

CHAPTER 4 - A NEW IRAN

a. COUP d'ETAT. Later events in Iran proved that the independence of Iran under an energetic ruler not only cleared the path to her recovery and progress but also furnished a better safeguard for the legitimate interests of Britain and Russia than rivalry and distrust would have done.

The preceding chapters showed that Iran, being used as a tool by Britain and Russia, offered few opportunities for men whose aims transcended social ambition and office holding for the purpose of self-enrichment. The influential ministerial posts had been made objects of barter by the great powers - Britain, Russia and, during the First World War, Germany; a complete breakdown seemed imminent. The Kajar dynasty, which had been founded by one of Iran's most bloodthirsty rulers, continued ingloriously with the impotent Admad-Shah, equally deficient in bodily health and in moral strength. These brief but deplorable conditions reached a climax with the Anglo-Iranian Agreement of 1919. The British government, in view of the disturbed situation in Russia, felt that the moment had come to liquidate the Iran problem. The Anglo-Russian treaty of 1907, which had eliminated the antagonism between Russia and Britain at the expense of Iran, by dividing the latter country into spheres of influence, had been nullified by the downfall of the Tsarist regime. The Asiatic policy of the Bolshevik government was still uncertain. If it chose to be aggressive and imperialistic it was imperative for Britain to have all lines of defense strengthened and a foothold in Iran secured. From such considerations sprang the decision to end the anarchic conditions - by no means the fault of Iran herself.

This decision took shape in the fateful Anglo-Iranian Agreement of 1919. Much has been said - and with good reason - stigmatizing this diplomatic instrument as an example of ruthless imperialism. Indeed, its stipulations involved complete tutelage of Iran and the loss of her independence and sovereignty, which had until that time been at least formally recognized.

Undeniable as these facts are, impartiality calls for an additional observation. British policy was based on true insight - Iran could not go on as she was, and something radical had to be done. This fact was all the more impressive since Iran would be unable to defend herself against the impact of Bolshevism, which had openly begun a struggle for world revolution. It was, of course, out of the question for the British to simply depart under these conditions. Such a step would have meant an invitation to the Russians to march in. These considerations put some justification to the egotistical role of saviors that the British had to resort to bribery on a large scale. Three cabinet members, one of them the prime minister, were paid handsomely. Also, to become valid, the agreement had to be ratified by the parliament. If the prime minister, Vusug ed Dawleh, hesitated to bring the matter before the Majlis, the chief reason was probably that he felt that the parliament still had enough national pride and a strong enough instinct of self-preservation to refuse ratification. The Shah himself seemed to be by no means hostile to the treaty which would have freed him once and for all from the burdens of government. As we have mentioned, this agreement brought forth at once widespread opposition in Irsan. The Assembly - Majlis refused to convene to ratify it. The British, playing for high stakes, had maneuvered themselves into a difficult position, particularly because the Russians,

inspired by true political wisdom and acting with undeniable diplomatic astuteness, seized the opportunity and turned the situation to their advantage. Earlier, challenging the British policy in Iran, they had occupied Gilan and Mazanderan, the two rich Caspian provinces, and threatened to march on Teheran. Now, well aware of their chance, the Soviet government reversed its policy and renounced with one gesture all the privileges they had held so far. The Iranian debt was canceled, the Imperial Bank of Russia was turned over to the Iranian government, and the Julfa railway was ceded to Iran. At the same time the Russians evacuated the occupied provinces. While these magnanimous acts may have been at least partly the result of a difficult domestic and international situation, in the eyes of the Iranian people they contrasted sharply with British imperialism. Ironically the new Russo-Iranian treaty was signed on the very day (Feb 20, 1921), when the Anglo-Iranian agreement met its final doom in the Majlis.

The British, however, were not slow to extricate themselves from the impasse at which they had arrived. Since it had proved impossible to monopolize Iran and to turn her into a satellite, they decided that their interests might be best safeguarded by building up Iran as an independent power under a capable ruler.

We must ever be reminded of Goethe's words: "How closely linked are chance and merit." More than in any other field, the necessity of interchange between personal merit and chance appears on the political scene. In any great political reform or innovation it can be demonstrated that the time was ripe for the man and that he was born, so to speak, out of the needs of the situation. However, fate had decreed that from

the ranks of the Iranian themselves was to come to the man who would initiate a new epoch in the history of Iran.

In February 1921, conditions were favorable for a bloodless coup d'etat, which was engineered by **two men**. One of them Seyyid Zia ed-Din (Taba-Tabai), was a young politician in his early thirties, imbued with liberal reformist ideas. As editor of the Teheran newspaper Ra'ad, he was in frequent contact with the British Legation. This led some to suspect that he had sold himself to the British; such an observed of Iranian affairs as M. Lesueur called him the "dammed soul of the British Legation."¹ Others, like James Balfour, believed that Zia ed-Din was an honest reformer as distinguished from pro-British reactionaries. Balfour called Zia's party a "party of legitimate reform, which had looked towards England for at least moral support in their struggle for freedom."²

Zia ed-Din was the political leader of the coup; the military leadership was in the hands of Reza Khan. The latter was the commander of the Iranian Cossack Division. The Cossack Division was at that time the only efficient unit of the Iranian army. It had been created in 1878 as a brigade and followed the Russian pattern of organization. Russian officers traditionally held key positions in this unit and, during the period of Russian political ascendancy, the brigade served as an additional safeguard to Russian interests in Iran. After the Soviet revolution this formation continued to be officered by Russian Whites under Colonel Starosselsky, who rendered meritorious service to Iran, taking Resht from

¹Lesueur, Les Anglais en Perse, Paris 1923

²Op cit, P. 255.

the Red army in 1920. Reza Khan had been an officer at that time under Starosselsky's command. Ambitious, he was determined to exploit Russia's temporary weakness after the revolution in order to get rid of the Russian officers in the division. His views coincided with those of the British, who, following their treaty with Iran in 1919, hoped for control of the Iranian army. Aided by the British commander in north-western Iran, and formally confirmed by the Iranian government under Premier Sepahdar, Reza Khan, took advantage of the momentary setback suffered by the division at Enzeli in August 1920 and engineered the dismissal of all Russian officers. Their positions were filled by British officers commanded by Colonel Smyth, who remained with the division until 1921. Reza Khan himself assumed command of the division. It was at that right moment that Sayyed Zia ed-Din assumed power and immediately appealed to the Cossack Division on the way to Kazvin for support. Reza Khan did not hesitate to answer the call. He marched on Teheran with a few thousand men and arrested the government. Upon the successful completion of the coup, Reza Khan was appointed Commander-in-Chief of the Army. In this capacity he exerted powerful influence upon public affairs. Zia ed-Din assumed the premiership and in his zeal for radical reforms adopted harsh measures against many wealthy conservatives.

The first official act of Syiid Zia's government was the conclusion of the Soviet-Iranian treaty on February 20, 1921, a treaty that put relations between the two countries on a normal footing. His treaty had remained the basis of Soviet-Iranian relations to the present time in spite of Iranian protests after World War II that the membership in the United Nations made the treaty unnecessary. By the treaty Soviet Russia

formally renounced all of the privileges of the Tsarist government in Iran, including the capitulations. It was an impressive gesture which pleased the Iranian and raised Russian prestige in Iran. Fishing on the south Caspian shores was to be controlled by a joint company which in time came to be dominated by the Russians. Furthermore, Article 6 of the treaty gave the Soviets the right to send forces into Iran if the country should ever become a base for anti-Soviet activity. This clause provided the legal basis for the invasion of Iran by Soviet troops in 1941 and presumably still could be invoked if the Russians saw fit. Since Articles 5 and 6 were and are so important, they are reproduced below. Article 5 stated that the two governments undertake:

(1) To prohibit the formation or presence within their respective territories of any organization or group of person, irrespective of the name by which they are known, whose object is to engage in acts of hostility against Persia or Russia, or against the Allies of Russia.

They will likewise prohibit the formation of armed troops within their respective territories with the aforementioned object.

(2) Not to allow a third Party or organization, whatever it be called, which is hostile to the other Contracting Party, to import or to convey in transit across their countries material which can be used against the other Party.

(3) To prevent by all means in their power the presence within their territories or within the territories of their Allies of all armies or forces of a third Party in cases in

which the presence of such forces would be regarded as a menace to the frontiers, interests or safety of the other Contracting Party. Article 6 provides:

If a third Party should attempt to carry out a policy of usurpation by means of armed intervention in Persia, or if such Power should desire to use Persian territory as a base of operations against Russia, or if a Foreign Power should threaten the frontiers of Federal Russia or those of its Allies, and if the Persian Government should not be able to put a stop to such menace after having been once called upon to do so by Russia, Russia shall have the right to advance her troops into the Persian interior for the purpose of carrying out the military operations necessary for its defense. Russia undertakes, however, to withdraw her troops from Persian territory as soon as the danger has been removed.

The Soviet-Iranian treaty of 1921, was termed by some writers "a remarkable document," and by others "a noble charter of Iranian liberties." The London Times pointed out that British companies in Iran after the conclusion of the Soviet Iranian treaty were in a difficult position.³

However, the making of the treaty was not Syyid Zia's achievement, because negotiations between the two countries began in 1920 under Moshir ed-Dowleh's premiership and were conducted in Moscow. It was,

³ London Times, March 23, 1920

however, within the power of Zia ed-Din to cancel or suspend the negotiations. His failure to use this power testifies to his readiness to re-establish normal relations with the northern neighbor. The next official act of his government was to repudiate the Anglo-Iranian Agreement of 1919 as not binding upon Iran because of the failure of the Majlis to ratify it. As Zia ed-Din put it, the agreement "has disappeared". Again it may be said that the work of the nationalist-minded cabinet of Moshir ed-Dowleh; accordingly Zia was only reaping the fruit of the nationalist victory over British ambitions. The fact, however, that it was he who officially sealed the fate of the unpopular agreement by declaring the whole matter closed so far as Iran was concerned.

These two steps looked outwardly as if Zia were in favor of closer relations with Russia than with Britain. This was not the case, however, Zia ed-Din was not in favor of Communism, and his lengthy stay in the Caucasus during the revolutionary developments there did not make him an enthusiast of the Soviet regime. On the contrary there are good reasons to believe that Balfour's opinion about his pro-British orientation was right, at least the time to which Balfour refers, Zia ed-Din was the author of the refusal to permit the Soviet envoy Rothstein to enter the country before the Bolshevik troops were withdrawn from Iranian territory. He was so the idea to appeal to the British not to evacuate their troops.⁴

⁴ Balfour

Anxious to carry out reforms speedily, and if need forcibly, Zia ed-Din soon made himself unpopular in Teheran also. First of all, the arrest of several men who could be considered pillars of the ancien regime produced an undying hatred of him on the part of several influential families in Iran. His radical-sounding program of reforms, which he hastened to announce, met with opposition from many entrenched interests. The most important cause of his unpopularity was, however, his failure to cultivate the friendship of Reza Khan, to whose military aid he owed his advent to power. Without the support of the army Zia could not count on a lengthy period of office. Differences that arose between him and Reza Khan led eventually to his overthrow. On May 24, 1921, after barely three months' rule, Zia ed-Din had to escape from the country. He first reached Baghdad, and later settled in Haifa, Palestine.

Reza Khan remained sole master of the situation. He did not reach immediately for supreme power; he was satisfied with having control of the army in his new capacity of Minister of War. He focused all his energies at that time on the reorganization of the army. After the First World War, Iran found her army in a sad state. The gendarmerie was Swedish-officered and during the war found itself under preponderant German influence. In the South, to counteract German diversionary activities, the British had created the South Persian Rifles, a formation eventually recognized by the Iranian government, yet completely dependent on the British financially and organizationally. There was a small household troop about the Shah, and also several tribal levies, officered by their own chiefs, of uncertain composition and strength. The Cossack Brigade, and later Division, was Russian-officered till the late fall of

1920. At the time of the coup in February 1921, this brigade was the only well-organized Iranian formation within easy reach of Teheran, and became the core of Reza Khan's national army. The South Persian-Rifles was dishanded without incident and its members incorporated into the army. An attempt to absorb the gendarmerie met with resistance, particularly in Tabriz. The chief of the gendarmerie in Tabriz was Abol-Qasim Lehti, known as a poet of revolutionary themes. (Later he became a member of the Soviet Comintern and continued to carry on anti-Shah propaganda from the safety of Moscow.)

It was necessary to besiege Tabriz. The battle lasted nearly a week; a great deal of ammunition was expended, but few lives. The pacification of Tabriz was mainly Reza Khan's work. All foreign advisors having been eliminated from the heterogeneous military formations, Reza Khan managed to unify all these forces into a closely-knit, centrally controlled army. Reza Khan acted, however, slowly and cautiously. To establish himself as the supreme ruler of Iran, he would have to overcome much opposition, as well as to decide the fate of the monarch, now personified by the last representative of The Qajar dynasty, weak and pleasure-seeking Ahmad-Shah. Reza's slow work in consolidating his influence was successful. In the eyes of the Shah and Iranian cabinets, he was indispensable because of the necessity of curbing revolts of provincial tribes and of separatist border movements. By 1923 Reza became Prime Minister. His first task was to restore the authority of the central government. The fact that this authority had practically ceased does not mean that complete anarchy prevailed. In a country so vast, and so poorly provided with communications, considerable authority

had of necessity always been vested in the provincial governors, and the provincial governments had continued to function with varying effectiveness throughout the British and Russian occupation. The tribes, however, had grown increasingly restive and were now defiant, making the principal roads unsafe. Khuzistan under Sheik Khazal, Kurdistan under Ismail Agha (Simitko), Gilan under Kuchik-Khan, as well as several smaller areas, were all in revolt. All had to be subdued by military expeditions. By 1924, the military forces of the country had been consolidated into five principle armies and one independent brigade. In addition, a separate force of highway patrol was created to maintain security on the roads. The immediate task of this new army was the reduction of the recalcitrant tribes. In a series of successful expeditions - and he often had recourse to ruthless means - Reza defeated the pro-Communist rebel Kuchik Khan. After the signing of the Russian-Iranian treaty, the Russians withdrew their support from him, put an end to provincial rebellions in Khorasan and Azarhaigan, and subdued unruly nomad tribes including the powerful Kurdish tribes of the north. He also ended the semiautonomous status of Sheikh-Khazal, who ruled the Arab people of Khuzistan, and had wielded control over the oil-rich area of the southwest. The Lurs and Kashgais were also gradually suppressed and disarmed, partly by force, partly by statecraft. However, Reza Khan as a prime minister spent two years consolidating his position and bringing the remote provinces under his control. Thus given a respite from the pressures of rival imperialisms, Iran won as well two prime essentials of strong and good government. At the same time and for much the same reason as in 1911, the Iranian government asked the government of the United States for another financial

mission. As administrator general of the Finances, Dr. A.C. Millspaugh had a contract approved by the Parliament providing for substantial powers, and again the State Department made it clear that members of the Mission had no official connection with the United States government, which assumed no responsibility for what he might do or leave undone.

The mission proceeded to Iran in the fall of 1922. The Soviets did not welcome the mission; they sniped at the mission in the Moscow press but gave them no serious trouble. The mission enjoyed the support of a group of intelligent deputies of the Parliament, men who had been identified with the revolution and with Shuster's ill-fated enterprise, and also the firm support of Reza Khan. In such case the results were soon evident that the main preparatory job had been done, and by 1925 the country was fairly quiet. All of the preliminary essentials of progress -- political, economic, and social - had appeared. Popular confidence in the government, indispensable to national unity, had been gradually created in the minds of the people. Throughout Iran there was revulsion against the monarchy: the people were ready, psychologically if not politically, for the establishment of a republic. World War I had ended as a great triumph of political democracy, as formulated in Wilson's Fourteen Points, and the republican form of government was generally regarded as its ideal expression. The great monarchies of Europe had fallen - the Romanoff, the Hohenzollern, the Hapsburg - and in Turkey in 1922 the Sultanate was abolished. The Shah of Iran, Ahmed Shah, sensing the handwriting on the wall, and having no mind for government, was spending his time on the Riviera. He returned from the ladies of Biarritz and Deauville to take on quick peek at his transformed country.

He looked with approval, and apparently was not interested enough in Reza's growing strength to combat it. He did not attempt to defend his throne. He left the country and went back to Paris to give more rubies to chorus girls, while Reza Khan was still prime minister, in order to clear the way for his election. The rivalries and intrigues, the bloodshed and assassination, which so often marked the succession to the throne in Iran, were averted at the accession of the last three kings through the intervention of foreign powers. Reza Khan's dominating personality was sufficient to banish competition. The general feeling was that domestic conditions and the international situation needed the firm hand of a true patriot. It was generally understood, therefore, when Reza Khan became prime minister, that the anticipated republic would be proclaimed during the next few years. At this juncture, however, support for the monarchy came from an unexpected source. The Moslem clergy, who had traditionally regarded the throne with suspicion if not with contempt, and who had been instrumental in obtaining the Constitution, suddenly took fright at democratic institutions, and announced their opposition to a republic. What produced this change of heart was the action of the Turkish government, on 3 March 1924, abolishing the caliphate, the spiritual headship of Islam, as it had two years before abolished the Sultanate. The effect of this was profound throughout the Mohammedan World, and although the Moslems of Iran belonged to the Shia sect and had never recognized the Caliphate, the clergy became alarmed lest under a republic their ecclesiastical prerogatives be shorn as they were being shorn in nearby Turkey. It is at least doubtful whether Reza Khan was ever attracted to republicanism, despite the example of Mustafa Kemal in Turkey. Reza's

ambition and idea of power fitted better with a monarchy. Seeing his opportunity, he bowed to the authority and the influence of the clergy. Three days before the meeting of the Majlis that was to make the change, demonstrations took place, and in order to quiet the agitation, he publicly visited the holy shrine of Qum where he consulted the assembly of Mujtahids. On 1 April 1924 he proclaimed that the republican form of government was contrary to the Islamic faith, and forbade further discussion of the matter. So after a period of hesitation on whether or not to establish a republic, the republican form of government was dismissed as incompatible with religion and tradition. In February 1925, Reza Khan requested and obtained dictatorial powers; in October 1925, he overthrew the last Qajar sovereign and a few months later he was declared Shah of Iran. By the time of his coronation in the spring of 1926, Reza's royal dictatorship was undisputed and the Majlis was merely an appendage filled with the Shah's nominees. Harold Nicolson, who at the time was counselor of the British Legation at Teheran, states that it was "largely" to the British minister that Reza Khan owed his rise to power. As he goes on to explain, "After the collapse of Lord Curzon's Anglo-Persian treaty of 1919, it was evident that Persia was heading for complete disintegration; the only hope was that she could be renovated under strong leadership from within; Sir Percy rightly foresaw that Reza Khan was capable of such regeneration. And thus it came about that the Qajar dynasty was deposed by the Majlis."⁵ An Iranian socialist puts the matter a little differently: "Capitalists, landowners; and merchants, who were much afraid of Communism, cherished the desire for an

⁵ Nicolson.

absolute government, so that they could protect their wealth and expand business. The British Government, to protect its own interests in the East, also deemed it expedient that a powerful government should hold the reins of state in Iran, one which could suppress all revolutionary ideas and prevent their diffusion in the British colonies. Hence the policy of the British Government and the wishes of the Iranian capitalists coincided, and, in consequence, the bat fell upon Reza Shah." "My own conviction," says Dr. A.C. Millspaugh, who was at the time Administrator General of the Finances in Iran, "is that the British can neither be credited with Reza Khan's rise nor blamed for it, though they looked with approval on Reza as prime minister and as Shah. It was good diplomacy to climb on the bandwagon; and it may have suited his purpose to make them think that they had influenced his decisions." Then Reza Shah on his power grew more absolute, and a new Pahlavi dynasty was founded.

Reza Shah Pahlavi was at that time in his middle or later forties - no one knew exactly how old he was. He had been born in the district of Mazanderan, near the Caspian, and came from an old family of genuine Iranian stock. Very little was known of his youth. He was certainly poor and he could have had only the briefest schooling, because when he first became prominent he was almost illiterate. As a young man he took soldiering; he enlisted in the Cossack Brigade of the Iranian Army. In a brilliant career he rose to the commanding position. He worked his way up with no one to recommend him and no one to rely upon but himself. There is no information available, nor is the absence of biographical material accidental. As a noncommissioned officer, he had at one time been in charge of a small detachment guarding the German legation in Teheran, and in this capacity he maintained friendly relations with the more important native servants such as the Chief butler. After

the war when he once visited the legation as the Shah he was served food by some of his former friends who were still in the legation's employment. Also the testimony of a British officer is all the more valuable because of this scarcity of material, F.A.C. Forbes-Leith says.

"Early in the year 1919 while stationed in the city of Kasvin I received a call from two officers of the Persian Cossack Brigade, one was a Russian, Colonel Slivets Ku, an intimate friend of mine, and with him was one of the most distinguished and handsome Persians I have ever seen. He was introduced to me as Major Reza Khan. His manner was reticent, and I felt that he must be rather bored with our conversation, but when I offered to show him around my mechanical transport lines his whole attitude changed. The Persian major was in his element. He fired question after question at me for over an hour, but it was a pleasure to give him the information he asked, for it was obvious that he was a keen soldier. Everything he inquired about dealt with matters of import, and I was amazed to find how quickly he grasped the most difficult points." However, from the time he became a commissioned officer until he attained the supreme rulership of his country, his career is well known. From the earliest days his stature and physique marked him. The beaked nose (which was deeply scarred), the wide mustache, the breadth of shoulder - these gave him a regal presence. He was in some respects a great man and, in the sum of his qualities and achievements, an extra-ordinary phenomenon. Big, erect, rough-hewn, eagle-beaked, endowed with enormous energy, he worked without end and without fatigue, and drove others mercilessly. He was first of all a militarist and remained to the end a soldier, and an extreme nationalist. He was sincerely and deeply moved by the sorry condition of his country, conscious of his own strength, and supremely self-confident. But he was a

creature of primitive instincts, undisciplined by education or experience, surrounded by servile flatterers, advised by the timid and the selfish. So, a complete constitutional role was not to be expected of him.

b. NEW REGIME AND SOVIET RUSSIA. The change of regime in Iran in 1925 gave rise to an open controversy among Soviet Marxists. The great news to Moscow was, however, Reza's overthrow of the Qajar dynasty and his formal assumption of royal and dictatorial-powers. The time was then come to analyze Reza's actions with scientific precision, to revise, if necessary, the attitude toward his regime and Iran as whole.

As long as Iran was ruled by the weak and degenerated Qajar dynasty, she had a well defined place in Marxist thinking. This was a typical semicolonial country, passing through the epoch of feudalism in its historical development and, naturally, being subjected to the exploiting practices of Western Capitalism, itself in its final stage - that of imperialism. The coup of February 1921, that swept Zia ed-Din into power, did not, in the eyes of Soviet leaders, radically alter the picture. Zia was regarded as a tool of British policy, and his regime meant to the Soviets only a reaffirmation of British imperialist influence in Iran. Zia's denunciation of the Anglo-Iranian agreement left Soviet leaders unimpressed. His proclamations of liberal-radical reforms were branded as hypocrisy and as a cloak for more sinister British designs on Iran. The fact that Zia was aided in his coup by Reza Khan did not attract enough notice from the Soviet leaders. Not even the overthrow of Zia ed-Din by the latter was immediately considered as of deep significance. Eventually Reza's emergence as the dominant power in Iranian politics, especially when he assumed the premiership in 1923, caused the Soviets to give greater attention to the role that the former Cossack trooper might play in Iran's history.

The controversy among Soviet Marxists about the new regime in Iran was so open as to be almost unbelievable to all those who are accustomed to the official streamlining of Soviet policy since the emergence of Stalin as an undisputed ruler of Russia. The years of 1924-1927 were, we must remember, the years of interregnum in Russia: Lenin's death left the Communist party divided and uncertain of its future. The rivalry between Stalin and Trotsky was ripening to lead to a final show-down at the Fifteenth party Congress toward the end of 1927. For a few brief years the party members, if not the Russian people, enjoyed a semblance of freedom of thought and speech. Controversies among the party factious ranged from the question of the correct attitude toward collectivization to the problem of what should be the tactics in China. The debate on Iran found its place among those quarrels.

Two schools of thought actually developed with regard to the Iranian problem. One, represented by Vissanov, maintained that (a) Reza Khan gained power chiefly owing to British intervention and not as a result of changing social conditions in Iran; (b) Reza Shah and his army represented reactionary forces, economically linked to the traditional feudal strata of the society, and; (c) therefore Reza's coup did not constitute a social revolution, but was just a change from one dynasty to another. This being the case, argued Vissanov, Iran was still in the midst of her feudal epoch and needed a radical change that would bring her into the capitalist epoch and the ensuring industrialization. To achieve this change it was first necessary to carry out a radical agrarian revolution that would result in the division of great estates among the peasantry; in other words, insofar as internal tactics were concerned, chief attention was to be focused on the peasant sector. Externally, on the other hand, Marxists should not forget that Reza Shah and his regime were essentially the tools of Britain.

The theses of Vissanov met with violent opposition from the other school, represented by V.A. Gurko-Kriazhin, F. Raskolinikov, and others. This school believed that the coup of Reza Shah was manifestation of a revolutionary change in Iran's history. Owing to it, Iran passed from a semi-feudal into a semi-bourgeois phase of development. Thus the coup was in reality a bourgeois revolution. To support this thesis Raskolnikov, a onetime commander of the Caspian Red Fleet that invaded Enzeli, pointed to the composition of Reza Shah's army; this army, he asserted, was mainly composed of nationalistically minded elements of the intelligentsia and middle class of both antifeudal and anti-British tendencies. It followed therefore, that Reza's advent to power was, from the Marxist viewpoint, a step forward. Gurko-Kria-Zhin, who in his critical meditations on the coup in Persia quoted Raskolnikov as an authority, criticized Vissanov for his abandonment of the Marxist platform with regard to the Iranian army. Vissanov, stated Gurko-Kriazhin, has committed a grave mistake in calling the army a "mobile force" standing above the social classes and in denying it a special sociohistorical role. Reza Shah, asserted Gurko-Kriazhin, was allied with the so-called progressive block and carried out a number of far-reaching reforms. On the other hand, his struggle against the feudal nobility, the clergy, and the British should not be overlooked. Although the establishment by Reza Shah of the new Pahavi dynasty was a manifestation of "Bonapartism," nevertheless this did not detract from the basic fact that the coup marked the beginning of the capitalist epoch. "Summing up our remarks," wrote Gurko-Kriazhin, "we can observe the politico-economic weakening of the class of landed nobility and the simultaneous strengthening of the commercial capital, which penetrates at the present time into industry and into village economy."

Iran, according to this class has entered the epoch of capitalism with absolutist monarchy as her political form. Hence she faced new problems. "The main problem of Persia's development," turns out to be the question whether she can skip the phase of a slow ripening of capitalism and the period of absolutist monarchy . . . and pass directly to the democracy of her working classes. The thesis on the national and colonial question of the Second Congress of the Comintern foresees the possibility of such a skipping of the popular masses of the backward countries are given help by the enlightened proletariat of advanced countries. Persia, no doubt, presents a typical picture of a delayed development caused by imperialism. And it remains to diagnose how much the existing international situation favors the solution of the Persian problem by the way of such a "jump."

This controversy among Soviet orientalist experts is revealing in many ways. The impression one obtains is that the second school of thought seems to get an upper hand. Novy Vostok an officially sponsored Soviet publication, never gave Vissanov a chance to reply to his opponents, whereas the latter were given ample opportunity to express their views. Thus, according to the Soviet viewpoint, Reza Shah's regime represented a national liberation movement of anti-imperialist and semi-bourgeois character. As such, the regime had to be supported by Soviet Russia, particularly wherever it happened to clash with British interests. In practice this was more or less the attitude that the Soviet government adopted. So in such a condition the vote in favor of Reza Shah was apparently the last open act of a group working in liaison with or at least sympathetic with some of the aims professed by the Communists.

Organizationally the Communist party of Iran was not a spontaneous Iranian creation. It had its beginning in Russia after the Russian Revolution of 1918. A Bolshevik group called ADALAT (justice) was formed among the Iranian workers employed in the oil fields of Baku. At that time about 3000,000 Iranians lived and worked in the border regions of Russia, the Caucasus and Turkestan. The original Adalat group in Baku counted about six thousand members. Its influence radiated to Turkestan and Iran. Its leader was Haidar Khan Am Oglu, a veteran of the Tabriz revolt against Mohammed Ali Shah of 1908-1909. Agents sent to Iran by Haidar Khan founded local committees of the party in Tabriz and in the Caspian provinces, as well as in Teheran. In Tabriz the movement was supported chiefly by the Baku Tatars and by the Armenians. Many of them pretended to be refugees from the Bolshevik rule in the Caucasus. The invasion of Gilan by the Red forces in 1920 and the subsequent proclamation of the Soviet Republic there gave impetus to the development of the party. Haidar Khan arrived from Baku and became a member of Kuchik Khan's Soviet. On July 23, 1920, a congress of the Iranian Communists was called to Enzeli, at the time within Kuchik Khan's area. It was attended mainly by communists of Iranian nationality from Turkestan, and it did a considerable amount of work in regard to the program and the organization of the party. Sultan-Zadeh, (later, Peshevary) chief of the Near Eastern Section in the People's Commissariat for Foreign Affairs in Moscow and simultaneously representative of the Iranian Communist party in the Third International (Comintern), wrote the following about the party in Pravda July 10, 1921:

"The Communist party tries to rally around it the most advanced elements among the peasants and the workers, to organize them, to elevate them under

the inspiration of the Third Communist International, and to create simultaneously trade unions in all cities and the unions of agrarian workers in the villages."

Praising the work done by the Enzeli Congress, he said " Thanks to our efforts the communist party of Persia counts now 4,500 members." After February 1921, when the Soviet government was concluding a generous and anti-imperialistic treaty with Iran, Soltan-Zadeh, in his Book Sovremennaya Persya (Contemporary Persia), published in Moscow in 1922, he revealed that after initial success the communist movement in Iran suffered serious setbacks and that it followed closely the orders of the Comintern:

"A party that had not gone through a phase of long years of organization, a party in whose ranks no doctrinaire experts were to be found, a party that was working isolated in a region dominated by Semicolonial policy could not in a short time strengthen itself and stand on its own feet. The organizers committed numerous errors and turned to recrimination and to internal dissensions. At the beginning of 1922 energetic intervention of the Executive committee of the communist International re-established peace. In substance, the party had remained faithful to its principles."

According to Sultan-Zadeh, the party had shrunk to only 1,500 members by 1922, yet it seemed that this shrinkage was beneficial from the organizational and ideological viewpoint. In Teheran communist influence in parliament was of a less tangible character. In the Fourth Majlis, which convened in 1921, the deputies were divided into so-called Majority and Minority groups. The latter was headed by Suleiman Mirza, who professed to be a Socialist. Suleiman Mirza had originally been a member of the old pro-German Democratic Party. After the war, he and Mussavat organized the Social Democratic Party

(Ejtemayun Amiyun) in which were merged the Left Democrats and some independent Socialists. Neither of these groups had strength among the masses, but after their unification by Suleiman, the new party sought active support among the trade unions. Thus it had a link with the communist-influenced labor organizations. Suleiman's Minority defended in the Majlis the strike of teachers, which broke out in 1921, and organized mass demonstrations in the streets. Eventually this group became a front for the Communist party. Led by Suleiman Mirza and Reza Rusta it took a vigorous part in the electoral campaign to the Fifth Majlis in 1923 under the name of the National Bloc. Rusta's name was to reappear twenty years later in Iranian politics as one of the most active communists. Although the National Bloc managed to gain some support among the proletarian masses in Teheran as well as in Enzeli, Kerman, and Tabriz, it was defeated in the elections. The government as well as the British accused it of being pre-Soviet and desirous of spreading anarchy and revolution. As a result, many arrests were made among the Bloc's members and some of its more active leaders were killed. We do not know what happened at that time to Rusta, although there are indications that he sought refuge in Russia and was later arrested and jailed in Iran under the regime of Reza Shah, (as to his activities during World War II, see Chapter ~~8 and 11~~⁷). As to Suleiman Mirza, he continued as a deputy to the Majlis, and when Reza Shah overthrew the Qajar dynasty in 1925, he and his left-wing group of fifteen deputies voted in favor of reorganizing Reza as Shah of Iran. This seemingly strange behavior in favor of a man who had been instrumental in arresting their comrades two years earlier, can be explained by the fact that Reza's coup represented, after all, a bourgeois tendency opposed to the old feudal regime, and thus,

despite everything it constituted a step forward. However, although Reza Shah might have been regarded with approval by Soviet theoreticians as the representative of national liberation movement of anti-imperialist ginge, that approval did not lead him to reciprocate in his attitude toward communism. On the contrary, during his regime energetic measures were taken against the communists and even against leftist liberals, who in Reza's thinking represented subversive groups dangerous to the unity of Iran. Gradually all political parties and groups disappeared to make way for the ever-growing military dictatorship of the new Shah. The same fate befell the press, so that ultimately only four newspapers were permitted to appear in Teheran, and none of them was allowed to express views critical of the government. Under these conditions the Communist party was driven underground. In fact, to an outside observer, it was difficult to see anything on the surface of Iranian life that pertained to communism. The Soviet press and publications became very reticent about the activities of the party in Iran, no doubt because of fear lest their information might facilitate the task of the Iranian police.

Of that underground period in the party's history only a few definite facts can be ascertained. It is know that the party relied heavily upon the national minorities in Iran, especially the Armenians and to some extent the Assyrians. Its activities centered mainly in the north of Iran, presumably because of the convenient proximity to the Soviet border, but it extended also to Teheran. For a number of years in the 1920's the presidency of the party was in the hands of Sultan-Zadeh, (Syyid-Ja'afar Pischevary), who was assisted in his work by Hasanoff and Shareyi. The party held a congress with the Turkish Communist party at Urumia in 1927 and there decided

to send Hasanoff as Iranian delegate to the ninth Plenum of the Comintern, Soviet Consular and diplomatic representatives, especially in the north, aided the party. Thus the party despite all odds, continued its existence, and whenever necessary its morale was bolstered up by the expert advice of special comintern agents dispatched to Iran.

c. REFORM. Reza Shah Pahlavi's policy from the beginning was to restore the national spirit, consolidate the national unity, and strengthen the state to defend its sovereignty. Everywhere in the world, of course, nationalism was resurgent and seeking inspiration. In Turkey, Mustafa Kamal had boldly severed his nation from the past, seeking his new model in the democracies of the West. Mussolini, in Italy, revived the memory of the Caesars, and, in Germany, Hitler refurbished Valhalla and restored the Teutonic pantheon.

The army however became the object of Reza Shah's particular attention. Only a well organized, well-paid, and disciplined military force could assure him success. In 1925, the National Arms were further strengthened by the passage of a military conscription law, requiring two year's military service for all males reaching the age of 21. By the end of the decade, the army had been built up to a force of between 80,000 and 90,000 troops, besides the highway-patrol force of around 12,000. Besides this, an embryonic navy of a dozen gunboats was established on the Persian Gulf. A small air force and several arsenals and munitions factories were also created.

Two officer's training schools were established at Teheran, and military students were sent to France and Germany for further military instruction. Another measure designed to enforce the authority of the new Shah and the central government was the establishment of a secret police, modeled after the Italian and German, with informers and agents provocateurs, and secret executions.

Reza turned next toward internal reforms. These played a double role by marking at once the steps of internal progress and of external emancipation. Aware that the political dependence of the Qajar rulers often resulted directly from an empty treasury, Reza Shah decided to tackle this problem first. That was why, as early as 1922, he invited an American expert, Dr. A.C. Millspaugh, to reorganize Iran's finances. Millspaugh stayed in Iran until 1927, and through his skillful administration provided the government with a steady income. This success permitted the Shah to proceed with a technical project of major significance the construction of the great Trans-Iranian Railway, which would link Teheran with both the Caspian Sea and the Persian Gulf. Reza Shah believed, and rightly, that much would depend upon the development of communications in the country. The maintenance of effective government control over outlying regions, the security of the country and its economic prosperity would all be enhanced if roads and transportation were in good condition. The Trans-Iranian Railway was begun in 1927, to be completed in 1939. One of the world's outstanding engineering feats. The remarkable feature about it was that the whole scheme was financed entirely by the government of Iran itself from special taxes placed on tea and sugar. IN addition to this, Reza Shah ordered the construction of many important highways and promoted the establishment of air communications. For public buildings, architectural designs drawn from Persepolis and other architectures with modernistic adaptations were employed, together with purely modern styles imported from Germany, rather than the styles that had predominated since Islamic times. Archaeological excavations were encouraged, and a magnificent museum of archaeology was erected in Teheran.

Reza Shah's plans for reform were not restricted to technological advances only. He wanted to modernize the country in the social and educational fields as well. Davar, probably the ablest administrator among the Iranians, received full powers to reorganize the Ministry of Justice, to renovate the civil and criminal law, and to build jails. In 1927 he introduced the French judicial system, thus challenging the competence of the religious courts in civil matters. A year later he formally abolished the capitalation. Reza Shah wanted no sharing of authority with any independent group in Iran, and he considered the influence of backward Shi'a clergy as detrimental to the westernization of the country. But he proceeded cautiously. The Iranian Constitution expressly stated that "the official religion of Iran is Islam, and the true sect of the Jafarity. The Shah of Iran must profess and propagate this faith." It also forbade the Majlis to pass legislation contrary to the principles of Islam and provided for consultation of the theologians in the legislative process; futhermore, such consultation was to be binding. The Shah did not feel that he could openly challenge these provisions. As a result, instead of launching a frontal attack, he used various devious ways, evading and ignoring the Shi'a hierarchy rather than curbing them directly.

In fact, everything that pertained to the establishment of a modern educational system or the emancipation of woman was bound to reduce the influence of the clergy, and in those fields a good deal was done in the interwar period. Officially, compulsory primary education was decreed; and though it never worked perfectly in practice, because of the shortage of teachers and funds, impressive advances were made in spreading the network of schools. Since the beginning of the centruy Iran has possessed some

institutions of higher learning, but in 1939 a university of six faculties was established in Teheran and provided with spacious modern buildings. It had also a theological faculty. The school curriculum stressed patriotism and civic mindedness. Sports were encouraged, and a number of modern stadia were erected in the principal towns. The government made participation in Boy Scout and Girl Guide organizations compulsory for teen-agers, mainly to inlive the young generation with the spirit of nationalism.

The Shah also promoted various measures to emancipate women. Under his influence the Majlis passed legislation curbing the exaggerated divorce privileges hitherto possessed by husbands and made women eligible for public offices, though not to representative political function. In March 1935 the state was officially named Iran to replace the Hellenistic name Persia.

Hygiene also became a subject of official solicitude, and in the twenties and thirties an impressive number of modern hospitals were built. To cope with labor questions in the Nascent Iranian industry, a Factory Act was passed in 1938. The daily and periodical press was expected to propagandize these reforms and it fulfilled its task. In 1940 the first government-owned broadcasting station was inaugurated in the capital. Its programs were primarily educational.

In the economic sphere, the Shah aimed at the development and self-sufficiency of his country and his own profit. As a matter of fact, with social reform went economic development under governmental control and inspiration. Iran did not officially adopt the principle of etatisme as did Turkey, but government intervention in economic life was practiced on a large sclae. After the resignation of Dr. A.C. Millspaugh, the Shah entrusted Dr. Lindenblatt, a German economist, with the organization of the

Nation Bank of Iran in 1938. The bank was given the privilege that had been withdrawn from the British-controlled Imperial Bank of Iran. The government made an impressive effort to establish many new industries in Iran (usually with German assistance) and to promote foreign trade. In 1931, largely as a protective measure against Soviet trade tactics, the government established the so-called foreign trade monopoly which left transactions to free enterprise but subjected them to strict government controls. The Shah himself took an active part in the process of industrialization by investing his personal funds in a number of enterprises and constructions.

The Shah's efforts, for the most part, seem to have been concentrated on a program of government-owned industries. This program he co-ordinated fairly well with the development of agriculture and the mines, and it was carried out with astonishing speed. At the end of Reza Shah's regime, the government owned and was operating a tobacco factory, a glycerin and soap factory, fine sugar mills, a cottonseed oil plant, cotton, silk, and jute mills, a sulphuric acid plant, cement plants, an establishment for impregnating railroad ties, a lumber mill, an iron foundry (not completed), a gas mask factory, munitions factories, an airplane assembly plant, cotton gins, canning factories, and plants for cleaning rice and tea. Some of these were large and all were equipped with modern machinery. A government corporation supervised carpet manufacturing, handled the commercial side of the industry, and made progress in the rehabilitation of this ancient craft.

He improved cultivation on the lands that he had appropriated for himself. His Ministry of Agriculture enlarged the agricultural school, increas-

ed the usefulness of the demonstration farms, improved agricultural machinery, set up a laboratory for the making of serums, combated animal diseases and plant pests, and created two or three well-planned villages with reasonably attractive and healthful houses and with intelligent attention to the community water supply. An agricultural bank assisted in this development. Unfortunately opium cultivation expanded, with a decline in the production of wheat, the country's staple.

Industrialization, commercialization, and totalitarianism stimulated a disproportionate growth of cities. In general, one could see a tendency toward association among the people. The standard of living especially of the upper classes improved. In the capital, these of this class who prospered from the new regime built substantial brick residences of a hybrid modernistic style. Illiteracy undoubtedly decreased. The people apparently read more books and journals, in Iranian as well as in French and English.

As a ruler, Reza Shah resembled in many ways his Turkish fellow-dictator, Mustapha Kempal Ataturk, who he visited in Ankara in 1934, the only time he had ever been outside Iran. Nationalism and westernization were two main points in the programs of both men.

Reza Shah's reforms certainly stirred Iran from ethargy, and, if the Shah had been permitted to continue them for another decade, much benefit would have occurred to Iran. But his work was interrupted by the second world war. Of his two aims - emancipation from foreign influence and westernization - he succeeded in the first but did not quite accomplish the second. Of course his task was more difficult than was Kemal Ataturk's

because his was a more backward country and because his education and personality were different from Kemal's. Reza Shah had never been in Europe, and his concepts of modernization were sometimes naive.

d. IRAN'S FOREIGN POLICY. Iran's foreign policies at the time of Reza Shah can be classified under two major headings:

- (1) Those relation to the other countries of the Middle East, and
- (2) those relating to the great powers.

With regard to the Middle East, Iran sought peace and friendship with her neighbors. On April 22, 1938, with the encouragement of the Soviet Union, Iran, Turkey, and Afghanistan concluded a treaty of friendship.

In the same year King Faisal of Iraq paid a state visit to Iran, and in 1934 Turkish-Iranian friendship was confirmed by Reza Shah's visit to Ankara. In 1937 Iran, Turkey, Iraq, and Afghanistan concluded the Saadabad pact, which established an Eastern Entente. The pact provided for non-aggression, consultation, and mutual co-operation in stamping out subversive activities among the signatory states. It was viewed with thinly disguised hostility by Russia, who believed it to be another type of dordon sanitaire.

Little can be said about Iran's relations with Arab countries other than Iraq. Countries like Syria, Lebanon, or Palestine were still under mandates and did not have policies of their own. Egypt and the states of the Arabian peninsula were geographically removed without points of contact except for occasional pilgrim traffic to Saudi Arabia. Generally, Iran stood aloof from the problems of the Arab countries and did not share agitation over Palestine. As with most of the Middle Eastern states, Iran's main problems centered in her relationships with the big powers and not with her oriental neighbors. Traditionally these powers were Russia and Britain.

Irano-Soviet Relations, after the conclusion of the 1921 treaty, could be described as correct but not cordial. Cordiality was precluded because of several factors. The unfortunate episode in Gilan, previously referred to, imbued the Iranians with considerable distrust, despite friendly protestations from the Soviet Union. Furthermore, rebellions that broke out later in Iranian Azarbaijan and in Khorasan occurred dangerously close to the Soviet border, and Reza Shah had good grounds on which to suspect the sponsorship or connivance of Soviet authorities, and his ruthless determination to stamp out communism irked Moscow, despite the official doctrinal stand that classified Reza's regime as an anti-feudal semibourgeois revolution, and, hence, a positive step forward, according to Marxist dialectics. In addition, economic problems considerably marred the felicity of Irano-Soviet relations.

The question of northern oil concessions was one of these problems. Freed by the treaty of 1921 from subjection to Tsarist Russia, Iran repeatedly attempted to ~~grant~~ concessions which had been renounced by Soviet Russia. Moscow therefore protested vigorously against any new deals between Iran and the western capitalists. It was open to question whether or not Russia was right from a legal standpoint, since, as the interested British party claimed, the disputed concessions did not belong to Russia but to Georgian subjects at the time of the treaty. It was not, however, the legal argument that prevailed in the best analysis, but rather political considerations. Fearful lest it completely alienate Russia, the Iranian government canceled all arrangements with British and American Corporations in 1924. The question was not reopened until 1937, when Iran granted to the American Oil Company, a subsidiary of the Seaboard

Oil Company of Delaware, a concession extending to the northern provinces. No Soviet protests were recorded this time, but the concession never became operative because the company renounced its rights in 1938, owing to general world conditions. Irano-Soviet trade constituted another home of contention. Petrovsky, Soviet ambassador in Teheran, once gave the following fitting description of Russia-Iranian relations. "What counts in Persia is North Persia only and the latter is fully dependent on Russia. All North Persian products that must be exported can find their only market in Russia. If we Russians stop buying them Persia is bankrupt in one month. This is Russia's strength which has no equivalent on the British side."⁶ Petrusky's statement was not inaccurate, and Russia more than once made use of this economic weapon in her dealings with Iran. In 1926 a dispute over fishery rights in the Caspian moved Russia to place an embargo on imports from Iran (with the exception of cotton), and Iran's northern provinces suffered severely as a result. In 1927 the boycott was lifted at the price of a new fishery agreement, which favored Soviet interests. At the time that the fisheries concession was signed other outstanding questions between the two countries were cleared up in four other agreements signed on the same date. Among these was one by which Iranian exports to Russia were limited to a maximum annual value of 50 million rubles, and Soviet imports to Iran to 20 per cent of Iranian exports. The port of Enzeli was now returned to Iranian hands, and, to celebrate this diplomatic triumph, was renamed Pahlavi in honor of the Shah. Motivated by political considerations, Russia did not

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Blucher, op, cit., P 187

hesitate to dump her products, such as sugar, oil and so on, on the Iranian market to the detriment of Iran's trade with other countries. During the 1920's Iran was constantly harassed by these spasmodic crises in her trade with Russia. Iran was also in a weak position because her system of free enterprise could not withstand the pressures applied by the Soviet monopolistic trade organization. Largely to circumvent these inconveniences, Reza Shah in 1931 decided to establish a foreign trade monopoly and, with the advent of Hitler to power, gradually began to recreate Iranian trade toward Germany.

Although the Iranian Communist Party was weak, decimated, and intimidated, Soviet Russia never ceased to keep a vigilant eye on the affairs of Iran. Soviet trade officials, spies, GPU, and Comintern agents roamed freely throughout the country, which in many ways was ideally suited to such undercover activities. As long, however as Reza Shah was in power, there was no likelihood of a revolution, despite growing dissatisfaction with his despotic methods. If Iran were to fall prey to communism, it would be only as a result of external aggression, and this, in the interwar period, Russia was unwilling to undertake./

Iran's relations with British during this time passed through various phases ranging from outward correctness to open quarreling. Even when their relations were not too friendly, Iran was closer to Britain than to any other power. This was due partly to Britain's presence in India and in Iraq and to her supremacy in the Iranian Gulf. Primarily, however, it was the result of the operations of the Anglo-Iranian Oil Company in the province of Khuzistan. The presence of this large company with one of the world's biggest refineries on the island of Abadan necessitated the development of a

network of services directly or indirectly connected with the basic oil interest. The British Residency for the Persian Gulf in Bushire, a number of consulates staffed by Indian Political Service Officers, branches of the Imperial Bank of Iran, official and unofficial agents working among the tribes - all contributed to the fact that for Britishers, civil or military, Iran was familiar ground. In Iran the British had a two-fold diplomatic system: on the one hand, through their embassy in Teheran, they dealt with the Iranian government and, on the other, through local consuls and agents, with the provincial potentates and powerful nomad tribes of Qashgais, Bakhtiyaris, Lurs, and Kurds. Even the power of Reza Shah did not affect to any great degree this traditional pattern.

In April 1927, the government promulgated its judicial regulations, which provided for certain legal safeguards for foreign subjects, including the right of foreign subjects to demand arbitration in cases of lawsuits with Iranian subjects, and on 10 May 1927, formal announcement was made of the abrogation of the capitulatory rights, to take effect within twelve months.

While the French government promptly accepted the abrogation on behalf of French citizens, the British government objected, on the ground that the status of British subjects rested upon a legal basis quite apart from the treaty of Turke manchui, mainly various rescripts of the Shah's used earlier than the treaty of Turke manchui, and upon general international law.

Interlocked with this dispute was the operation of tariff autonomy, which the British were reluctant to concede, and the desire of the British government to obtain air transit rights along the southern Iranian coast

for the London-Bombay route of the British Imperial Airways Ltd. The Iranian government had steadily refused to grant such rights. On May 10, 1928, however, a treaty was concluded between the two governments by which these questions were settled to the satisfaction of the Iranian government, with the latter indicating its willingness to grant temporary landing rights to Imperial Airways. A permit for three years was in fact issued. Imperial Airways, however, unable to obtain a more extended lease, which would warrant the capital expenditures involved in constructing landing fields, hanger, and other installations, in 1932 shifted its route on the Arabian coast. By that time, airplanes had reached a development that rendered the cross-water route less hazardous than formerly, and the necessity for the Iranian coast route largely disappeared.

In 1932 a new crisis broke out, this time of major proportions. Disirous of obtaining a higher share in the profits of the Anglo-Iranian Oil Company and accusing the British of dishonest accounting practice, the government protested the refusal of the company to pay royalties to the government according to the calculations of the government. The total sum paid by the company to Iran between 1901 and 1932 was 11,000,000 pounds sterling. If the company, instead of paying the royalties, had paid the normal taxes in force in Iran, the total sum due to the Iranian treasury should have been 22,000,000 pounds sterling. The production of the company was of great importance for the successful prosecution of war by Britain. As soon as the first world war ended, Iranian public opinion had realized that the profits of the company were enormous and that only a small portion was going to the Iranian Treasury. So the tension increased as time went on. On that time Reza Shah visited Khuzistan, upon his return to Teheran he told General Morteza

Yazdanpanah, his aide-de-camp, that the British company had been exploiting not only the resources of Iran but the people of Khuzistan as well. He thought that the people of that province were the poorest and the most down-trodden people in the country. He was sick at heart when he saw that the Arab and Indian workers were receiving three times as much in wages as the royal subjects of the Shah. He thought it inconceivable that the company should dominate the economic life of his realm. Therefore, he had decided to put an end "to the predatory and intolerable practices and see that the Indians received their just and fair share of the profits".

Although as early as August 12, 1928 the Iranian Minister of Court, Teymourtache, declared in a letter to Sir John Cadman, Chairman of the Anglo-Iranian Oil Company that at a time when the government of the Qajars did not realize what was being demanded from it and what it was giving away, and that the Iranian Government was prepared to negotiate with a view to revising the concession. But after negotiations which lasted over a period of two years, Sir John Cadman informed on August 7, 1931, that the revision of the concession could no longer be contemplated. The Company later reported that it had refused to consider the revision of the concession because "the demands of the Iranian Government were greatly in excess of anything which the company could accept." Therefore on November 27, 1932, a letter signed by Tagizadeh, Minister of Finance, was sent to the Anglo-Iranian Oil Company's resident director in Teheran. In this letter the government of the Shah stated that in the patience displayed by Iran, the Anglo-Iranian Oil Company not only had taken no practical steps to protect the interests of the country, but the more the company's expansion progressed the more Iranian interests were endangered. As a result, the Iranian government had lost

hope of negotiating with the company, and therefore the only way to safeguard its rights was by a cancellation of the D'arcy Concession. The ministry of Finance, in accordance with the decision of the Iranian government, notified the Anglo-Iranian Oil Company that as of the date of November 22, 1932, it had cancelled the D'arcy concession and would consider it void.

British reaction was quick and energetic. In a note sent to the government on December 2, 1932, the British Legation threatened to use force in case of need. The threat was supported by the appearance near the Iranian coast in the Gulf of a few British naval vessels. This was followed by an exchange of notes rather violent in character. Britain appealed to the Permanent Court of International Justice in the Hague; Iran however, protested against this procedure, considering the dispute a purely domestic one between the government and the company. The matter was eventually brought before the council of the League of Nations. There, after hearing frequent pleas by Sir John Simon and by Davar, Iranian Minister of Justice, the Council decided to appoint a Rapporteur. The latter informed the Council in February 1933 that the disputing parties had entered into direct negotiations, and thus the matter was dropped from the agenda.

Certainly the Anglo-Iranian Oil Company was supported by the British Government, and it was obvious that in the world of 1932 it had been impossible for Iran to fight Britain and to throw the company out of Khuzistan. Reza Shah however thought differently, and in a fit of rage cancelled the concession. This action unfortunately played into the hands of the Anglo-Iranian Oil Company. The Shah regarded the cancellation of the concession as another step in the emancipation of his country from foreign influence. He was not aware of British intrigues and pressures. There is no doubt

that he was sincere and honest in his action but certainly wrong in his calculation and judgment. The informed circles in Iran believed that he was ill-informed of the international situation and that he was no match for the British in the field of power politics. As a matter of fact, Reza Shah was duped and betrayed by the British and some of his courtiers. The British pressure and war of nerves were too much; news of the outbreaks among the Baluchi tribes, neighboring British India and the Arabs of Khuzistan reached the Shah. The newspaper Iran charged that British agents were smuggling arms and munitions along the Iranian Coast of the Persian Gulf. The British press, commenting on the reports, stated that the rebels wanted freedom from the oppression and tyranny of the government of the Shah.

Reza Shah was very sensitive to the British threats. He knew that they might occupy Khuzistan and he could not stop it. The occupation of Khuzistan might bring Russians to Azerliagan and chaos and anarchy to the rest of the country. Furthermore, he had reports from Tabriz, Resht, and Meshad, to the effect that the Russian spies and saboteurs had intensified their activities and that the dissatisfied elements were waiting for an opportunity to rebel against the regime.

It was under these circumstances that Sir John Cadman arrived in Teheran. He entered into negotiations with the representatives of the government, Tagizadah, Minister of Finance, Faroughi, Minister of Foreign Affairs, Davar, Minister of Justice, and Ala. After five weeks of bargaining, according to Tagizadah, the Iranian representative found Sir John Cadman's proposals unacceptable. Even the Shah told his representatives that it would be impossible for his government to extend "the terms of the Concession for another thirty years and as a result bring upon myself the curse and the

condemnation of posterity." But on April 28, 1933, Cadman and the British minister had an audience with the Shah. It was during this interview that the Shah was forced to surrender. He was told very frankly that his refusal to consent to the terms of the British proposals would bring about the rupture of relations between the two countries. The events in Afghanistan leading to the overthrow of Ammullah, King of Afghans, were fresh in Shah's memory and as he was a discreet man and not prepared to risk his country, he was forced to accept the new agreement, on May 1, 1933. The new concession was consented to by the Majlis, which (according to documents presented to the Security Council of the United Nations by Dr. Mosaddeq, in October 1951) was under the complete control of the government. So the 1933 concession was considered by everyone in Iran as a complete surrender to the Anglo-Iranian Oil Company.

The new concession was to be valid for sixty years, and actually provided an increase in royalties to Iran. But unfortunately in all other respects, it not only failed to achieve the purpose of the government of the Shah, but produced many disadvantages for the Iranian people. From that time on relations between Iran and Britain were on the whole friendly but there was a visible waning of British influence.

To sum up Irano-Soviet-British relations, it may safely be asserted, that, under Reza Shah's energetic rule, Iran succeeded in emancipating herself from the dominations of her two powerful neighbors. This emancipation was political and to an extent economic as well.

e. IRANO-GERMAN RELATION. The process of emancipation was accompanied by growing friendship between Iran and Germany. One may well ask how was it that Iran, a sovereign country, with strong nationalistic leadership, allowed

herself to be treated as a territory for somebody's expansion, especially in view of her successful emancipation from British and Soviet influence? The reply is that Iran was psychologically prepared to accept the friendship and support of any strong third power sufficiently distant not to endanger her political integrity. Such a power could be, for example, France, The United States, or Germany. In fact, the latter two figured prominently in the plans and policies of Reza Shah, with America given the priority. This was expressed in the willingness of the Iranian government to grant oil concession to American companies and in the engagement of Dr. Millspaugh as financial expert between 1922 and 1927. The United States might have superseded all other countries in Iran by offering its disinterested friendship and practical business opportunities. But basic American isolationism prevented it. Accordingly, Reza Shah, fully conscious of the political implications of such an attitude, turned again to Germany, when it became obvious that the latter had recuperated from wartime defeat. From 1938 on, Iran availed herself more and more of the economic and technical service of Germany. This trend took on a definite upward swing when Hitler came to power. To Iran's desire for a powerful friend, the Third Reich reciprocated by displaying special interest in the affairs of Middle East in general and of Iran in particular. Germany began to supply Iran with ever-growing numbers of exports and goods. Iranian communications, industry, building, hospitals, and agriculture owed a great deal to German assistance, for example, the inauguration of air transportation service in Iran in 1937, the airline linked Berlin with Bagdad, Teheran, and Kabul via Terana, Athens, Rhodes, and Damascus. It was possible to reach Teheran from Berlin in forty-one hours. The new airline aimed to link Germany with the Middle East Countries that

figured in her expansionist plans. It was to serve as a main artery of Germany penetration into the Persian Gulf area exactly as the old Berlin-Bagdad railway did a quarter of a century before. The whole enterprise was not without military implication. The government of Reza Shah granted the Deutsche Lufthansa, the right to fly over and to land on the Iranian military airport in Mashed, not far from the Soviet Border. As this privilege was given at the time of Nazi-Soviet tension, it did not fail to produce uneasiness in Moscow and a strong reaction in the Soviet press.

Also without much exaggeration it may be said that Germany was the virtual founder of the Young Iranian Industry. This process of industrialization was convenient for her, for (a) it increased German exports and contributed to the favorable trade balance; (b) it compelled the Iranians to purchase spare parts in Germany. So a clearing agreement negotiated by Dr. Hjalmar Schacht during his visit in Teheran in 1935 laid solid foundation for trade between the two states. The armament industry also owed its development to German technical assistance. A machine-gun factory and an airplane factory in Teheran were established. However, as a result of a skillful commercial policy Germany attained an amazing success in her trade with Iran. Within nine years after Hitler's ascent to power, German-Iranian trade increased almost ninefold. From a poor fourth in 1932, Germany reached the second place on the Iranian trading list in 1937. She was thus topped only by the Soviet union, and even that did not last long. In 1939 she overtook Russia and maintained her supreme position through the three years preceding the German-Soviet war. Germany's percentage of Iranian foreign trade also increased rapidly. From 8 per cent in 1932 - 1933 it rose to 21 per cent in

1936-1937. It reached 41.5 per cent in 1938-1939 and attained the imposing figure of 45.5 per cent in 1940-1941. Thus, according to Iranian statistics, Germany secured for herself almost half of the Iranian foreign trade. In reality, the trade between the two countries was even greater. Germany naturally exported to Iran all sorts of machinery and tools; in the year preceding the German-Soviet war Germany supplied Iran nearly 80 per cent of all the machinery imported by the latter, i.e., almost four times as much as all other countries combined. In the field of motors and electrical machines Germany's share was even larger, almost monopolistic. Germany exported to Iran important quantities of metals, paper, and chemicals. Despite her role in building up Iranian textile industry Germany was still able to export her own textile products. During the last four years before the outbreak of the German-Soviet war she supplied more than 50 per cent of all imported textiles. In 1938-1939 alone her exports of woollens to Iran constituted 75 per cent of all woollens imported by the latter. Germany's increasing domination of the Iranian market was also illustrated by the fact that by 1937 registered German trademarks in Iran were more numerous than the trademarks of any other country. ⁷

In contrast to German industrial exports, Iranian exports to Germany were mostly of an agricultural or raw material type. Of finished products, only carpets were significant. By 1940-1941 Germany's purchases of Iranian cotton were almost 60 per cent of the total. Since Japan was another important buyer, the two Axis powers monopolized almost 90 per cent of Iranian cotton exports, German purchases of wool were even more impressive, especially after the beginning of the war in Europe. In the field of food supplies

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German 351, British 285; American 177; Soviet 143, French 118. Orient Nachrichten, No. 22, Dec 1, 1937, p 336.

Iranian exports to Germany included grain, fruit, and rice. In 1940-1941 Germany purchased in Iran nearly 1,700 tons of wheat and barley. These vital food supplies reached Germany in the first years of World War II when the Reich was blockaded by the western allies. Russia served as a transit route. In order to facilitate commercial exchange between Germany and Iran the clearing agreement of 1935 was renewed in 1939. According to this agreement Iranian importers of German goods were to pay the price of purchased merchandise to the National Bank in Teheran, whereas German importers were to pay to the Deutsche Verrechnungskasse in Berlin. German and Iranian exporters were, in turn, entitled to receive money from these two institutions. The general Iranian regulation that importers had to obtain import licenses did not apply to their dealing with Germany. The only document required in this case was the certificate of origin of merchandise. Thus the German-Iranian clearing agreement gave a privileged position to the trade between the two countries.

To remove any causes for misunderstanding under the Nuremberg Racial Laws, a special decree of the Reich cabinet in 1936 exempted the Iranians, as "pure Aryan" from their restrictive provisions. In fact, great use was made of the Aryan legend to encourage friendship between both nations. The adoption of the Swastika as a symbol of the Nazi party was interpreted as pointing to the spiritual unity between the Aryans of the north and the nation of Zoroaster. The German architects who constructed the railway station in Teheran adorned its ceiling with a discreet yet clearly recognized patterned swastikas. In 1939, following the initiative of the Nazi culture "expert", Alfred Rosenberg, the German government presented Iran with a collection of books called the German Scientific Library, composed of 7,500 volumes.

These carefully selected books were destined to convince Iranian readers of the cultural mission of Germany in the East and of the kinship between the National Socialist Reich and the "Aryan" culture of Iran. This constant stressing of spiritual community was not without effect on political rapprochement between the two (Aryan) nations. In 1937 the visit of the Dr. Hjalmar Schacht, economic wizard of Nazi Germany in 1936, was reciprocated by an official trip to Berlin made by the President of the Majlis, Hasan Esfandiari, in the company of the Protocol Division of the Iranian Ministry of Foreign Affairs. Esfandiari was received by Hitler, Goering, Schacht, and other high-ranking member of the Nazi hierarchy. In the same year Baldur Von Schirach, Chief of the Nazi Young Organization, was ceremoniously received in Teheran. He reviewed a parade of Iranian boy scouts and spoke of sympathetically of national emancipation.

In addition, on commercial exchanges, Nazi Germany laid great stress on cultural and political influence in Iran. Emphasis was laid on a number of points on which the Iranian were particularly sensitive. Aware of their sensibility about economic exploitation by foreigners, the Nazis stressed that Iran should get rid of foreign technicians and should acquire her own equipment under the guidance of German experts. These persuasions fell on fertile ground, especially since they were supported by good precedents. In the twenties, the Iranians had employed German experts in technical, economic and cultural capacities and were appreciative of their services. As early as 1937, soon after Dr. Millsbaugh's dismissal, a German financial advisor, Dr. Botzke, had been engaged by the Iranian government. He had been followed in 1938 by Dr. Lindenblutt, who had become Director of newly founded national Bank of Iran. Later the number of German advisors in

in various government departments had considerably increased. The Germans made quite an effort to gain a foot hold in the Iranian school system. Successful arrangements were made to staff higher and specialized schools with German teachers, Professor Londhoff became the head of the Technological Department in the Industrial School in Teheran. By 1939 seven German professors were engaged in the same school. The policy of bringing young Iranians to study at German Universities was not without effect on their subsequent pro-German orientation. The doctoral dissertations of these students were characteristically Iranophile in tendency. So even the Ministry of Education, which is always a sensitive organ under authoritarian governments, availed itself of the services of German advisors.

Apart from these official visits large numbers of Germans traveled to Iran. In the single year 1936-1937, 778 Germans arrived in Iran under various pretexts. By August, 1941 the number of Germans resident in Iran as technicians and in trades were, according to Iranian official sources, 890 employed in the country on 9 July 1941.⁸

Nazi propaganda, however, scored notable successes by emphasizing the German Aryan background of the two peoples, as well as their struggle for equality and independence under the leadership of "enlightened" rulers. Reza Shah did not hesitate to praise the authoritarian regime in Germany as the best safeguard against communism.

The general outcome of these policies was, on the one hand, the enhancement of Germany's position in Iran to the detriment of the Soviet and British influence and, on the other hand, the strengthening of Iranian

nationalism. The latter began to manifest over confidence rather than an sober political thinking.