even if there were time to stop the appointments. It was also pointed out that the United States was not a European Great Power and that she had no political or other interests in Persia. Russia was again to be reminded of the agreement of November that if application were made by the Persian Government to a European Great Power, the two governments would insist on advisers being supplied from

37Sazanoff to Benckendorff, Jan. 15, 1911, Siebert, op.cit., no. 118.
their respective governments. 38

In the meantime circumstances arose which gradually quieted the turmoil over the possible appointment of advisors from European powers, for the French Government refused to satisfy Persia's request for two experts on Interior and Justice. 39 Grey seemed content that this had put an end to the difficulty and that thenceforth only minor powers would be applied to for advisers. 40 Sazanoff, however, was not quite so easily convinced that the trouble was over, for he thought that employment of even Americans would lead Germany to put forward a claim for the engagement of a German 41 and wanted England to make unofficial inquiry at Washington to see what the government there was going to do about it. 42 Grey was willing to do this but he still felt that since the United States was not a European Great Power there should be no danger of appointment from that country establishing a precedent 43, and that in view of the fact that the Medjlis had already authorized the Persian Government to conclude contracts with American financial advisers, 44 it was too late to open the question because of the effect it would have at

39 G. Buchanan to E. Grey, Jan. 17, 1911, Ibid., no. 752.
G. Barclay to E. Grey, Jan. 17, 1911, Ibid., no. 751.
40 E. Grey to F. Bertie, Jan. 18, 1911, Ibid., no. 755.
41 G. Buchanan to E. Grey, Jan. 30, 1911, Ibid., no. 760.
42 G. Buchanan to E. Grey, Feb. 1, 1911, Ibid., no. 762.
43 E. Grey to Count Benckendorff, Feb. 1, 1911, Ibid., no. 763.
44 G. Barclay to E. Grey, Feb. 3, 1911, Ibid., no. 764.
Teheran after the two governments had previously given their assent to employment of Americans. 45 Finally Russia came around to this point of view, but insisted that if Germany did bring forth a candidate for any appointment she would have to put "strong pressure" to bear on the Persian Government to prevent his being engaged. 46

Before England and Russia had finally ceased their correspondence on this subject, Persia had completed the negotiations for the appointment of Americans. On February 2, the Medjlis had approved the contracts of five financial experts for a minimum of three years. The chief post was that offered to W. Morgan Shuster who was to serve in the capacity of Treasurer-general of the Persian Empire. In addition to this position there was to be an Inspector of Provincial Revenues, an Inspector of Taxation, a Director of Taxation, and an accountant. These contracts were let to Mr. Charles I. McCaskey, Mr. Bruce G. Dickey, Mr. F.S. Cairns, and Mr. Ralph W. Hills respectively. 47 Though the English Foreign Office expressed the opinion that Shuster lacked sufficient experience with finance, 48 the men seemed fairly well chosen for their tasks.

Mr. Shuster had been in the United States Customs in Cuba and the Philippines, and had reorganized the latter

45E. Grey to G. Buchanan, Feb. 4, 1911, Ibid., no. 765.
46G. Buchanan to E. Grey, Feb. 6, 1911, Ibid., no. 766.
47Shuster, op.cit., 6-9.
service. He had also been Secretary of Public Instruction in the Philippines and a member of the Philippine Commission as well as a member of the Bar of the Supreme Court of the United States and of the Federal Court of Customs Appeals. McCaskey had had considerable experience with the Customs Service and at the time of his appointment was Acting Deputy Surveyor of Customs at the Port of New York. Mr. Dickey had likewise been connected with the Customs Service having resigned his position as Assistant Cashier of the Custom House at Manila in 1908. Mr. Cairns was serving as Collector of Customs for the Port of Iloilo in the Philippine Islands at the time of his appointment, while Mr. Hils was recognized as an expert accountant.

Before sailing from New York on April 8, 1911, Mr. Shuster had a communication from the American State Department in Washington which made it clear that he was in no way a representative of the American Government.
II

THE POLITICAL AND FINANCIAL SITUATION ON SHUSTER'S ARRIVAL AND HIS GENERAL PLAN FOR REORGANIZATION.

On May 12, 1911, Shuster and his party arrived in Teheran where Atabak Park, a palatial and beautiful estate that had formerly been the residence of the Prime Minister of that name, was placed at their disposal. For several days following his arrival in this country with which he was really not at all familiar, Shuster spent the greater part of his time in conferences with various of the Ministers, members of the Cabinet, and prominent deputies of the Medjlis. He was amazed at the extent to which the advent of himself and his subordinates upon the scene in Teheran seemed to excite the interest of the Persian people. While driving through the streets or walking about the city felt themselves the objects of such "unusual curiosity" that they could not imagine what the term "American" conveyed to these people whose finances they had come to reorganize, and scarcely had they had time to unpack a trunk at their new residence before a constant stream of callers poured in upon them from morning until night, each seeking an interview to explain his views on the situation and describe what steps he considered necessary for effective reorganization. Constantly recurrent in the conversations of all of these people, Shuster writes, was the word "intrigue". So often was he warned that this or that individual or group of individuals was engaging in "intrigue" in
connection with the contemplated duties of the new officials that finally in sheer defense he told interested Persians that "Americans thrived on intrigues and rather liked to see them going on".1

It was during this period of orientation that Shuster made one of his initial errors in policy. Shortly after his arrival he received intimations from various of his new acquaintances that the different foreign legations were awaiting his call. He chose, with good reason perhaps, to take the stand that he was an official of the Persian Government, and as such was under no obligation to make first calls, but as a newcomer in the official circle was entitled to receive them. When he explained this view to members of the Persian Cabinet, after being asked in one of their meetings why he didn't get the matter of calling on the foreign ministers over with, they were agreeable to it and did not press the matter further, though they had been a little perturbed about the effect this seeming lack of respect of the American for the British and Russian Legations might have on the officials of those two governments. The matter became the object of considerable comment, and began to assume what would seem undue importance to one who is not acquainted with the formalities of diplomatic procedure. Neither Shuster nor the representatives of the British and Russian Foreign Offices would so lower their dignity as to make the first move, so

1Shuster, op.cit., & et.seq.
this "up-start" American did not become acquainted with Sir George Barclay of England or W. Poklewsky-Koziell of Russia until the Sipahdar of Persia finally gave a garden party to which all the diplomatic society of Teheran was invited. Even here, the atmosphere was distinctly chill for a time, for neither the Sipahdar nor the Persian Minister of Foreign Affairs, who was assisting the former as host, would take upon himself the responsibility of deciding who should be presented to whom so far as Shuster and the British and Russian Ministers were concerned. Finally mutual friends arranged the introductions.

In themselves, the incidents described above seem of trifling import, but the awkwardness of the situation assumed greater meaning in its ultimate effect on Shuster's standing with the British and Russian Governments. He maintained that the real reason he did not make the calls was that he did not care to repeat the mistake of W. Bizot, who, he said, had found the British and Russian Foreign diplomats such charming men upon his arrival, so ready to advise him at his work, and to give social festivals in his honor that he completely forgot that he had been asked to Persia to reorganize the finances, and not "merely to drink tea, play bridge, and ride out for his health". It was for this reason, Shuster believed, that Persian finances reeled as drunkenly after Bizot's two years in Teheran as before his arrival.

\[2\text{Shuster, op.cit., 28.}\]
and that when he returned to France the only evidence he left to show that he had been there was a verbose report in which he expounded his opinion as to what ought to be done to reorganize the fiscal system. To do homage to the legations would place him in the same category as Bizot, cause him to lose the confidence of the medjlis, and lead to loss of too much time at such pastimes as dinners, tennis, and bridge.

There is no reason to doubt his sincerity in the reasons he offered for his action in this circumstance, but by it Shuster, as already suggested, harmed himself, for the foreign officials were insulted and annoyed and their appraisals no doubt reached their home governments. From a dispatch to England, we read"...Schuster (sic: Shuster) had not called upon any of legations wishing evidently not to incur the reproof which Bizot earned by his close relations with us and the Russians....At present he does not even know Kornard, the Administrator-General of the Customs, who is naturally rather "nuffed" at being ignored". Later, when forces in Russia and England were bringing as many charges against Shuster as circumstances could possibly enable them to conceive, this event was often mentioned as outstanding evidence for the contention that he was not tactful enough to hold such a position as he had been assigned.

The immensity of the task he had to perform became evident to Shuster before he had been many days in Teheran. His

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3Ibid., 28-30.
first inquiries revealed that clouds of suspicion and distrust throughout the entire Ministry of Finance so obscured the fiscal picture that no very accurate information as to the precise condition of Persian finances could be obtained. Only this much was certain; the fiscal administration was so corrupt that the finances, if any such could be said to exist, were almost hopelessly tangled. After a month of trying to understand just what the situation was, Shuster had arrived at a state of mind that prompted Barclay to write of him: "...He saw Churchill yesterday, and told him he had found absolute confusion in the finances. He said he has not been an optimist he would have told the Persians 'Gentlemen, I am not going to attempt this business; to Hell with your finances! I am going back to America'". He intended, however, to stay for "...he might be able to bring about such a state of things that whereas the Government people had formerly robbed in hundreds of tomans they would only be able to rob in tens". 5

In charge of the administration of finances was the Ministry of Finance which consisted of a group of under officials presided over by a Minister of Finance. For some time back, the successive ministers had been fitted for their jobs neither by capability nor honesty. Their underlings were on the whole equally incapable, and throughout the entire Ministry organization and responsibility were virtually non-existent.

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There were various bureaus through which the mallet, or internal taxes, were supposed to be collected for the benefit of the Government. Among these there was no attempt at centralization, so each acted independent of the other, and no-one seemed to know just what revenue the Government was supposed to get from the various taxes it had imposed, nor what it actually did receive; neither did anyone know precisely how those few funds that did get to the treasury at Teheran were spent. A national budget which might have revealed the total gross revenues of the Government from various sources and the allotments made to the different ministries and departments for its expenditure was totally lacking. In this connection one of the circumstances which amazed Shuster most was that about half of the total revenue was claimed by the War Department for the upkeep of a Persian regular army which he described as "a mythical corps worthy to rank with the gnomes who disturbed the slumbers of Rip Van Winkle or with that most elusive of human conceptions, the Golden Fleece".6

To determine the internal debt of the country was an impossibility because of the method by which taxes had been collected and requisitions from the various departments honored. At the principle city in each of the provinces into which Persia was divided there was a financial agent of the central government who was supposed to collect the entire sum due the government from taxes in that district and remit

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6Shuster, op.cit., 40.
it to the Minister of Finance after subtracting his own salary and the expenses incident to collection. The Ministers of Finance hit upon the happy plan of honoring requisitions made by the various departments by drawing checks addressed to the different tax-collectors and thus save dealing with cash. This method enabled them to meet requisitions of almost any sum, and government obligations were paid freely and promptly with no questions raised as to whether there were any funds to back the paper notes. Eventually so much of this worthless substitute for good money had filtered into pockets of unsuspecting creditors of the government that their redemption, or even accurate calculation of the sum, was outside the realm of possibility.

When finally he had learned of these circumstances and asked the Minister of Finance, Muswin'd-Dwala, to turn over to him the bank balances and cash belonging to the public treasury, the new Treasurer-general was presented with an overdraft of 440,000 tomans (about $400,000) on the Imperial Bank of Persia and a series of requisitions from various Cabinet members for sums amounting to $700,000.00 for the payment of obligations necessary, it was said, to prevent the "immediate disintegration" of the Persian Government. These conditions together with the foreign entanglements the country had become involved in made up the problem that Shuster must face in any attempt to reorganize the administration of finances in this struggling nation. It was little wonder that friends warned him that he would either have to leave the country or to"go over to the other side", the "other side" being the
clique of reactionary Persian officials who tended to become

tools of the Russian Government. Little wonder that he was
tempted to say "to hell with your finances".7

Shuster had been in Teheran but a brief time when he
discovered one of the first attempts of foreign elements to
thwart his chances for success before he was fairly started.
It was only shortly before the arrival of the Americans that
the loan of £1,250,000 from the Imperial Bank of Persia had
been negotiated and approved. Some members of the Medjlis
wanted to wait until the new Treasurer-general had come be-
fore definitely determining into whose hands control of the
expenditure of this money should be placed. M. Hornard, the
Belgian Administrator of Customs,8 however, in conjunction
with Russophilies in the Cabinet immediately prepared a draft
of a law by which the entire sum would be placed in the hands
of a "commission" of fifteen of which he was to be the head.
Passage of this law could only mean that the Treasurer-gen-
eral would be a subordinate to M. Hornard and the other
members of this "commission" which was to have control of the
expenditure of government funds, or else that he must stand
idly on the sidelines while the control of the only funds
the government had available remained in other hands than

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7 Shuster, op.cit., 35-42.
8 M. Hornard had been Administrator General of the Customs De-
partment of Persia since 1807 when the original Persian Med-
jis had compelled the Shah to dismiss the despicable M. Naus.
Brit. Doc's., op.cit., no. 775. With Hornard were about
twenty-five of his countrymen in charge of all of the customs
houses in Persia, Shuster, op.cit., 23.
his. And he was to take charge of Persian finances and reorganize their administration! Shuster was not made cognizant of this law until after it was before the Medjlis, but he was successful in preventing its adoption by immediately placing before the Cabinet a report on the condition of the Ministry of Finance in so far as he was already acquainted with it, and presenting a counter-proposal which placed the control of the refunding operations and expenditures growing out of the loan into the hands of the Treasurer-general. This latter law was passed, and Hornard was thwarted.

If any progress were to be made toward straightening out the financial affairs of Persia, Shuster believed that a strong central authority was of prime importance, and that to secure this the government must first of all place full powers in the hands of the officials whose task it was to bring order out of Chaos. For him to attempt to act in an advisory capacity to those men who already held offices that were concerned with the collection and disbursement of revenues he thought would be useless, for these men he regarded as neither mentally nor morally equipped to deal with the problem of omnipresent venality and corruption. Moreover, most of these men sought the favor of either the Finance minister or groups in the Cabinet, and it was apparent that only administrators who were free from such influence and control honestly and effectively perform the gargantuan task that lay before those

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9Shuster, op.cit., 23-24; G. Barclay to E. Grey, May 16, 1911, Parliamentary Papers, Persia No. 3, op.cit., no. 125; Same to same, June 6, Ibid., no. 151.
who would reorganize Persian Finances. 10 Accordingly, on
June 8, he placed before the Medjlis the draft of a bill
which would establish a central organization known as the
office of the Treasurer-general of Persia to be "entrusted
with the direct and effective control of all financial and
fiscal operations of the Persian Government including the
collection of all receipts of every description, and the
control and accounts of all government expenditure". 11 The
Medjlis passed the bill 12 almost unanimously on the thirteenth-
of June, and it was known after that as the Law of June Thir-
teenth. In reporting the passage of this bill to the British
Foreign Secretary, Barcaly wrote, "On the Persians Mr. Shuster
has apparently created a great impression, and the unanimity
with which all parties have given him the full powers for
which he has asked proves that they repose the utmost confid-
ence in him... He has let it be widely known that if he finds
obstacles placed in his way by any person or persons, he will
denounce them to the Medjlis (sic.) and if he cannot remove
their obstruction he will return to America". 13 In another
dispatch, Barclay anticipated trouble when he wrote "He
(Shuster) said he would at first devote his attention to the

10 Shuster, op.cit., 49.
11 Parliamentary Papers, Persia No. 1, op.cit., enclosure in
no. 153.
12 For the twelve articles of this bill see Ibid.
13 S. Barclay to E. Grey, June 13, 1911, Brit. Doc's., op.cit.,
no. 773.
Central Administration, and it would be a long time before he could touch the Provinces. This last is very consoling as I dread the moment when he has to deal with Mohammerah. We shall then have a lot of trouble I expect."

Though the basic financial law had been passed practically with unanimity by the Medjlis, the opinion of this body proved not representative of all elements in official circles in Persia. With factions in the Cabinet, in particular, the new Treasury was having trouble. The Prime Minister, Sipahdar, whose huge requisition for the army Shuster had not granted, rose one day to tell the Medjlis that the new law placed an arbitrary restraint on him in his duties as Primier and Minister of War. When no sympathy came from the Medjlis, whose members were well aware of the corruption in the War Office, he strode from the room, stepped into the carriage that awaited him outside and demanded of the coachman "Buru Faranghistan -- Drive me to Europe". This was on June fifteenth, \(^{15}\) and no successor had yet been found\(^{16}\) when nearly a month later he finally returned.\(^{17}\) In the meantime, Amir Azam, Acting Minister of War during the Sipahdar's absence, was, as seemed customary, constantly demanding impossible sums of money for the army of Teheran which, he said, was about to stage a general uprising unless money was awarded it for

\(^{16}\) Shuster, op.cit., 55-61; G. Barclay to E. Grey, June 16, 1911, Parliamentary Papers, Persia No. 1, *op.cit.*, no. 143.
wages and rations; the Regent had expressed his desire to leave Persia because the ad Jalils had passed a new and much diminished court budget without consulting him and only with some difficulty was persuaded to remain; the Cabinet had resigned; and employees of the various Ministries frequently went on strike until they were told that they would be permanently dropped from the payrolls if it continued.

Apparently there were forces other than those in the Persian Cabinet which disapproved of this law. Shuster tells that for two weeks the Persian Foreign Office was besieged with protests from the Russian, French, German, Italian, and Austro-Hungarian Legations at Tehran, all of which were trying to persuade the government to give up this plan. The British, Dutch, and American Legations, and the Turkish Embassy alone were quiet.

The opposition of Foreign Legations to the law of June Thirteenth, and particularly that of the Russian, led to one of the first of the series of conflicts which began so shortly after Shuster's arrival and continued up to the time of his dismissal. This was the conflict with M. Hornard, the Administrator of Customs previously mentioned, who encouraged, Shuster wrote, by the Russian Legation, refused to abide by

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18 Shuster, op. cit., 64-66.
19 Ibid., 61-62.
20 G. Barclay to E. Grey, July 12, 1911, Parl. Papers, Persia No. 1, op. cit., no. 241 (eng.).
21 Shuster, op. cit., 66.
22 Ibid., 53-54.
23 Ibid., 53-54.
the law of the Medjlis had passed or to recognize the American Treasurer-general who had ordered that all customs receipts should be placed to his account at the two banks (Russian and Imperial Bank of Persia), and that only checks bearing his signature should be honored. The British representative at Teheran wired to Grey on July fifth explaining the nature of this dispute and the inclination of the Russian Minister to support Hornard because "He thinks that Russian interests are jeopardized by such control of northern customs ... being given a newcomer who may not stay and who may be succeeded by a Persian". Barclay expressed his belief that the "legitimate interests" of neither Russia nor Great Britain were in any manner jeopardized by such control of the Customs revenue and expenditure as were claimed by the Treasurer-general who had declared that the gross receipts of the northern and southern customs would be deposited with the Russian Bank and the Imperial Bank of Persia respectively, and that until all liens then constituting a charge on the receipts were fully paid no checks would be drawn against the revenues except for the necessary expenditures of customs administration. The British Minister felt that he should not support his Russian colleague in opposing an action of Shuster that was so in accord with the legislation of the Medjlis, and consequently was going to take no part in the controversy. Officials in the Foreign Office in England upheld Barclay's opinion, and in a minute to his telegram expressed the opinion

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that they "...should instruct Sir. G. Buchanan to explain the situation to the Russian Government... and induce them to tell M. Poklevsky not to make trouble". This suggestion had been acted upon when Barclay again wired to tell that the Imperial Bank of Persia, in accordance with the Law of June Thirteenth, had refused to meet a check signed by Khornard who still contended that he could serve under no-one but the Grand Vizier and the Minister of Finance. Barclay said also that the Russian Minister was "very indignant" and had announced his determination to support Khornard strongly in his conflict with the Treasurer-general. The Ambassador had acted in accordance with Grey's note to him, but had accomplished little with Neratoff, then Russian Acting Minister for Foreign Affairs, who had refused to comply with the request to instruct their Minister at Teheran to remain neutral in this affair. The reasons Neratoff offered for his position were that there were in existence agreements which gave Russia the right to be consulted before any change was effected which might be contrary to her interests; that when the Americans were engaged there had been verbal understanding between Russia and England that they should act as financial advisers only, and that in now claiming to act as Controller, Shuster was exceeding his power without consulting Russia in a matter closely concerning their interests; that Persian

26Same to Same, July 6, 1911, Ibid., no. 776; see also Parl. Papers, Persia No. 1, no. 160.
customs, the only sound and satisfactory administration in the country, would be thrown into utter confusion by this change; that Shuster was showing complete disregard for the privileged position of Russia and England in Persia; and that from a political point of view to thus admit the intervention of third parties might establish a dangerous precedent for other great powers. Neratoff was willing, however, that the two ministers at Teheran "consult together and take what measures they thought best to bring about an understanding between (the) Treasurer-general and (the) Administrator of Customs", 28 and to this plan the Foreign Office in England acquiesced. They did not see that either Russian or British interests were affected by Shuster's proceedings, but they were worried about the consequences if the Belgian administrators were to resign and Russia were antagonized.

In conversations of July eighth and subsequent days, this controversy that had dragged on since passage of the Law of June Thirteenth was finally settled. Mornard agreed to recognize and obey the legislation of the medjlis without further complaint. 29 At a meeting of the Persian Cabinet at which he had been asked to appear, he promised to send to the Treasurer-general a list of all government funds he had deposited in the different banks of the country and to submit the requisitions for expenses as prescribed by Shuster's office. 30

28 G. Buchanan to E. Grey, July 11, 1911, Brit. Doc's., op.cit., no. 780. For attitude of Belgian officials see also Ibid., no. 772, and Shuster, op.cit., 68.


30 Shuster, op.cit., 69.
The British representative at Teheran wrote with vision when in a dispatch to Grey giving his appraisal of Shuster after his first weeks in Teheran and referring in particular to this affair with Mornard, he made this comment "...(Though) this conflict seems to be in fair way of adjustment...this instance is I fear by no means destined to be the last in which Mr. Shuster will come into conflict with the representatives of one or other of the two Great Neighbouring Powers". 31 Indeed, the second conflict, and one compared to which the implications for foreign entanglement of the Mornard incident were relatively slight, had already been initiated before that case had reached its conclusion.

III

THE STOKES INCIDENT

Mr Shuster had early decided that there was need for the formation of a special gendarmerie force to be under his direct orders and to cooperate with the civilian officers of the treasury in the collection of the various types of taxes throughout the Empire. There was already in existence a gendarmerie of the Persian Government which was supposed to perform this service, "but apart from the fact that they were almost (a) mythical body..., and, outside Teheran, were quite as apt to make away with the taxes as to assist in their collection, they were under the orders of the Persian Minister of the Interior and commanded by some officers at Teheran who did not belong to the elements desirous of seeing the finances of the country put upon a solid basis".¹ Thinking it necessary, then, that if any success were to be attained in collecting the taxes due to the government in places outside the capital and some other centers such as Tabriz, Kazvin, Isfahan and Shiraz, some new force would have to be organized, Shuster determined to establish a department to be known as the Treasury Gendarmerie that should be a definite part of the office of the Treasurer-General. The force was to be gradually built up so that after a period of several years there would be ten or twelve thousand men so trained

¹Shuster, op.cit., 69-70.
and instructed as to make the collection of the entire revenue due the government something more than a dream.

Shuster had determined that he should like to appoint one Major C. B. Stokes as chief of this gendarmerie force to conduct the organization and training of the men. Major Stokes had been military attache of the British Legation in Teheran for the four years previous, and his commission in that capacity was about to expire. He was an officer in the British-Indian army, and seemed to Shuster especially well fitted for the task he had in mind because he was thoroughly familiar with the language and customs of the Persian people as well as with the geography and political elements of the various provinces. Accordingly, Shuster made the proposal to Stokes that he should accept the position as chief of this force that was to be organized under his own direct supervision.

England first learned of this plan when on July 7, Barclay informed Grey that on the day previous the Medjlis had authorized Shuster to engage an assistant to organize a gendarmerie and that the post had been offered to the English Major Stokes. Barclay explained the duties of the gendarmerie "as being to give the necessary aid and support 'especially in the provinces of the South' to the financial agents engaged in the collection of maliat and other direct taxes". Grey was also informed that Russia did not yet know of the plan. 2 But it was not long after that Russia became aware of Shuster's

intentions. She made of it an entering wedge in Persian affairs, and diplomatic wires began to fly thick and fast between the Foreign Offices of Russia and England and their respective representatives in Persia.

It was generally contended by Russia, and seemed not to be denied by many elements in England, that Stokes was a fairly ardent Russophile. In a speech in Commons, Sir Edward Grey remarked, "It is perfectly well known that Major Stokes has expressed and has never made any secret of expressing a strong anti-Russian feeling".

Having communicated with Neratoff, the Russian representative in London informed Grey that his government being "in favour of all measures calculated to restore order in Persia" would not object to the organization of such a gendarmerie as was proposed, but that if there were to be a single officer in command of it, then that officer should be the representative of a minor power. If however, the command could be split, then there might be one officer from Russia and England each. When it was pointed out to Neratoff that Major Stokes seemed to be "eminently qualified" for the post, he expressed the opinion that a Swedish officer could easily be secured. Throughout the course of the conflict, Russian opposition to Stokes did not abate, and whatever his real opinion may have

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3 Neratoff to Benckendorff, July 11, 1911, Siebert, op.cit., no. 120.
4 Parliamentary Debates, 5th Series, Commons, 1911, XXXII, 154.
5 G. Buchanan to E. Grey, July 11, 1911, Parl. Papers, Persia No. 3, op.cit., no. 168.
been Grey became less and less willing to take a strong stand against it in support of Shuster or the Medjlis.

After learning of Neratoff's suggestion that a Swedish officer be employed or that the gendarmerie be split so as to secure both a Russian and a British officer, Grey wired immediately to his representative in Teheran to inquire if he thought either of these plans would provide a solution to the difficulty. 6 Barclay replied that the latter proposal would not be acceptable to the Persian government save possibly under compulsion; as to the former, he had consulted Shuster to learn what his reaction would be. The reply which he received and which he enclosed for Grey's perusal was typical of Shuster's independence of thought and action. The Treasurer-general explained therein that he saw no cause for "international jealousy" in his appointment of Stokes. He had been selected merely because Shuster considered his qualifications for the task superior to those of anyone else available. Had any question of nationality entered his mind at all, Shuster said that since the choice was entirely at his discretion, he would have chosen one of his own countrymen. He scoffed at the charge that there might be political implications in his choice, and reminded his readers that this was an act in an attempt to attain financial reform and was difficult enough at best without getting politics unduly involved. One consideration offered was that it would take at least a year for a Swedish officer to get acquainted

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6 E. Grey to G. Barclay, July 13, 1911, Ibid., no. 174.
with the nature of the people and the country, and that the immediate organization of the gendarmerie was urgent. Shuster concluded his pointed letter by observing that at that date withdrawal of his offer to Stokes could only be interpreted as "being dictated by purely political considerations which (he) could by no means permit". He asked that the English government notify him early of Major Stoke's acceptance.7

Apparently realizing that little could be accomplished by appealing to Shuster, even through England, Neratoff, considerably wrought up by this time, wrote to Benckendorff telling him that the appointment of Stokes was highly undesirable for the effect that it would have on public opinion in Russia8 and for ideas it might produce as to conflict in policy between Russia and England in regard to Persia. In order that this situation might be averted, he asked Benckendorff to see if the London Cabinet couldn't be encouraged to induce Stokes not to accept the appointment. Otherwise, he wrote, Russia would"be under the necessity of demanding compensations, such, for example, as the reorganization of the Persian forces by Russian officers".9

On July 21, Grey sent Barclay a telegram informing him that before Stokes accepted the command he would have to resign his commission in the Indian Army.10 Stokes did so imme-

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7G. Barclay to E. Grey, July 14, 1911, Ibid., no. 178.
8This was moulded by a governmentally controlled press. Siebert, op.cit., 105.
9Neratoff to Benckendorff, June 28, 1911, Ibid., no. 120.
10E. Grey to G. Barclay, Parl. Papers, Persia No. 3, op.cit., no. 208.
lately, and Shuster, while thinking the condition thus imposed a little unnecessary, assumed that the resignation would be accepted and the appointment then recognized. He regarded the matter as practically settled.\textsuperscript{11} Benckendorff explained to Neratoff that Grey had gone so far as to ask Stokes to leave the English service, but didn't want to take any further steps at the moment as he was afraid that he might be regarded as hampering the effort at financial reorganization in Persia. "However", he wrote, "Grey also appreciates your point of view, and has no objection to offer if we were to demand compensation and were to refer to the fact that Stokes is an Englishman. Grey would not oppose this point of view at Teheran which would prove that both governments are acting in concert".\textsuperscript{12} Russia, however, was not to be satisfied by such half-hearted assurances. Late in July, Buchanan wrote from St. Petersburgh, "Stokes appointment does not at all smile on him, and...(his resignation) will not reconcile him for Russian public opinion to what will be represented as an advantage gained by England over Russia..."\textsuperscript{13}

Fuel was added to this already nicely burning fire when it was learned that, if his appointment were approved, Stokes might be ordered by the Persian government to take active

\textsuperscript{11}Shuster, \textit{op.cit.}, 73.
\textsuperscript{12}Benckendorff to Neratoff, July 13, 1911, Siebert, \textit{op.cit.}, no. 124. As early as July 4, Benckendorff had informed the Russian minister in Teheran that the English were attaching "great importance" to the fact that Shuster might resign over this affair. See Siebert, Baron, Graf Bencken-dorff's Diplomatischer Schriftwechsel, II, no. 423.
\textsuperscript{13}G. Buchanan to E. Grey, July 27, 1911, \textit{Brit. Doc's.}, \textit{op.cit.}, no. 793.
service against Mohammed Ali, the ex-Shah who was attempting to restore himself to power in Persia. 14 The Foreign Office immediately warned Persia that the employment of Stokes in active military service in the north of Persia might involve "political considerations" and that his Majesty's Government could not "deprecate objections which may be taken to it". 15 By this time the Russian Minister at Teheran had informed Persia that if Stokes were employed, Russia would demand an equivalent in the North, 16 and Heratoff was speaking of the "grave anxiety" which the situation was causing him because of its effect on Russian public opinion. 17 He had not been satisfied with the English offer that that government would not take exception to any objection Russia might offer if Stokes were employed in the North 18 because he thought that such a protest would only prompt the Persian Government to remark that it was "not concerned with division of Persia into spheres of influence under the Anglo-Russian Agreement." 19 Though he was grateful for that gesture, he asked rather that on some pretext or another, Stokes be recalled to London, and that through some sort of "formalities" his resignation be delayed. He also wanted the two governments to send concurring notes to Persia for the "appointment was... a contravention of the principle on which the two governments had

16 G. Buchanan to E. Grey, Aug. 2, 1911, Ibid., no. 797.
17 Same to same, Aug. 9, 1911, Ibid., no. 805.
18 Same to same, Aug. 4, 1911, Ibid., no. 798 fn. 2.
19 Same to same, Aug. 4, 1911, Ibid.
hitherto acted, namely that no subject of a European Great Power should be allowed to occupy any important post in the Persian service.\textsuperscript{20} Such a note would give satisfaction to Russian opinion, and demonstrate solidarity between the two countries.

Something of the Russian public opinion which caused Neratoff such "embarrassment" was expressed in an article in the "Novoe Vremya" which pointed out that Russia could not but object to the participation however indirect of a friendly government in the appointment of one of her own officers to a position that would involve activities outside that government's own sphere of influence, and that Major Stokes could not possibly take the position offered him without assent of the British government, for without consent of their War Office he could not leave the British service—"thus the entry of Major Stokes into the Persian service is entirely dependent on the wishes of the British Government.... If... 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.\textsuperscript{21} Grey was informed that "other papers, representing the views of reactionary and Germanophile circles, have openly declared that not that England has shown her cards Russia had acquired a free hand, and is at liberty to intervene by force in Northern Persia for the protection of her interests."\textsuperscript{22}

\textsuperscript{20}\textit{Same to same}, Aug. 5, 1911, \textit{Ibid.}, no. 799.
\textsuperscript{21}G. Buchanan to E. Grey, Aug. 3, 1911, \textit{Parl. Papers, Persia No.3, op.cit.}, no. 255.
\textsuperscript{22}G. Buchanan to E. Grey, \textit{Ibid.}, no. 279.
Grey was growing more and more uneasy about the attitude Russia was taking in this affair. On August 7, he wired to Barclay that he should not tell Stokes that his resignation had been accepted, for he intended immediately to learn from the India Office whether there was any possible means of suspending it.\(^{23}\) He told Russia of this move and expressed the fervent hope that the appointment would be "dropped altogether" after it was so obviously disapproved, but if it were not, he promised that England would ". . . support a demand by Russia for employment in Northern Persia of gendarmerie under a Russian officer . . ."\(^{24}\)

All of this struck the Persian Government in general and Mr. Shuster in particular rather unpleasantly. The former answered that it did not intend to employ Stokes in any military operations and that so far as the "north of Persia" was concerned, collection of taxes was equally as important there as in the South and "restriction of the appointment would be tantamount to a recognition of the spheres of interest under the Anglo-Russian agreement".\(^{25}\) Shuster wrote a lengthy letter to Barclay telling him that the "apparent volte-face" the British Government had undergone since they were first approached on this subject on July 22, was "almost incomprehensible". This letter points out that England had suddenly joined Russia to prevent the most "elemental rights


\(^{24}\) E. Grey to G. Buchanan, Aug. 9, 1911, Parl. Papers, Persia No. 3, op. cit., no. 257.

\(^{25}\) G. Barclay to E. Grey, Aug. 9, 1911, Parl. Papers, Persia No. 3, no's. 268-269.
of sovereignty" of the nation whose independence and integrity the two had pledged themselves to respect; that there was no political motive behind the choice of Major Stokes; that the first vital step he (Shuster) had attempted in the task of reorganizing Persian finances had been obstructed and opposed at every turn by the two nations which ought to be most interested; and that the whole affair seemed to him "... a totally uncalled for interference in the purely routine and internal affairs of the financial organization which (he was) endeavoring to set up." 26

In a conversation with the Russian Minister at Teheran, Shuster expressed the opinion that this sort of thing had gone on too long, and that in view of these circumstances, it might be necessary for him to hand in his resignation. Poklewsky-Koziell thought this might cause "many difficulties" to the British Government, both in its own and in the American press. 27

At the moment, however, British diplomats were not so much concerned with the press of any nation as with the practicality of maintenance of the Anglo-Russian Agreement; this was so important to them that the ethics of the means by which it was accomplished was of but slight consideration. 28 For some time past, and particularly since the truth of the

26 Ibid., enc. in no. 804.
27 Russian Minister at Teheran to Neratoff, Aug. 9, 1911, Siebert, op. cit., no. 127.
28 For opinion on the vacillating policy of England with respect to Persian Affairs see Harold Nicolson, Portrait of a Diplomatist, 258-259.
Potsdam Accord of 1910 had leaked out, Russia's relations with Germany had been a source of worry to England. Nineteen-eleven had brought to European diplomacy another Moroccan crisis, the negotiations of which were under way during the very weeks that the Stokes affair was in progress and the activities of the ex-Shah were becoming of serious nature. On August 9, Buchanan wrote to Arthur Nicolson of the British Foreign Office a private letter from which an excerpt reads as follows: "It is most unfortunate that such an incident (the Stokes affair) should have occurred at a moment when it seems more than ever necessary for us to maintain the Anglo-Russian understanding intact. Whatever may be the outcome of the Franco-German negotiations, it will be some time before Germany either forgives or forgets the part which we have played in the international frame which Kiderlen so suddenly improvised and we cannot therefore afford to alienate Russian sympathy in ever so slight a degree. I still hope that Stokes will, if he had any slight feeling, reconsider his decision and withdraw his resignation".29

Two days after that letter was written, Barclay received instructions to inform Shuster that the English appreciate his work and "are sorry not to be able to do anything he wishes", but the only way out of the difficulty would be the appointment of the subject of some minor power.30 After further

29G. Buchanan to A. Nicolson, Aug. 9, 1911, Brit. Doc's., op.cit., no. 806.
30E. Grey to G. Barclay, Aug. 11, Ibid., no. 808.
polite negotiations, Grey finally wrote definitely "...we cannot accept Stoke's resignation in view of well founded Russian Objections to his appointment".31

Even in the face of this rebuff, Shuster was not ready to admit defeat on this issue. He tried to negotiate an arrangement with Russia by which Stokes might be employed if he could remain in Teheran for purposes of organization for only six-months at the end of which time control of the gendarmerie would be handed over to officers of a smaller power or to a Russian. He also set forth proposals for negotiations for conversion of the Russian Bank's loan with the Russian Government.32 Russia was anxious that such a conversion be arranged, and Poklewskev seemed very much impressed by this proposal though he wanted it as a promise in writing.33 Shuster found that to give the promise in writing was impossible because of the attitude of the Nationalists, who regarded it as a recognition of spheres of influence.34

There was no further hope that Stokes might be employed, and negotiations were commenced for the organization of the treasury gendarmerie under Swedish officers.35

In connection with this whole affair there was considerable sympathy with the view taken by the Persian Government and by Shuster. More than once Grey was called upon in

31 Same to same, Aug. 18, 1911, Ibid., no. 815.
32 G. Barclay to E. Grey, Aug. 21, 1911, Ibid., no. 817.
33 Poklewskev-Kozie1 to Neratoff, Aug. 9, 1911, Siebert, op. cit., no. 127.
35 Parl. Papers, Persia No. 3, op. cit., no. 298.
Parliament to defend his line of conduct with respect to Stokes' resignation. In one of these speeches of explanation, he said that he recognized that Shuster was innocent of any political intrigue, but that "...he took no account of all the peculiar political considerations which underlie the Anglo-Russian Agreement..." He said he had warned Shuster that Britain could not promote political interests in the North of Persia, but that the American had still persisted in the appointment simply because he thought Stokes was the best subject he had at hand. Such a policy, Grey said, would lead simply to the Anglicizing of the Persian Official Service indiscriminately throughout Persia, and the Anglo-Russian understanding of course goes.\^36 In another address, he referred to it as an attempt "...to put the hands of the clock back so far as Russian interests in the north of Persia are concerned",\^37 and in yet another as "...not consistent with the spirit of the Anglo-Russian Agreement..."\^38 It is to this latter argument that Shuster objected most strenuously in his book when he wrote, "...Persia might well have pointed out that where the language of a document is plain and clear there is no room for interpretation of the spirit".\^39

\^36 Parliamentary Debates, 5th Series, Commons, 1911, XXXII, 154-155.
\^37 Ibid., 156.
\^38 Parliamentary Debates, op.cit., XXX, 980.
\^39 Shuster, op.cit., 78.
IV

THE RETURN OF THE ex-SHAH AND THE SHOA-ES-SALTENEH INCIDENT

Russian ambitions to secure an ever stronger hold upon Persian and the vacillating policy of Britain which helped to support those ambitions became increasingly clear throughout the chain of events which was connected with the attempt of the ex-Shah to return to Persia. At the time that he was deposed, Mohammed Ali had been granted a pension to be paid by the Persian Government and had been sent to Odessa where he was supposedly under the supervision of the Russian Government. An intimation that he might again have an idea of returning to Persia to restore himself to power occurs as early as January 13, 1911, when the Persian Minister of Foreign Affairs announced that he had reason to believe that the Shah had been corresponding with "certain of his partisans in Persia" who had encouraged him to think that he would be welcomed if he should return to his native country. At this time the suggestion seems not to have been regarded seriously and the Shah's activities were apparently not a matter of any great concern for some months later, though rumors continued to persist, especially after Salar-ed-Dowleh, his brother, had been fomenting trouble in Western Persia and had even

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1F. Bertie to E. Grey, Jan. 13, 1911, Parliamentary Papers, Persia No. 3, op.cit., no. 7.
gone so far as to proclaim Mohammed Ali Shah and to direct the Medjlis to invite his return. On the night of July 18, Persian Officials were startled to learn that not only was it possible that the ex-Shah might attempt to restore his power, but that on that day he had actually landed with a small force at Gumesh-Teppeh, a port on the Caspian sea on Persian soil near the Russian frontier. Such a return of Mohammed-Ali to Persian territory was an open violation of the solemn agreement which less than two years before Russia and Great Britain had signed with Persia. In face of this, what course would the statesmen of these countries choose to follow?

It is interesting that immediately upon hearing of this incident Edward Grey wired to his representative in Russia asking him to inform the Russian Government that England would join her in notifying the ex-Shah that under no conditions would his return be tolerated. At this time Grey seemed to be firm in his conviction that on no account should Mohammed Ali's restoration be recognized; neither did he believe that the pension should continue nor a permanent stay in Persia be allowed. It was not long before Grey was made aware of the

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2G. Barclay to E. Grey, May 18, 1911, Ibid., no. 128 (enc.); same to same, June 14, no. 154 (enc.); Same to Same July 17, no. 186.
3G. Barclay to E. Grey, July 18, 1911, Parl. Papers, Persia No. 3, op.cit., no. 189; Shuster, op.cit., 83-84.
4By article XI of the Protocol of 25 August, 1909, Russia, acting for herself and Great Britain, had assumed the responsibility of preventing the ex-Shah from indulging in any political agitation against the Constitutional Government of Persia. Parliamentary Papers, Persia No. 3, 104.
5E. Grey to E. Buchanan, July 19, Ibid., no. 191.
6E. Grey to E. Buchanan, July 19, 1911, Ibid., no. 197.
fact that Russia might not be so anxious to curb the ex-Shah's activities despite the agreement she had signed. Only two days after information as to the arrival of Mohammed Ali in Gumesh-Teppeh had leaked out, the Ambassador to Austria, who had been instructed by Grey to act with his Russian Colleague in warning the ex-Shah not to engage in any intrigue against the Persian Government,7 informed the British Minister that the Russian Ambassador had continually delayed action with no apparent reason and that because of this and other circumstances he was inclined to believe that the Russian Government was completely aware of the departure of the ex-Shah from Vienna where he had been.8 Aware of his departure from any point, they should have made themselves aware of his next destination and of the progress of his journey, particularly at a time when the existing regime in Persia was the object of considerable intrigue. The question that immediately arose was: Did Russian officials know that Mohammed Ali was going to Persia? To considerable numbers of people it seemed inconceivable that in a country as carefully policed as Russia, he could have done this without official knowledge. Consequently certain British and even Austrian and German papers cast suspicion in this direction, insinuating that the Shah's movements were made with Russian connivance.9 Indignant and resentful, Russia denied these

8F. Cartwright to E. Grey, July 20, 1911, Ibid.
charges, and their semi-official organ, Russia, announced to all the world that the ex-Shah had apparently traveled through Russia with a false passport, and that his sudden arrival in Persia came as a "complete surprise" to the Russian Government. The British Minister in St. Petersburg was inclined to believe that Russian officials were innocent of any complicity and felt that certainly no responsibility should be attached to the Central Government. His opinion, however, was not universally accepted. The story goes that Mohammed Ali had asked the Russian Ambassador at Vienna if his country would provide him aid in a plan he was formulating to regain his lost power in Persia. He had been told that the Russian Government could not help him, but that, on the other hand, they would not hinder him, and the field was clear for whatever he might wish to do if he thought he had any chance of success. It is hard to determine whether or not that story is true, but at any rate, the ex-Shah with his party and munitions embarked on the Russian steamer Christoforos from a Russian port north of Baku and crossed the Caspian Sea to land at Gumesh-Tepeh. He had succeeded in getting through the entire Russian passport system with a false passport that described him as a merchant of Bagdad named Khalil, a false beard, a group of uniformed officers, and a consignment of guns and rapid-fire cannon neatly labeled "mineral water"!

For some time previous, he was said to have been in Vienna.

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buying arms and otherwise preparing for the expedition, and it is suspected that not only the higher government officials in Russia, but the entire bureaucracy, was acquainted with his plan.¹¹

Whatever Russian officials may or may not have known about the ex-Shah's movements, they seemed not displeased that he had accomplished entrance into Persia. Probably Mohammed-Ali seemed to them their best possible means of forwarding their policy of assimilation; one such man would be infinitely easier to intimidate and bribe for the purpose of the purposes of the Russian Imperial Government than an entire elective assembly. Three days after the incident of his arrival, Grey read in a despatch from Teheran: "Russian circles do not conceal their elation at the prospect of possible return to power of the ex-Shah". This message pointed out that Russia frankly felt the parliamentary regime in Persia was hostile to Russian influence, and, interestingly enough, that if she did not decide to oppose Mohammed Ali the determining factor might well be "Shuster's determined disregard of Russian susceptibilites."¹²

In response to Gery's suggestion that the two countries should firmly declare that they would not recognize or tolerate a return of the ex-Shah,¹³ Russia promptly adopted a

¹¹Shuster, op.cit., 104-108; see also Sykes, op.cit., 423.
¹³See supra,p55.
principle of non-interference with which she henceforth played fast and loose. Neratoff recognized that there was apparently some divergence of views between his government and Grey's, but he felt, nevertheless, that he could not alter his opinion. The ex-Shah having landed in Persia and thus, the Russians maintained, presenting them a fait accompli, there was nothing for them to do but wait until he "was crowned with victory or till he had suffered a crushing defeat." It was useless, Neratoff thought, to tell Mohammed Ali that he could not remain in Persia, and to the suggestion that it would be well for the two governments to uphold the Regent who was the only prospect for the establishment of order and good government in Persia, he replied that nothing had been accomplished during his regime and that possibly if the ex-Shah were restored to the Throne there would be a revision of the constitution which would lead to a change for the better. At any rate, he "was strongly opposed to intervention", and insisted that "there was nothing for the two governments to do but to allow events to take their course." Always before Russia had sent troops into Persia on the slightest pretext; this time she showed marked reluctance to do so even for the protection of Russian subjects. Further reason Neratoff offered for making no attempt to help Persia in this crisis

14 G. Buchanan to E. Grey, July 20, 1911, ParliPapers, Persia No. 4 (1912), Cd. 6105, no. 201.
15 G. Buchanan to E. Grey, July 20, 1911, ParliPapers, Persia No. 4, op.cit., no. 201. Same to same, July 24, 1911, Brit. Doc's, op.cit., no. 789.
was that the Russian press was strongly against intervention and any such demonstration "would react unfavorably on Russian public opinion and would prejudice the interests of the Anglo-Russian understanding by strengthening the hands of those who were always ready to assert that under it Russian interests were being sacrificed at the behest of England."\textsuperscript{17}

After this exposition of Russian sentiment the British point of view seems to have rapidly swung from the belief that perhaps Persia should be helped in this crisis and around to Naratoff's doctrine of non-intervention. On July 28, Grey sent to Barclay the draft of a declaration to make to the Persian Government in which was written"...the British Government consider that the ex-Shah being in Persian territory the British Government cannot intervene...(and)...declares in the struggle that has unhappily occurred in Persia it will take no part whatever."\textsuperscript{18} The draft had been supplied Grey by Count Benckendorff!

Meanwhile Persia, the scene of riot and bloodshed for several years past, was more than ever torn by disorganization and conflict. Revolutionary movements occurred in many of the provinces and civil strife was present everywhere. As the capital, Teheran was especially effected and it had been necessary to declare martial law there.\textsuperscript{19}

\textsuperscript{17}G. Buchanan to E. Grey, July 27, 1911, Brit. Doc's., op. cit., no. 792.
\textsuperscript{18}E. Grey to G. Barclay, July 28, 1911, Parl. Papers, Persia No. 4, op. cit., no. 230.
\textsuperscript{19}Ibid., no. 210, (end.), Mohtashem-es-Sultaneh to Sir G. Barclay, July 21, 1911.
In the cabinet there was so little unanimity of opinion that the Prime Minister resigned, necessitating in the midst of the rest of the trouble the appointment of a new Premier and induction of a new cabinet.

By July 31, the Persian government had decided to make a second direct communication to Grey, reminding him of the protocol of August 25, 1909, and protesting that this agreement had not been abided by. The Persian ambassador to England complained that not only had the Persian Government failed to take the promised "effective measures" to prevent political agitation, but that she had deliberately encouraged the movements of the ex-Shah. He cited instances to prove that the last was true, and asked that the British Government urge its colleague to put a stop to interference on the part of her authorities in Persia. Little satisfaction was offered. Grey replied that the provisions of the agreement of 1909 had been "faithfully observed," but now that he was in Persian territory the proceedings of the ex-Shah were purely an affair of internal Persian politics. So far as the interference of Russian authorities in Persia was concerned, Grey

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20 G. Barclay to E. Grey, July 24, 1911, Ibid., no. 216.
21 Same to same, July 26, 1911, Ibid., no. 221.
22 The first had been made on July 24. Mirza Mehdi Khan to E. Grey, Parl. Papers, Persia No. 4, op.cit., no. 244.
23 Same to same, July 31, 1911, Ibid., no. 251.
said that such matters were outside the province of his
government though Russia had given assurances that her
authorities had been instructed to observe strict neutral-
ity.\textsuperscript{24} It was futile for Persia to appeal further to England.

The military operations connected with the ex-Shah's ex-
pedition lasted well into October, though his defeat was made
almost certain by September 11, when a main branch of his
forces was totally routed by Nationalist troops. At this
time Mohammed Ali himself, under cover of a thick fog, fled
to Gumesh-Tepeh, the same port he had entered with such
high hopes two months earlier. His only chance to avoid cap-
ture was to find refuge on Russian soil or in a Russian ship,
and this, Persia insisted, was a violation not only of article
10 of the much discussed protocol of 1909, but of the more
recently adopted principle of non-intervention and neutrality.
Accordingly, Persia asked Russia not to grant him further
refuge so that he might use Russian territory as a base from
which to resume his activities in Persia.\textsuperscript{25} Russia was not
willing, however, to accept this point of view, but insisted
that if Mohammed Ali should seek base on her territory, she
would not be able to refuse him.\textsuperscript{26} Upon request,\textsuperscript{27} however,
Neratoff was willing to state that were he to come to Russia,
the ex-Shah would not be allowed to settle in any of the

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\textsuperscript{24} E. Grey to Mirza Mehdi Khan, Aug. 10, 1911, \textit{Ibid.}, no. 271.
\textsuperscript{25} G. Barclay to E. Grey, Sept. 13, 1911, \textit{Parl. Papers, Persia}
No. 4, \textit{op.cit.}, no. 340.
\textsuperscript{26} G. Buchanan to E. Grey, Sept. 20, 1911, \textit{Ibid.}, no. 355.
\textsuperscript{27} E. Grey to Mr. O'Beirne, Sept. 21, 1911, \textit{Ibid.}, no. 358.
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frontier provinces and would be placed under surveillance, though no guarantee could be offered that he would not attempt again what was now almost certainly doomed to failure. 28

The only hope upon which the ex-Shah and his followers could now rely was the force of his brother, Prince Salar-ed-Dowleh. Early in September this Prince had written to the Medjlis a most florid letter in which he predicted its downfall before the forces that he and Mohammed Ali would lead to Teheran—"30,000 men all the way from the gates of Kermanshah to Nobaran"—as well as "3000 sowars and as many foot" from another direction—"Consider up to Teheran what destruction this crowd and sowars will cause, and what will happen to the people...The Lord of the Country will come to his throne and will give proper organization to the State and the Medjlis—" if no reply received by this afternoon I march tomorrow morning". 29 Apparently they had considered "up to Tehran". The destruction this crowd would cause and had not found that it would be greater than to let the "Lord of his country" come with no resistance, for Salar-ed-Dowleh marched according to schedule. For a time he appeared to be meeting little resistance, and by the 19th of September, after Mohammed Ali had fled, had become himself a pretender to the throne. 30 The latter part of September the good fortune

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28 Mr. O’Beirne to E. Grey, Sept. 22, 1911, Ibid., no. 361.
29 Salar-ed-Dowleh to Medjlis, c. Sept. 4, 1911, Parl. Papers, Persia No. 4, op. cit., no. 367 (enc.)
30 G. Barclay to E. Grey, Sept. 19, 1911, Ibid., no. 352.
of this boastful revolutionary had begun to change; government forces were gaining on him and finally, forcing his retreat, succeeded in occupying Hamadan, the district which had been his main stronghold. With this victory the Nationalists had all but won their cause; the forces of the ex-Shah and his brother were shattered beyond hope of immediate repair, and save for a few sporadic outbreaks of revolutionists who were not yet content to accept their defeat, the government was not to be bothered for some while with precisely this sort of trouble. But this incident led to another.

On October 4, the Council of Ministers instructed Shuster to confiscate the estates of certain partisans of the ex-Shah and convert the property into the Persian Treasury as retribution for their having taken arms in open rebellion against the Constitutional Government. Among the persons whose property was thus to be taken was Shoa-es-Saltaneh, another brother of Mohammed Ali.

At the time the order was given the British and Russian Legations were notified of what was to be done and informed that if any foreign interests were found to exist in connection with the estates, all rights of foreigners would be safeguarded and guaranteed by the government. No objection was offered by either legation, and five days later an official of the Treasury, an officer of the Treasury Gendarmerie, and five gendarmes were sent to execute the order. The property of Shoa-es-Saltaneh was a magnificent palace located in

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31 Same to Same, Oct. 7, 1911, Ibid., no. 15.
Teheran, surrounded by a park enclosed with a massive wall. Arrived at the gate of the park, the group from the Treasury was informed by a group of Persian Cossacks that they were not to enter. Upon presenting their order of confiscation, they finally were allowed to enter the estate, but they had accomplished but little toward the necessary inventory when two Russian officers appeared on the scene and demanded in fury that they leave immediately. Their wrath was not diminished when once again the order of the government was explained, and they threatened violence unless the inventory was ceased at once. Having been ordered to proceed peaceably and offer no resistance should any unforeseen circumstances arise, Shuster's agents left.

That afternoon Shuster lost no time in dispatching a telegram to the Russian Minister in Teheran explaining the events of the morning and asking that he give orders immediately to his Consulate to withdraw their force, for at ten o'clock the next morning the Treasury representatives were to return to take complete possession of the estate. Poplewsky's reply concerned a matter totally irrelevant to the affairs of the Shoa-es-Saltaneh property. Shuster felt that sufficient warning had certainly been given by this time and proceeded to carry out his plan. At ten o'clock the next day a force of fifty Treasury gendarmes and as many of the city police under command of proper officers appeared before the gate of the garden. They had been instructed to carry out the orders of confiscation peaceably if possible, but by force if necessary. If force seemed inevitable, they were under no
circumstances to fire a shot before the Cossacks had fired on them. They learned upon their arrival that the Cossack force had not yet been withdrawn. Directing their men not to advance further for the moment, Mr. Cairns and Mr. Merrill, Americans who had been placed in direct charge of the government force, proceeded to the Russian Consulate where they requested Mons. Pokhitanoof, the Consul-general there, to order the force withdrawn. Despite assurances that the rights of any foreigners would be thoroughly respected, Pokhitanoof refused absolutely to dismiss the Cossacks who, he admitted, had been stationed there on his own instructions. Orders specified that confiscation was to be no longer delayed so the gendarmes marched through the gate, took the arms from the Cossacks, and told them that they might leave in peace if they did so immediately and without resistance. Deprived of their arms, the Cossacks could do little else so they departed, leaving the garden in full possession of the Treasury gendarmes. Later that afternoon two Russian officers appeared at the gate and, probably in a deliberate attempt to provoke some overt act, insulted and threatened the gendarmes who had been stationed to guard the property. The Russian officers then reported to the Consul that when they were passing the property, the gendarmes had purposely and without reason

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1Shuster, op.cit., 136-146.

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pointed rifles at them. This charge was denied by the officer in command of the gendarmes, and a joint enquiry was proposed by the Persian Minister of Foreign Affairs. Russia rejected this proposal and demanded a formal apology, though it had been M. Pokhitanof and not her Minister of Foreign Affairs who had reported the incident to the home government. Poklewsky-Kozill, who had never been on overly friendly relations with the consul-general, was incensed at this procedure and demanded of Pokhitanof what justification he had had for creating such an incident as this threatened to be. When he could learn nothing save that the consul "had his reasons" he informed him that he had better shortly find one that was thoroughly substantial for the matter was not going to be dropped immediately. Thereupon Pokhitanof came forth with the hitherto unheard assertion that the Shoa-es-Saltaneh property was mortgaged to the Russian Banque d'Escompte. Though it never presented any actual evidence in support of this claim, the Russian Government seized upon it as a reason for making a serious incident out of the circumstances surrounding the attempted confiscation of the Shoa-es-Saltaneh estate, despite the fact that her own representative in Teheran had advised a month earlier against her extending her protection to the property of monarchist rebels in case the Persian Government

33 G. Barcaly to E. Grey, Nov. 2, 1911, Parl. Papers, Persia No. 4, op. cit., no. 76; Neratoff to Benckendorff, Oct. 28, 1911, Siebert, op. cit., no's. 132, 133.
34 Shuster, op. cit., 151.
decided to possess it. Throughout the entire conflict Poklewsky had condemned the Russian consul-general for his interference on the behalf of Shoaes-Saltaneh, and had demanded disciplinary measures against him. His efforts were completely in vain, for Neratoff consistently took the consul's side. The Russian-held mortgage on the estate was known to be purely fictitious, but this made no difference to Russia for here at last was a golden opportunity for intervention.

In the very week that the conflict between Pokhitanof and Shuster's agents had occurred, but before he had learned of it, Neratoff had become so opposed to Persia's continuous effort at reform measures that he had informed Poklewsky that Russia was ready to apply repressive measures including the occupation of Teheran and would not be sorry if it resulted in Shuster's dismissal. When such an opportunity as this arose it was not likely that he was going to allow it to be lost by compromise measures. He immediately demanded that reparation be made for the "insults" Russia had received, and asked Poklewsky to protect the former Shah's followers for, he said, "Russia may need their help in the near future." Poklewsky protested against the orders and asked permission to leave his post rather than to carry them out. Neratoff would not listen to his view of the incident and again ordered that he not only carry out the plans that had already been presented, but that he prepare the way for the occupation of Teheran. Once again Poklewsky protested, this time saying that the whole thing was only a scheme of their own consul-general to bring Russia into the civil war on the side of
the ex-Shah and that he had deliberately provoked the entire incident. Once again his protestations were ignored, and the orders were repeated. 35

The trend of events that led to Shuster’s dismissal was gathering momentum.

35 Moseley, Philip E., "Russian Policy in 1911-1912", The Journal of Modern History, XII, no. 1, March 1940, 70. See also G. Barclay to E. Grey, Nov. 2, 1911, Parl. Papers, Persia No. 4, op. cit., no. 76.
V

SHUSTER'S DISMISSAL

After three times protesting against presentation of demands to Persia, Poklewsy finally realized the Neratoff was determined to remain adamant, and at last on November 2, did as he was required. The demands, which were presented orally at first, specified that Persia should make formal apology for the conduct of the Treasury gendarmes toward Russian consular officials in the Shoa incident, and that they would immediately replace the gendarmes on the Shoa estate by Cossacks. The Persian government regarded these demands as totally uncalled for, and was not willing immediately to accept them for they seemed a violation of her sovereignty and over-enthusiastic interference in her internal affairs. Consequently, Poklewsy was ordered on the eighth to repeat the demands in writing, and to inform this headstrong government that unless a satisfactory answer were given this time, relations would be broken off within two days and the Russian government "would take the measures which they thought necessary". The measures they thought necessary had already been decided upon. A Russian division was to be

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2Neratoff to Benckendorff, Nov. 3, 1911, Siebert, op.cit., no. 135.
3Mr. O'Beirne to E. Grey, Nov. 10, 1911, Parl. Papers, Persia No. 4, op.cit., no. 10.
ordered to advance on Kasvin, and there to await orders as to whether or not to proceed to Teheran should the Russian Minister regard it as necessary to forcibly expel the Persian gendarmerie from the Shoar's estate. As was usual when Russia decided to take some step toward intervention, this measure was said to be "only temporary." 4

Neratoff had by this time become so thoroughly incensed with Shuster's activities that he did not hesitate to say that responsibility for the increasingly unfriendly attitude the Persian government was assuming toward Russia fell mainly upon the financial adviser "who from the moment of his arrival in Persia disregarded Russian interests." 5 The Shoar-es-Saltaneh incident was not all that had arisen within a short time to irritate Neratoff. On November 2, Shuster had appointed Mr. Lecoffre, a British subject and a man with strong sympathies for the Nationalist party, as treasury agent to inspect the finances in Tabreez. 6 Russia had immediately protested this as a violation of the Anglo-Russian Entente of 1907, which recognized her "special interests" in the north where Tabreez was located. Probably remembering the furor over the Stoke's incident and becoming progressively more worried about the strained relations between Russia and Persia, Edward Grey had tried to stop this appointment. Barclay had been instructed to advise Shuster to stop provoking the Russian

4 Neratoff to Benckendorff, Nov. 9, Siebert, op. cit., no. 132.  
5 Ibid.  
6 G. Barclay to H. Grey, Nov. 2, 1911, Parl. Papers, Persia No. 4, op. cit., no. 77.
Legation and to "do all in his power to conciliate (it)." He wanted it understood that the Russians would not stand for administrative posts in their sphere of influence being filled by British subjects, and that they were gaining the impression that under cover of Shuster's administration, England was trying to displace Russian influence in the north in violation of the Convention. Russia was given the assurance that England would stand by her in protesting Lecoffre's appointment. All of this made very little impression on Shuster. He informed Britain that he was quite anxious to conciliate the Russian Legation, but that he could not conscientiously do so at the expense of nullifying progress in Persian reforms; reforms which Russia had consistently endeavored to obstruct. Lecoffre, just as Stokes, had been appointed because he was fitted for the position, and there was not much material available. Persia had never recognized "spheres of influence", and there was no reason why he, in her employ, should do so either. The appointment would stand.

Shuster's own temper did not remain exactly calm during the course of these episodes. At every step he took, it seemed to him his way had been blocked, and his patience had been strained almost to the breaking point. Russia had refused to withdraw her opposition to Major Stokes' appointment; she

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7E. Grey to G. Barclay, Nov. 6, 1911, Ibid., no. 82.
8Mr. O'Beirne to E. Grey, Nov. 7, 1911, Ibid., no. 87.
9G. Barclay to E. Grey, Nov. 8, 1911, Parli. Papers, Persia No. 4, op. cit., no. 89.
protested the lecoffre appointment and made dire threats about the steps she would have to take if it went through; she had created a serious incident over the Shoa-es-Saltaneh affair; she had taken steps which defeated all chance of Persia's securing on satisfactory terms a loan Shuster had been informally negotiating with Seligman Bros., a banking house in London. It seemed to him that Russia had taken every advantage of the disturbed European situation and the obvious weakness of the British Foreign Office in all its relations with Russia concerning Persian affairs. His hope of accomplishing any constructive work on behalf of the Persian financial system seemed totally nullified. Enough was enough! Partly to defend himself probably, partly in the hope that the British public might be aroused to insist upon Persia's being given the independence and sovereignty its own government and Russia's had bound themselves to respect by the Convention of 1907, Shuster prepared a statement of the facts as he saw them and mailed it as an open letter to the London Times, which was recognized as the semi-official organ of the British Foreign Office. The letter, more truthful than diplomatic, was printed in the Times in two sections on November 10 and 11. Shortly later, the letter was printed in Persian in the form of a pamphlet and widely circulated in Persia. Though it was shown that he had not, Shuster was accused of having promoted this publication.10 Neratoff declared that it

10G. Barclay to E. Grey, Dec. 2, 1911, Parl. Papers, Persia No. 4, op.cit., no. 207.
constituted a "violent attack" on the Russian government, and that "such an act on the part of a foreigner in Persian service—an action plainly directed against (Russia)" created such a situation that they were obliged to make new demands.¹¹ How easily Russia found excuses for new demands! Sir Edward Grey said that this letter made the situation "impossible".¹² It would seem that it was the Russian interpretation of the Convention of 1907 which made Mr. Shuster's whole plan to restore Persia impossible. More tactful behavior on his part might have delayed, but could hardly have influenced the outcome. By the time the written ultimatum of the eighth had reached the Persian Cabinet, they had become thoroughly frightened by the extensive preparations which Russia was plainly making for the occupation of northern Persia. Thoroughly frightened also was the British Foreign Office which was trying desperately on the one hand to hold Russia back, and on the other to persuade Persia to accept their demands. Grey was well aware that he was going to have an awkward time explaining things to Parliament if he were not able to stay the advance of Russian troops, for public opinion in England had begun to regard Russia's action as a violation of the Convention of 1907. He was also worried about the effect of forcible occupation of Teheran on Mohammedan feeling in India; undoubtedly if supported by Britain such occupation would have a

¹¹ Keratoff to Benckendorff, Siebert, op. cit., no. 143.
¹² Parliamentary Debates, 1911, 5th Series, ccxii, 158.
prejudicial effect, and that right at the moment when the King was about to make a tour there.13

During this period there occurred the usual Cabinet "crisis" in Persia, but finally one was stabilized long enough to make a decision on this matter. Partly as a result of pressure from England, partly because there seemed nothing else to do, this Cabinet resolved to yield to the Russian demands. Promptly Shuster was ordered to remove his gendarmes from the troublesome Shoa-es-Saltaneh estate and deliver it to Russian representatives. This accomplished, the next step was to make the formal apology that constituted the other demand. In full dress uniform, the Persian Minister of Foreign Affairs drove to the Russian Legation and extended the coveted apology.14

Having cast aside their pride to accept the terms of this ultimatum they considered so unfair, the Persian Ministers thought now the affair would be closed. Had not England promised them that if they complied with Russian demands, the troops which were already threading their way across their borders would be withdrawn?15 But the affair was not to be ended so easily. Russia had probably not really wanted Persia's submission to this first ultimatum; rather, she probably wanted some pretext for continuing to occupy northern Persia

14 Shuster, op. cit., 165.
15 E. Grey to G. Barclay, Nov. 20, 1911, Parl. Papers, Persia No. 4, op. cit., no. 145.
with troops. At any rate, when Persia made her submission, she was informed that her agreement to the demands of the first ultimatum was accepted, but that in the meantime other demands had been prepared! The machinery of was already in action, and it seemed evident that Russia intended to continue the march of Cossacks across the Persian border; a move toward the Persian Gulf for the purpose of establishing a naval base for Russia there was not outside the realm of Russian imagination. Disorganized Persia was all but helpless, and the tension of the Moroccan crises was not so far in the past that England could afford to make any really serious protest; maintenance of the Anglo-Russian Entente meant too much to her.

Neratoff's principle excuse for further demands was based on his hatred of Shuster. It was during the period between presentation of the first ultimatum and final acceptance of it that Shuster's letter had appeared in print in Persian. When this letter appeared, Neratoff had declared that this situation obliged Russia to make "new demands", and that until they were complied with the troops could not be recalled.\textsuperscript{16} Neratoff felt that it would be necessary "...to insist on the removal of this foreigner and his creatures", though he hoped this would not necessitate Russia's separating herself from England.\textsuperscript{17} Grey was panic-stricken. His standing with Parlia-

\textsuperscript{16}V. supra, 73.
\textsuperscript{17}Neratoff to Benckendorff, c. Nov. 20, Siebert, \textit{op.cit.}, no. 143.
ment regarding the Persian policy was extremely shaky; he promised to support Russia in a demand for Shuster's dismissal, but begged that he be granted time to try to accomplish it by means other than the sending of Russian troops to Teheran.¹⁸ Neratoff was not unaware of the position Grey was in. Benckendorff had told him that a ministerial crisis was at hand and that it might entail Grey's resignation,¹⁹ but Neratoff was not willing to compromise at this point. Nor was Grey willing to assert himself strongly. Though he had to fear trouble in Parliament, his policy of the past practically compelled him to make concessions to a Neratoff who was determined that nothing should stand in his way. In a private note to Benckendorff, Neratoff revealed his clear intention to double cross the British if their support were withheld: "For your personal information we have by no means the intention of rendering the demands we shall lay before the Persians dependent on the approval of the British Minister."²⁰

At noon on November 29, the Persian government was presented with the second ultimatum which was to be accepted within forty-eight hours. Its terms proposed:

1. The dismissal of Mr. Shuster and Mr. Lecoffre; the status of the other persons invited into service by Mr. Shuster was to be governed in accordance with the second proposal.

¹⁹Benckendorff to Neratoff, Nov. 23, 1911, Ibid., no. 145; Grey, Sir Edward, Twenty-five Years, I, 184.
²⁰Neratoff to Benckendorff, c. Nov. 23, 1911, Siebert, op.cit., no. 147.
2. An undertaking by the Persian Government not to engage in the service of Persia foreign subjects without first obtaining the consent of the Russian and British Legations.

3. The payment by the Persian Government of an indemnity to defray the expenses of the troops already dispatched to Persia.

If no satisfactory reply were received within the specified forty-eight hours, the troops stationed at Resht were to advance toward Teheran. Clearly the acceptance of these demands by Persia would be little short of cession of her sovereignty to Russia and Great Britain. Persia had scarcely expected this. Much as she disliked the Anglo-Russian Convention, even it should have prevented anything so menacing to her national existence and liberty as was found in this ultimatum.

Under the strain of the crisis, the Persian administration split into two factions. The Cabinet, possibly tired of playing a losing game, decided to submit and accept this second ultimatum though the oppression inherent in it was very clear. Not so the Medjlis. The answer was to be given at noon December 1. At eleven o'clock, the Cabinet marched into the Medjlis to declare its decision and secure the legislative approval that its members thought would surely be forthcoming. When the proposal was read, a tense silence fell upon the gathering. Finally it was broken by an old priest of Islam: "It may be the will of Allah that our liberty and our sovereignty shall be taken from us by force, but let us not sign them away with our own hands!" Others followed, and when the

21G. Barclay to E. Grey, Nov. 29, 1911, Parl. Papers, Persia No. 4, op.cit., no. 182.
roll was finished the proposal had been rejected. 22

Dark days fell upon Persia. Thousands of Russian troops with Cossacks and artillery were pouring into Enzeli, Resht, and Kasvin. In the divided government at Teheran, conference followed upon conference, the Cabinet still trying to get the Medjlis to change its vote and accept the demands. Riots between Imperialists and Nationalists increased in numbers. Boycotts of Russian and British goods caused lack of supplies; enforcement of the boycotts caused riot after riot. Confusion was general.

Russia did not immediately send troops to Teheran. She still had hopes that the Cabinet, of which some of the members were under her control, would succeed in its effort to change the vote of the Medjlis. On December 15, however, she announced that unless these terms of the ultimatum were accepted within six days, the troops at Kasvin would be ordered to the capital. Still the Medjlis would not submit. There were among the available forces in Persia sufficient numbers to resist the immediate advance of the Russian troops toward Teheran, but their leaders decided against the move for they realized that their poor numbers could accomplish nothing if Russia determined to send sufficient forces in that direction to crush them.

When neither threats nor bribes availed against the Medjlis, Russia determined to destroy it by force. Consequently

22Shuster, op.cit., 181-182.
on the afternoon of December 24, the Cabinet, which had by then been completely won over by Russia, executed a coup d'etat against this adamant group and expelled them from the Parliament grounds. Immediately Teheran fell under a de facto government and military control; the last vestige of constitutional rule had vanished.

It was from the Medjlis that Shuster had received his power, and when that body was destroyed, his employer and his status were gone. He did not choose to recognize the purely de facto Cabinet, nor would they have him. With the destruction of the Medjlis came the destruction of any hope he had ever had for doing any effective work in reorganization of Persian finances, and he regarded his task as at an end. On January 7, he formally resigned his position. Shuster's work in Persia had come to a dismal conclusion.

During the time that these events kept Persia in turmoil, England and Russia were not sailing on smooth seas. Two requests of Sir Edward Grey run like a refrain through his correspondence with Russia: that the Russians withdraw their troops from Persia, and that they tell the ex-Shah that they would never recognize him. The first request was never granted up to the Russian collapse of 1917-1918. Indeed Tabreez was cruelly punished in January, 1912, and most of the Nationalist leaders there were done away with, either by the Russians or the reactionary Persian governor whom the Russians later set up. Ardebil and Resht, where troops had been stationed early

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in the struggle suffered only slightly less heavily. There is reason to suspect that the Russian provoked the disturbances which they quelled in blood.  

The disturbances had seriously threatened the continued existence of the Triple Entente. When it became clear that Russia's demands were continually being enlarged and the formulation of the terms of the second ultimatum became a reality, alarm grew progressively greater in England, and even Edward Grey, who had constantly risen to the support of his ally became greatly worried for the future of Anglo-Russian cooperation in Persia and of the Entente. Bencken dorff realized the gravity of the situation, but it was in vain that he repeatedly warned his government that the results of following their policy would be seriously to strain British-Russian relations and that if an end came to their common action in Persia it would inevitably mean the end of the Entente. But Neratoff, who was really only Acting Foreign Minister during Sazonoff's absence in Paris, was not to be deterred. He refused to take these fears seriously. Increasingly alarmed, Benckendorff finally explained the situation to Sazonoff and Iswolsky, who was Russian Ambassador to France. On the same day that the conversation took place, Iswolsky wired to Neratoff to the effect that he had better adopt a more cautious policy than he had hitherto displayed. An

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25Moseley, P. op. cit., 79.
excerpt from his message reads:

"I must not conceal from you that the affair fills me with grave anxiety as to the future of our cooperation with Great Britain and that this makes me very concerned and disturbed. The events of the past summer have shown to the full the value of the Triple Entente as an important factor in the maintenance of peace and equilibrium in Europe. For there can now be no doubt after Sir Edward Grey's speech and Bethmann Hollweg's weak reply that Germany only drew back from her intention of gaining a footing in Morocco because it meant coming conflict with France, Great Britain and ourselves....I warn you not to lose sight of the incalculable consequences which would follow on a break with Great Britain in Persian affairs. I think Great Britain will go a long way with us (certainly this had already been shown) but is dangerous to stretch the bow too tight...such measures (as directing the troops to enter Teheran without British agreement) if taken by us off our own bat would end the British-Russian Entente, and this, I repeat once more, would have incalculable results throughout the whole field of European politics...."

He wrote also that the French were gravely concerned about a possibility of the sort. On the next day, Sazonoff likewise directed a message to Neratoff calling him to account in his Persian policy and directing him "not to take any irrevocable steps until he himself could return to St. Petersburg." When he did return, he regard for the Entente led him into milder sort of policy than Neratoff had directed. Among other things, he advised the former Shah to leave the country and refused to accept his offer that Russia might have a protectorate over all Persia if she would help him to regain his throne. He may have granted England's wishes in other

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26 Iswolsky to Neratoff, Dec. 7, 1911, Der Diplomatische Schriftwechsel Iswolsakis, I, no. 168.
27 Moseley, P. op.cit., 79.
28 See Buchanan, George, My Mission to Russia, 100-101.
29 Moseley, P., op.cit., 80. Mohammed Ali was again pensioned off at the expense of Persia.

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respects. At any rate, no breach came between Russia and Great Britain. Russia must therefore have taken some caution not to "stretch the bow too tight" though throughout this entire affair she had stretched it so tightly that only a very strong bow could have kept from breaking.

The British Foreign Office had not passed over this crisis without censure. After Shuster's dismissal, their own Minister at Teheran wrote "it is enough... to make all the Angels weep to see all Shuster's machinery fall into incapable hands. (Mornard who succeeded him) is nothing but a pygmy compared to Shuster." 30 That the situation was "enough to make all the Angels weep" seemed also to be the opinion of many writers of editorials in contemporary British periodicals. "One wrote:"...the reality was that young Mr. Shuster from the moment of his arrival in Persia was a Parcival in a garden inhabited by all the Kundry of diplomacy. He had imagined that his business was to go straight ahead and raise as much money as he could for the exchequer of Persia, and put the process of going straight ahead (was) made impossible by an entire mass of such non-financial considerations as spheres of influence, political balances, Russian rights, British rights, diplomatic propriety, banking conventions, Russian susceptibility, railway agreements, consular treaties and what not--- all summing themselves up in the simple fact that Russia and Great Britain had combined to destroy independent Persia and did not desire a prosperous and progressive Persia because that would postpone the pleasant consummation." 31

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30 Nicolson, Harold, op.cit., 259.
31 The Nation, XCIII, no. 2423, 540.
Another wrote that the two countries had resolved to divide the control of Persia between them, and that because of this "the able and hopeful effort of Mr. Shuster to aid the young republic to independent strength did not please them, so Russia took a miserable pretext to drive him out, and Great Britain assented... The world has seen a disgraceful act done."32

Ideally, the indignation expressed in these and similar editorials was fully justified. But diplomacy is seldom conducted on an idealistic plane. The cold reality of the situation was probably more nearly sensed by the writer who said:"...only when her (Great Britain's) naval strength is sufficient so that she is indifferent to any threat from Germany will England be safe in running the risk of sacrificing the friendship of Russia in the cause of justice to a weaker people."33

The truth was that the directors of English foreign policy attached so much importance to Russia's friendship in Europe that they were willing to let her have virtually a free hand in Persia; they might remonstrate if the weaker nation were deprived of the independence and integrity England herself had jointly guaranteed with Russia, but in view of the trend of European politics they could not take positive repressive measures. What had happened was inevitable. Russia had never wanted a Persia that was independent, economically or otherwise; England, even if she had wished it so, felt that at this moment in her history she could not risk embarking on a European was to uphold the vision of the Persians.

32Independent, LXXI, 1462-1463.
33Outlook, C, January 6, 1912, 5.
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