

Iran's Forgotten Friend William Morgan Shuster: Victim of Anglo-Russian Conspiracy

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ABSTRACT

Since the late 19th century, Iran's economy had struggled with financial instability and foreign influence, particularly that of Russia and Britain. To modernize the country's corrupt and decrepit financial system, the Iranian government appointed American financial advisor William Morgan Shuster as Treasurer General. But Shuster's efforts to establish a new system of taxation, reduce corruption, and combat foreign interference in Iran's financial affairs were seen as a threat to Russian and British interests in Iran. At one point, Russia and Britain put pressure on the Iranian government to dismiss Shuster from his post and finally the Iranian government was bound to do so. Shuster's dismissal and departure marked a setback for Iran's attempts at modernization and independence.

Key words- William Morgan Shuster; the Great Game, Dollar diplomacy, Spheres of Influence, Anglo-Russian Convention of 1907, Majles, Constitutional Revolution of Iran.

INTRODUCTION

In the first half of the 19th century, Iran began to suffer from Anglo-Russian penetration and exploitation, military weakness, lack of unity, and corruption. The kingdom of the Qajar Shahs was helpless between the Russian hammer and the British claw (Fernau, 1954). By the beginning of the 20th century, Iran was sinking deeper into crisis. It was losing its economic and political independence to the Russian and British empires, as an immoral absolute monarchy plunged the country deeper into debt (Kasravi, 2006). Shah Nasir ed-Din's son, Mozaffar ed-Din Shah, was a weak and inefficient ruler (Metz, 1987). He took out several loans, especially from Russia, for which the Russians received several additional concessions and reduced tax rates on their merchants and imported goods. His three expensive trips to Europe between 1900 and 1905 cost the country a lot of money (Lenczowski, 1980). The tendency of the Shah and his officials to make concessions to the Europeans in exchange for generous payments caused intense public outrage (Metz, 1987). As the economic situation deteriorated amid this misery, secret leaflet distribution began condemning the government (Lenczowski, 1980). The defeat of autocratic Russia at the hands of the Asian superpower Japan in 1905 and the Russian Revolution that same year inspired Iranian revolutionaries to launch their own uprising in 1906. The uprising, known as the Persian Constitutional Revolution, which took place from 1905 to 1911, aimed to end royal dictatorship by transforming Iran into a constitutional monarchy (Hashemi, 11 July 2019).

Although the constitutional forces won in the first and second rounds, they still faced various problems. The emergence of the constitutional revolution and civil war undermined the country's stability and economic activity (Metz, 1987). Iran's economy was struggling with financial instability and foreign influence, particularly from Russia and Britain. To modernize the country's financial system, the Iranian government appointed American administrator William Morgan Shuster as Treasurer General. Shuster established a new system of tax collection and worked to reduce corruption and combat foreign interference in Iran's financial affairs (Lion and the Sun). But both the Tsarist Russia and the Great Britain considered the new system a threat to their interests in Iran. When in December 1911 the Majles unanimously refused Russian ultimatum demanding Shuster's dismissal, Russian troops, already in the country, advanced to occupy the capital. The more loyal Nasir-ul-Mulk and the 'moderate' and heavily Bakhtiari cabinet forcibly dissolved the second Majles, accepting the ultimatum, and dismissed Shuster, in December 1911 (Avery and Hambly 1991). The first short term of constitutional

government in Iran was effectively over. A new parliament was not elected and established until 1914 (Lenczowski, 1980).

The main goal of the present article is to analyze the results of Anglo-Russian reactions and attitudes towards the work of William Morgan Shuster, who came to Iran at the request of the Iranian Constituent Assembly to reconstruct Iran's collapsed economy. Although Shuster arrived in Iran at the height of the Constitutional Revolution, the context and failure of his mission in Iran were influenced by the Constitutional Revolution and the Anglo-Russian intervention. In fact, Anglo-Russian imperialist interests in Iran, the departure of Shuster, and the failure of the second Majles- everything was closely intertwined. Therefore, it may not be inappropriate to briefly discuss the background information and relevant circumstances before beginning an analysis of Morgan Shuster's financial reform program and the failure of his mission in Iran. The research work, which is both analytical and descriptive, has been conducted primarily through a review of relevant online and off-line materials, although some evidential information has been drawn from Morgan Shuster's memoir "the Strangling of Persia" as a primary source. To illustrate the geopolitical importance of Britain and Russia to Iran, a map has been added showing the Russian sphere of influence in northern Iran and the British sphere of influence in southern Iran after the Anglo-Russian Treaty of 1907.

Constitutional Revolution

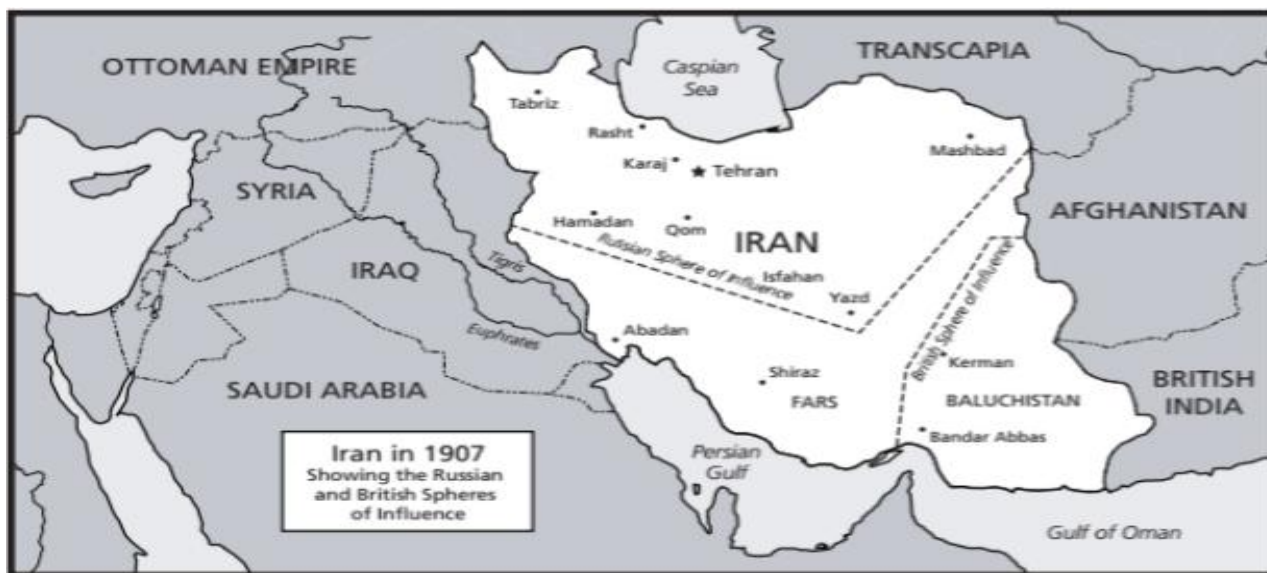
Although the precursors to the revolution can be seen in the early 1890s, the first real movement took place on 11 December 1905, when the unpopular governor of Tehran tried to punish a group of sugar traders for not lowering their sugar prices. This event sparked widespread protests among the people, including businessmen and clergy who demanded the dismissal of the repressive Prime Minister Amin al-Sultan and insisted that the government should adhere more closely to Islamic Sharia and establish a court of justice. On 12 January 1906, the Shah yielded to the people's demands, and dismissed the governor of Tehran for dispersing the protesters, but he had no intention of taking the demands seriously (Lenczowski, 1980). As a result, the protesters raised new demands, this time demanding the creation of a constitution to establish a Majles (representative council) and a Western-oriented democratic civil society in Iran, then known as Persia to the outside world. On 5 August Mozaffar ed-Din Shah finally granted a constitution and a parliament, which opened on 19 August, when an electoral process was created (Avery, 1965).

On 7 October 1906, despite his ill health, Mozaffar ed-Din Shah inaugurated the first session of the National Consultative Council and by December, the constitution was approved and signed by both Mozaffar ed-Din Shah and his son and successor, Mohammad Ali (Aroian and Mitchell, 1984). The Supplementary Fundamental Laws approved in 1907 guaranteed freedom of the press, freedom of speech, freedom of association, and security of life and property (Metz, 1987). This new constitution, the second in the Islamic world after the short-lived Ottoman constitution, was based on the Quran and its model was influenced by the Belgian constitution (MUNUC 35). On 7 October 1906, despite his ill health, Mozaffar ed-Din Shah inaugurated the first session of the National Consultative Council (Avery, 1965).

Although the Constitutional Revolution marked the end of the medieval period in Iran, the hopes for constitutional rule were not realized (Metz, 1987). The joy inspired by the realization of the popular hopes was dimmed by several ominous clouds on the political horizon. The financial condition of Iran was critical in the extreme, and there was talk of a fresh external loan of 400,000 pounds from England and Russia. But as part of the rapid implementation of the Constitutional Movement, on 22 November, the Majles rejected the proposed joint Anglo-Russian loan because the parliamentary forces, now known as constitutionalists, felt it would endanger Iran's independence. Some sixty deputies, who opposed the foreign loan, advocated an internal loan, an alternative plan which was unanimously approved a week later (Browne, 2006). The Majles also forced the Shah to dismiss the Belgian customs officials. The death of the Muzaffar Shah on 8 January 1907 put the young revolutionary movement in grave danger (Armajani, 1970). The new Shah, Muhammad Ali, who had earned a reputation for ruthlessness while governor of Tabriz, had no intention of allowing the formation of a council to control national expenditures or of interfering with his previous prerogative to rule by decree (Aroian and Mitchell 1984). It was perhaps natural enough for the new Shah to dislike the constitution and view the Majles with suspicion and disgust, as he eagerly awaited the exercise of the same autocratic and irresponsible power as his predecessors (Browne, 2006).

Despite the initial success, the constitutional movement faced internal divisions and external pressures from Russia and Britain (New York Times, 27 May 1960). There were disagreements among supporters of the constitutional movement over the details of the constitution and the role of Islam. Many conservative clerics had broken with the constitutionalists and supported the return of a more traditional type of government (Lenczowski, 1980). Another immediate obstacle to the success of the framers of the constitution was the return of imperial Russia to the new political scene, which expressed full support for the new Shah, Mohammad Ali (Ansari, 17 October 2023). The revolutionaries who had looked to Britain with enthusiasm now discovered that Britain had decided to prioritize European defense against unified German ambitions (Wilber, 1955). In fact Russian and British interest in Iran increased after British engineers discovered oil in southwestern Iran a year before the Anglo-Russian Treaty of 1907 (Stempel, 1981).

Although the new Shah had no choice except taking an oath to support the constitution, practically everything he did was against the constitution from the outset (Abrahamian, 2008). For example, he called the reactionary Amin al-Sultan and named him Prime Minister (Armajani, 1970). The return of Amin al-Sultan and the need for money revived the question of debt. Although the Majles attempted to raise money for national banks instead of foreign loans to lend to the government, it could not ensure sufficient capital for the success of the project. In August 1907, the government debated whether to accept Russian loans after the failure of a low-risk German loan scheme (Aroian and Mitchell 1984). On 31 August 1907, the Prime Minister, who spoke in favor of Russian loans was assassinated by a terrorist, who immediately committed suicide. On the same day of the assassination, an Anglo-Russian agreement was signed to resolve their unresolved imperial dispute in Iran. The agreement, a corporate act between the two imperial powers, was against Germany, had far-reaching implications for the fate of the Iranian Revolution (Armajani, 1970). After the agreement the ministers of the two powers issued a joint declaration that Russia and Britain could not tolerate further disturbance of the Shah by the reformers (Fernau, 1954). British Foreign Secretary Edward Grey firmly believed that a peace treaty with Russia was essential to keep Germany under control. British Minister Cecil Spring in Tehran made it clear to Edward Grey that Britain would appear to have betrayed its Persian friends (Ansari, 17 October 2023).



A map showing the Russian sphere of influence in northern Iran and the British sphere of influence in southern Iran after the Anglo-Russian Treaty of 1907 (Richard, Yann 2019)

The Anglo Russian treaty, signed without the knowledge or consent of the Iranian government or people, divided Iran into northern sphere of influence that belonged to the Russian empire and a southern sphere of influence that belonged to the British Empire, as well as a central “neutral zone” (Bakhtiary, 2020). Russia opposed the constitutional movement and jealously guarded its influence in northern Iran (Brown). After the agreement the British could no longer think of giving support to the constitutionalists who had counted on British help against Russian intervention (Avery, 1991). Thus the split among the constitutionalists and the Anglo-Russian agreement, which implied freedom for the Shah’s autocratic tendencies, gradually improved the Shah’s position.

After a failed assassination attempt on the Shah and an equally failed coup attempt by the Shah, the Shah staged a successful coup in June 1908 with the assistance of Russian-led Cossack brigades which bombed the parliament building, causing several casualties, and the Shah announced the dissolution of parliament (Wilber, 1955). The Majles was closed, and although most parliamentary leaders were able to escape- either into exile or seeking refuge in the Ottoman Empire, many popular nationalist leaders, especially those who held more progressive views, were arrested and executed (Avery, 1991). According to British reports, about 250 people lost their lives in this battle (Abrahamian, 2008). The public reaction to the Shah's brutal campaign was swift and decisive. While the rest of the country bowed to royal control, the city of Tabriz in the northwestern province of Azerbaijan continued to fight against royalist forces until a Russian force entered the city and suppressed the so-called unrest with considerable violence (Wilber, 1955).

Despite the 1907 Convention's provisions prohibiting foreign interference in Iranian affairs, the Russians attempted to aid the Shah in his efforts to assert his absolute power during the 1908 coup. On 29 April 1909, four thousand Russian troops entered Tabriz and quickly became an occupying force, and the troops began to establish themselves inside the city (Mickols, 2007). The bombing of the Majles and the imprisonment, killing, and torture of several liberals outside Tehran failed to suppress the constitutional movement. Instead, it ushered in a new unity and renewed effort on the part of the democrats (Avery, 1965).

In July 1909, the constitutional forces recruited in Rasht and Isfahan marched against Tehran without encountering any serious resistance and defeated the Iranian Cossack Brigade outside Tehran and captured the capital from the royalist troops on 16 July 1909 (Avery, 1965). The deposed Mohammad Ali Shah first sought refuge with the Russian delegation and then fled to Russia, which agreed to grant him a luxurious estate in Odessa. The Iranian government agreed to pay him a pension on the condition that he would never return to Iran or engage in conspiracies to regain his throne (Mickols, 2007). The reconstituted parliament proclaimed his eleven-year-old son Ahmed as Shah, with the Qazar prince Azud-ul-Mulk, and later the conservative Oxford-educated Nasir-ul-Mulk as regents. It remains to be added that the Russian government accepted the resignation of Mohammad Ali Shah, and since no disorder arose and no resentment was expressed towards the Russian subjects, their troops were gradually withdrawn (Sykes, 1951).

After the overthrow of Mohammad Ali Shah, power was transferred from the monarchy to the Majles, whose members were more interested in resisting pressure from Britain and Russia than the former Shah. When the Second Majles began on 15 November 1909, the parliament saw the emergence of two major political parties- the democrats and the moderates. The more liberal of the two parties, the democrats, wanted a constitutional government based on laws passed by elected representatives of the people. The moderates, consisting of ulema, aristocrats, and landowners, wanted the rule of Muslim Sharia (Armajani, 1970). After the Potsdam Treaty between Russia and Germany in 1910, the British government became fearful of losing Russia as an ally and became even less willing to oppose Russian aggressive actions in northern Iran. Russia forcibly occupied northern Iran to lift the siege of Tabriz, further increasing its influence over the Iranian government (Mickols, 2007).

The most important problem facing the new Iranian government was the country's fragile financial situation. After the signing of the constitution by Mozaffar ed-Din Shah Qajar in December 1906, a new Iranian Constituent Assembly was formed with the aim of developing the country's infrastructure and modernizing the military (Bakhtiary, 2020). The First National Assembly attempted to investigate the tax system and reduced some pensions and grants paid to individuals by previous governments; the assembly also abolished the old conversion rate, where estimated taxes were converted into cash. As a result taxes on crops were gradually being converted into currency on a cash basis. By abolishing the old conversion rate, the framers of the constitution wanted to collect more revenue and thus free the country from dependence on foreign loans and the resulting risk of subordination to Russia and Britain. This attempt at reform was temporarily halted by the bombing of the Majles.

By December 1909, the costs caused by the continuing unrest forced the Majles to go against its policy, where they sought an Anglo-Russian loan of £500,000, but the Second National Assembly, considering national dignity, rejected the terms, upon which Britain and Russia were prepared to negotiate (Avery, 1965). Instead, various attempts were made to obtain loans through private syndicates, but Russia, always eager to increase its

dominance over Iran, frustrated them all, insisting that loans should be granted only by the two powers (Sykes, 1951). When the second Majles was convened in November 1910, it was seen that they lacked sufficient resources to govern the country (Abrahamian, 2008). The Majles spent most of 1910 raising funds to run the country. Since they were against borrowing from Russia and Britain and unable to borrow from Germany, the Majles approved an internal loan. The public accepted it enthusiastically and women raised money by selling their jewelry (Armajani, 1970).

The central government was unable to establish firm control over most of the provinces, as the provinces were more prone to tribal chaos and robbery than ever before and rarely paid the taxes they owed (Avery, 1991). Iran had a huge revenue problem due to the previous king's excessive spending habits, Iran's debts to other countries, and the prevalence of corruption in every office (Lion and the Sun). During and after the revolution, the British delegation in Tehran repeatedly told the government that the 'only way' to solve the problem was to increase state revenues, especially land taxes and the only way to do that was to create a new corruption-free tax-revenue machine. Since revenue did not keep pace with expenditure - although expenditure was often less than £1.5 million a year- the government had no choice but to survive for years on emergency loans from London and St. Petersburg, often on unfavorable terms that further exacerbated its financial pressures. Customs revenues remained in the hands of Belgium and all their income was spent on paying off expensive debts, which by 1911 had reached £6.2 million, which were shared equally by Britain and Russia. Northern tariffs, along with revenues from Caspian fisheries, went to the Russians. Southern tariffs, as well as revenues from the telegraph system, went to the British (Abrahamian, 2008). While Russia attempted to weaken the government, Europeans and corrupt local elites conspired to drain the national finances (Brown, 15 August 2016). Financially, Iran was so devastated that they had no hope for themselves and there was no hope for the European countries either (Thomson, 26 November 1911). A temporary partition under the Anglo-Russian treaty already made Iran a semi colony of two big powers (New York, 27 May 1960). Both Britain and Russia, along with minor powers, were waiting for the fall of Iran so that they could seize the remnants without a fight (Thomson, 26 November 1911). To ensure Iran's control in this situation, the government must root out corruption and restore the state's financial and tax systems (Makutchev, 2020).

In November and December 1910, the Majles debated the idea of appointing a foreign financial advisor to restructure the Iranian treasury. Since the restoration of constitutional government, the Iranian government had been seeking military and financial advisors, but Britain and Russia opposed the appointment of officials from other major powers such as Germany or Italy, and instead encourages the Iranians to hire advisors from smaller powers like Belgium or Switzerland (Mickols, 2007). But to ensure that the country's finances are being managed properly, the Majles turned to the United States, which was not involved in the politics of the European great powers, but was strong enough not to be intimidated by the British or the Russians (Mickols, 2007).

United States as a Safe Choice

In the eyes of the Iranian government, the United States seemed a safe choice for recommendation. Unlike the European powers and Iran's northern neighbor, the United States had a very small presence in the country (Lion and the Sun). Therefore, the Constituent Assembly sent a request to the Iranian Legation in Washington to find an American financial advisor. It was thought that the Americans could advise the Iranians independently of European and Russian influence in the country at that time (Ardalan, 8 January 2020). Iran, unable to place its financial system on a commercial basis, had its last refuge in the United States. It did not want to approach any European power, because the unselfish advice of any European power was likely to be impossible. Russia and England wanted to divide Iran, and other countries were influenced by their political relations with these two powers (Thomson, 26 November 1911). But the United States, the only great power, had no enemies to fear, and Iran appealed to it as well (Thomson, 26 November 1911).

Iran-American relations

Although Iran and the United States are located very far from one another, they began their foreign relations in the mid-nineteenth century. American missionaries had a continuous presence in Iran from 1834 to 1979. However, the peak of their influence was between 1890 and 1940 (Bakhtiary, 2020). The first formal contact between the Washington and Tehran occurred in 1856 when Nasir ed-Din Shah Qajar of Iran officially sent

Iran's first ambassador, Mirza Abul Hasan, to Washington. In 1883, the United States appointed Samuel G. W. Benjamin as the first official diplomatic envoy to Iran, although diplomatic relations was not established until 1944. Throughout the 19th century, American missionaries established schools and medical facilities in Iran (Al-Jiboury, August 2021). They focused on providing medical care and education, while also inviting non-Muslim Iranians to convert to Christianity. This missionary activity helped create a positive image of the United States among the Iranian people, who thought that the Americans would help them stand up to the British and Russians in Iran (Bakhtiary, 2020).

During the Great Game, Iran was very wary of British and Russian colonial interests, but the United States was seen as a more trustworthy foreign power (Al-Jiboury, August 2021). America had little interest in Iran, but as a trusted outsider, America did not suffer because it primarily wanted to stay away from the Anglo-Russian sphere of influence (Lion and the Sun). In 1909, during the Civil War, an American schoolmaster, H. C. Baskerville, died in Tabriz while fighting with a militia in a battle against royalist forces (Avery, 1965). Washington did not make a very significant statement about this tragic incident. However, by the late nineteenth century the United States was emerging as a superpower, although it had largely avoided entering empire during the rise of imperialism. In the late 19th century, when dollar diplomacy was increasingly gaining momentum in the United States, the development of national financial institutions and debt markets created opportunities for the American private sector to invest in countries with problematic economic and political environments (Bakhtiary, 2020).

It was in this situation that, on 25 December 1910, the Iranian Foreign Minister contacted the United States seeking help in solving the country's economic problems. It was assumed that the Americans would be able to advise the Iranians independently of European and Russian influence in the country at that time (Ardalan, 8 January 2020). The Iranian attaché in Washington, Hussein Gholi Khan, sent the request to the State Department. Although the US State Department recommended five candidates for the position, Hussein Gholi Khan chose the most suitable candidate, and he was William Morgan Shuster, an American lawyer, civil servant, and financial expert. Based on Shuster's previous experience in the Philippines, President Taft also recommended Shuster as the right person.

Although Shuster's mission began at the request of the Iranian parliament, it has recently been argued that his presence in Iran was an extension of American dollar diplomacy. The growth of the United States economy at the beginning of the twentieth century linked the American economy to its interests abroad. Diplomatic and military support from the federal government shaped United States foreign policy and also supported its aims beyond its territories. At the beginning of the 20th century, this clash between economic and political interests shaped American dollar diplomacy, which developed under President William Howard Taft and then continued in ever-changing forms under his successors. During his presence in Iran, Shuster, who came to Iran at the request of the Iranian constitutional Parliament, and in a private capacity he also tried to involve American private sector to invest in Iran (Bakhtiary, 2020).

On 2 February 1911, the Majles unanimously approved the decision to employ W. Morgan Shuster as Iran's Treasurer General as well as four other Americans to assist him for a period of three years. This arrangement would be subject to renewal upon the approval of the Majles. The US Secretary of State Knox recommended Shuster for the job because of his service as a customs collector in Cuba and the Philippines. He was also seen by the British and Russians as an unbiased individual with no stake in the outcome of affairs in Iran (Mickols, 1 June 2007). Furthermore, Shuster was to be in the employment of the Iranian government and was in no way representative of, or accountable to, the American government. This was consistent with the two powers aim of keeping other nations out of Iran (Mickols, 1 June 2007).

Shuster's arrival in Iran

Despite Russia's attempts to block Shuster's appointment, in February 1911, Majles appointed Shuster as the Treasurer General of Iran. Shuster arrived in Tehran in May, accompanied by four other busy Americans, all of them like himself, on the recommendation of President Taft. The others were F. Cairns, who was appointed Director of Taxation; Charles I. McCaskey, Provincial Revenue Inspector; Ralph W. Hills, Chief of Accounting and Auditing, and Bruce C. Dickey, Inspector of Taxation. These four fully-fledged Americans, with Shuster as

Treasurer General at their helm, set to work without fear or favor, without any axe to grind, and with no other interest in the world than to render business-like service to their employers (Thomson, 26 November 1911). Iranians considered Shuster a savior who came from a country that had itself overcome both financial and political oppression. Upon arriving in Tehran, his house and garden were crowded with hopeful Iranians of all classes and religions. Most of them naively sought a cure for their and their country's woes, but there were others less naive who were cautious and not so trusting. Among them were the Bakhtiari Khans, who could not completely free themselves from the nationalistic motives of conquest and the thought of gaining dominance for themselves (Avery, 1965).

Before Shuster's arrival, Parliament had made some minor administrative reforms in the central offices, but no major administrative changes- except for the General Accounts Office, which was effectively the director general of the ministry and the closest of the Iranian-directed departments to Shuster's own office. This department, with Abdu'llah Mustaufi as its Director, moved into Shuster's house in the Atabak Park, where he had his headquarters (Avery, 1965).

Shuster's various administrative reform programs

After entering Iran Shuster launched a very comprehensive policy to restore Iran's financial and tax system. In a very short time, he made considerable progress in restructuring the financial system, while his energy and clear dedication to the best interests of the country won the hearts of the people (Wilber, 1955). He performed his duties with single-minded and unwavering devotion to Persia, which was now his employer, and from that moment on his heart and soul was devoted to it. But Shuster's reform action, contradicted to Russian interests in Iran, caused consternation for the Russia and Great Britain, because they "saw Persia being put on a modern basis, becoming a real nation, turning before their eyes into a country which could stand on its own feet and knew that Shuster and his four husky young American assistants were doing it." It was no wonder that this aroused a spirit of resentment in Downing Street and St. Petersburg. Russia planned to take necessary measures against Shuster's financial reforms (Thomson, 26 November 1911).

Shuster found a recently reorganized Finance Ministry in which an effort had been made to inaugurate delegation of responsibility to departmental heads and to institute expedition in handling correspondence. Shuster's first goal was to control and ensure the proper use of the £1,250,000 loan that the British Imperial Bank of Persia had made to the Iranian government just before his arrival in Iran. Shuster believed that if revenue was collected and distributed properly, the country could become self-sufficient (Avery, 1956). He proposed a program of austerity to reduce the huge gap between government revenue and government spending from all sources. To combat corruption, Shuster wrote down the names of nearly a hundred 'general staff officers, military advisers, strategic experts, judge advocates, military instructors, and strategic professors' from the military roster, who not only tried to extort thousands of dollars from the government through salaries, but were the main ring of corruption in the entire department. The second method Shuster proposed to bridge the gap between income and even the necessary annual expenditure was to adopt some new tax laws. In this regard he recommended some changes to the Council of Ministers. To properly collect revenue, he needed a force that would not only help him manage revenue administration, but also assist the government in establishing peace in a country recently ravaged by civil war (Avery, 1956). He estimated that if the recommended tax law were passed, it would yield a net increase in revenue of about 500,000 tumans per year and would not cause any hardship. Also, under his pension redemption plan, the government could have saved about 200,0000 tumans per year. On 30 September 1911, the Council of Ministers approved Shuster's plans, and he was busy drafting the necessary legislation for submission to the Majles when the Russian ultimatums were presented (Shuster, 1912). By adopting a balanced approach towards the British and Russians, Shuster could have prevented his rapid decline and been more or less successful in implementing his reform plans. But his harsh behavior and his insistence on absolute financial autonomy for Iran pushed him onto a collision course with the great powers.

Shuster was steadfast in his duty. He planned to implement some revenue-generating public works. But the constitutional government did little practical for the welfare of the wider population. The question of railway development in Iran was complex. Russia and England wanted roads that would serve their strategic purposes, or that would benefit a particular class of trade, regardless of the economic development of Iran as a whole. Shuster also recommended that the government should pass a law declaring its intention to grant appropriate

concessions, in whole or in part, for the construction of eight railway lines in Iran. One of the most notable examples of Iran's peculiar financial chaos was the "pension" system. All high-ranking officials enjoyed huge pensions. Most of the pensions allocated were completely corrupt. There was no provincial pension list. Schuster made some important efforts to bring the pension system under a single rule, but unfortunately he had to leave Iran before that rule could be implemented (Shuster, 1912).

Taking advantage of Shuster's simplicity and his democratic sympathies, the democrats, who claimed credit for inviting Morgan Shuster, quickly began trying to create a rift between him and the moderates who relied on the Bakhtiariis (Sykes, 1951). Some English-speaking democrat members were soon able to influence him. The democrats also told him of the conspiracy of powerful individuals, who were well-connected with the Belgian customs director Mornard (Avery, 1965). Shuster realized that the Augean stable of corruption could only be cleansed by extraordinary means, so he claimed powers that gave him virtually an irresponsible dictatorship as Treasurer General of the Persian Empire (Sykes, 1951). These powers were easily granted by the Assembly on 13 June 1911, making the Shuster the master rather than the slave of the Iranian government. It was rare for a foreigner to be given such extensive power (Avery, 1965). He looked around for support, and seeing that power was largely in the hands of the "Democrats," he identified himself entirely with that party. But his lack of tact and courtesy, especially his refusal to make the usual appeals to the legislature and the European colonies, made his task difficult, which Russia viewed with hostility, and thus he brought many of his problems upon himself. For example, the Regent advised him not to interfere with the customs until everything was reorganized, but he began with a relatively standard division, which provoked the bitter hostility of the Belgian officials (Sykes, 1951).

Conflict with Belgian Customs Director

Despite Shuster's initially positive assessment, he soon found himself in conflict with numerous individuals, the first of whom was M. Mornard, a Belgian citizen who was serving as Administrator General of Iranian Customs (Mickols, 1 June 2007). Belgium, which had considerable interests in Iran, had been supporting Anglo-Russian imperialist policies against the Iranian government. On 13 June 1911, the council passed an act giving Shuster sole control of all revenue and the power to sign checks on government funds. Until that time, the Belgian customs director, Mornard, had drawn the check from the customs fund. Encouraged by Russia, Mornard refused to recognize the new law and claimed that he still had that power. Cheques signed by him were rejected by the Imperial Bank of Persia, which was an English corporation that handled a large portion of government funds. These cheques were for customs workers' salaries. Shuster immediately issued duplicates, which the bank honored. The Belgian legislature announced that it would not allow Belgian customs personnel, who were a large part of the force, to work under Schuster. The Russian minister went further and announced that he would introduce Russians to the management of the customs before handing it over to Schuster's sole control. But the banks then stood on his side, and the Russians and Belgians were powerless (Thomson, 26 November 1911). The British sided with their Russian allies in this incident, but chose to remain neutral, as Shuster had the support of the Majles members and attempts to ignore the Majles might cause a negative reaction in Britain. The conflict was quickly resolved when Mornard agreed to abide by Iranian law and place his office under Shuster, but it was clear that the Russians had already begun to develop a hostile attitude toward the American Treasurer General (Mickols, 1 June 2007).

Formation of Treasury Gendarmerie force and conflict with Britain and Russia

Shuster's immediate and prudent action after assuming office was to order the relevant tax authorities to immediately deposit all revenue in the nearest bank or competent commercial institution. This made him quickly realize how much funding the government had. The only province where he had problems was Azerbaijan, where the controllers of finance were Mutamidu's-Saltanah with his two sons, Vusuqu'd-Dawlah and Qavamu's-Saltanah. But this difficulty was not insurmountable for Shuster, although at the outset it proved to him the necessity of a Treasury Gendarmerie force. Moreover, there were some powerful tribal leaders and notables who not only withheld revenue, but sometimes commanded Russian troops to defend them against the government and parliament (Avery, 1965). So Shuster wanted to have a special gendarmerie force which will be under his direct command and will assist and cooperate with the civilian officials of the treasury in collecting various types of taxes throughout the empire (Mickols, 1 June 2007).

Shuster's ideal candidate to head this force was Major C.B. Stokes, whose appointment as British Military Attaché was expiring (Sykes, 1951). He described Stokes as 'an Officer in the British-Indian Army, who spoke, read and wrote Persian with facility, in addition to having made trips throughout the country and being thoroughly acquainted with the manners, habits, customs and character of the people and with the different political elements throughout the provinces' (Mickols, 1 June 2007). This British officer was such a devoted friend of Iran that he had no social relations with the Russians because he believed that the northern power was slowly engulfing Iran. Naturally, the Russian legislature strongly objects to a system in which a gendarmerie is placed under a Russophobe that will operate throughout Iran (Sykes, 1951). Russians protested that the Anglo-Russian agreement meant that they should control any such officials in the north, and convinced the British to support their position (Avery, 1991).

The Anglo-Russian Treaty was signed between Britain and Russia about four years before Shuster arrived in Iran as Treasurer General. Naturally, Britain and Russia expected diplomatic honors from Shuster while he was acting as a foreigner in their sphere of influence in Iran. But he maintained no diplomatic courtesy towards British and Russian diplomats in Iran. Rather, he dealt a serious blow to the interests of Russia and Britain by working to develop Iran's economy overnight through his massive reform program. Such authoritarian and insulting behavior by Shuster deeply shocked the two imperialist powers, who were determined to maintain their political and economic interests in Iran at all costs. At the instigation of Russia, Britain warned the Iranian government not to appoint the Major Stokes. Angered by this duplicity, Shuster wrote to the British minister: "What am I to think when I see the first vital step which I undertake in the task of bringing order out of chaos here obstructed and relentlessly opposed by the very two nations who have time and again professed their sincere desire to see the progress and prosperity of the stricken country which I am seeking to serve?" (Thomson, 26 November 1911). Despite Russia's objections the Majles approved the appointment of Major Stokes. However, two and an half months later after some well-founded objections of the Russian Government to his proposed appointment, British minister ordered the Government of India to refuse Major Stokes's resignation, which was the last step necessary before he could assume his position in the Treasury Gendarmerie (Mickols, 1 June 2007). The Iranian Majles, which was not ideally representative in the political sense, could not prevent the expulsion order of Major Stokes (Avery, 1965).

Ex Shah's return

Although the order to expel Major Stokes was a relatively minor incident, a greater danger loomed for the revolutionaries in July 1911, when, just a few weeks after Shuster began his work, the former Shah Muhammad Ali returned to Iran to restore his power. The return of the former Shah created panic in Tehran and despair throughout northern, central, and western Iran, and halted Shuster's swift but subtle restorative surgery on Iran's finances (Avery, 1965). The civil war caused by the return of exiles gave Russia an excuse to deploy even larger forces in northern Iran, although under the Tripartite Protocol of September 1909 Russia was obliged to restrain the former Shah from political activity. The Russian government denied any involvement in the former Shah's rebellion, while Shuster refused to believe that the Russians had anything to do with the former Shah's return. There was evidence that the Russian government helped the ex-Shah in his attempt to regain the throne. Ten days before Muhammad Ali's arrival in Iran, the Russian minister in Tehran announced at a dinner that Iran's constitutional government would die within a few weeks (Mickols, 1 June 2007). But in the end, fearing for his life, he fled on a ship and crossed the Caspian Sea. The rebels were defeated multiple times in early October, but Iran's hopes for stability were dashed and the country was once again pushed towards ruin. Neither Russia nor Britain, who enjoyed a monopoly on pursuing their interests in Iran, could accept the victory of the constitutionalists.

Moreover, the Bakhtiari were less in power than before, which created an uncomfortable situation for the moderates (Avery, 1965). After the failed coup attempt by Mohammad Ali Mirza, Russia considered Shuster the main obstacle to re-establishing its position in Iran. Russia, wanting to keep Iran ailing, was deeply unhappy because the Americans were putting that bankrupt state on a commercial footing. Now Russia moved forward, leaving England behind, and began to bulldoze Shuster (Thomson, 26 November 1911). So they resorted to power politics to expel the Shuster mission from Iran and abolish Iran's new constitutional government system. Ignoring serious concerns that made it impossible for the Iranian government to send troops to restore order in the south, England expressed its desire to send a large number of Indian troops to Fars to secure its interests in

the Persian Gulf. The arrival of British force at Bushehr in the Persian Gulf on 27 October 1911 led the Russians to announce on the same day that more Russian troops would be landed at Anzali in the Caspian Sea, then another 1,700 soldiers will arrive, and 1,900 soldiers will advance from Julfa (in Russian Azerbaijan) towards Tabriz. In fact, by the end of October, the Russian government had landed troops in Anzali and was gathering a larger force in Baku (Avery, 1965).

In a letter to the London Times, Shuster gave an impressive list of actions taken by Russia with the consent of Great Britain, which would have been warlike in the case of a country more powerful than Persia. He alleged that there was 'a deliberate agreement between several foreign legislatures, led by the Russian legislature,' which thwarted the implementation of a law giving him full powers in financial matters. He accused Russia of colluding with the former Shah Muhammad Ali's efforts to start a counter-revolution against the constitutional government of Persia, which was bound to prevent the former Shah from starting a rebellion, but according to Shuster, 'he traveled through Russia with a suit, a fake beard, and a shipment of guns and cannons marked 'mineral water'. In response to all this, the London Times gave a sanctimonious reply stating that 'Russia and Great Britain' exercised control over Persia, 'just as a minor is controlled by his guardians' (Thomson, 26 November 1911).

Confiscation of the Shah's family property and Russia's response

On 4 October 1911, the Council of Ministers sent an order to the Treasurer General to confiscate the property of Prince Shua-al-Saltana for his active participation in the insurgency of the ex-Shah. Shuster felt it incumbent upon him to execute this law through his Treasury Gendarmes (Avery, 1965). The government also notified the two legations of this order and received no objections. When two Gendarmerie officers responsible for the operation approached the estate of Shua-al-Saltana they found it guarded by several Cossacks (Mickols, 1 June 2007). After presenting the government order to confiscate the estate, the Cossacks allowed the Treasury Gendarmerie to enter, but a short time later a larger group of Cossacks arrived, led by Russian officers, and ordered the Gendarmerie troops to leave immediately upon threat of being beaten. The frightened and terrified gendarmes retreated (Thomson, 26 November 1911). Upon receiving this report from his officers, Shuster immediately informed the Russian Minister, S. Poklevski, of the order from the Iranian government and notified him that a detachment would be sent to the same estate the following day (Mickols, 1 June 2007). The following day a force of over one hundred men, including Treasury Gendarmes and Tehran Police led by an American arrived at the estate of Shua-al-Saltana and successfully occupied (Thomson, 26 November 1911). While this was occurring the Cossack Brigade proceeded to two other estates that were to be confiscated (Mickols, 1 June 2007). They arrested the Treasury Gendarmeries, and brought them to the Russian Legation where they were informed that the prince had secured a loan from the Russian Mortgage Bank, and as a result, the palace served as collateral that belonged to Russia. Therefore, the Iranian government had no right to seize his property (Lion and the Sun). In regards to the property issue, Shuster writes that the mortgage on the estate was in fact a fictitious document drawn up at the time of the ex-Shah's deposition in an attempt to defraud the Iranian Treasury. Shuster also claims that Shua-al-Saltana's will proved he owed no money to the Russian Bank and in fact had a credit there (Mickols, 1 June 2007).

Russia's first ultimatum to Iran

The Democrats rejoiced at the confiscation of the exiled Shah's property, believing that a great victory had been achieved. But their rejoicings were as short-lived as they were premature (Sykes, 1951). The real problem was that Shuster had been demanding from the beginning the independence of Iran and its right to be free from the dictates of England or Russia (Thomson, 26 November 1911). The Russian minister was at first more reasonable than his notorious Consul-General, Pokhiltonov, who was behind the actions of the Cossack brigade and worked to exacerbate the unpleasant situation in which Shuster found himself (Avery, 1965). It was clear that the Russian Consul-General was completely wrong, both in his excuses and his actions, especially since Shua-al-Saltana was a Turkish subject. But Shuster's folly in sending a large force of his gendarmes to exploit a guard employed by the Russian Consulate-General ruined an excellent case and put the Iranian government in a serious position.

Although there was no sign of Russian action at first, on 2 November 1911, the Russian minister telephoned the Iranian Foreign Ministry and presented an ultimatum demanding that the Iranian government withdraw its request for the removal of Pokhiltonov, the Treasury Gendarmes should be immediately withdrawn from the

Shua-al-Saltana Park, and the Cossack brigade should be given possession of the property by the Iranian Cossacks. He also demanded an apology for the “insults” inflicted on consular officers by his government, and when this was accepted, followed it up by a demand for the dismissal of Shuster (Sykes, 1951). He refused to pay any attention to the protests against the violation of Persian sovereignty and interference in its internal affairs, and actually returned the Persian government’s written protest, even though he had previously received and acknowledged the same accusation.

The Russian minister said that his instructions were to receive an immediate “yes” or “no” answer from the Iranian cabinet. The Iranian foreign minister said that he could not take action on such an important matter without consulting his colleagues. The Russian government was undoubtedly surprised by the firm attitude of Iran and the severity of its response. There were press reports of a Russian threat to seize Gilan. Russia would occupy the provinces of Ghilan and Mazandaran, located north of Iran, bordering the Caspian Sea. On 11 November, the Majles unanimously passed a law allowing Shuster to hire ten more Americans under contract as financial assistants. On the same day, the Oriental Secretary of the Russian Council of Deputies, Mons de Giers, presented a written renewal of the main claims of the Russian government on Iran. Mons de Giers said that if the demands were not met within forty-eight hours, diplomatic relations between the two countries would be severed (Shuster, 1912). The Iranian cabinet, completely alarmed by Russia’s extensive preparations for the occupation of northern Iran, consulted the British government about what course to pursue. Edward Grey advised immediate acceptance of the Russian ultimatum and an apology as demanded (Avery, 1965).

On 18 November, the Russian delegation informed the Iranian government that, since the ultimatum had not been accepted, diplomatic relations had been severed, but commercial matters would be conducted by Russian consuls. The report stated that 4,000 Russian troops were advancing from the Caucasus towards Iran. Incidentally, the European political situation at that time was in Russia’s favor. The open and growing hostility between England and Germany, and the tension over the Moroccan affair, although diminishing, was still burning so much that England would not make any serious protest. This situation made it clear that Russia was completely free to pursue its long-cherished plan to annex Iran and establish a naval base in the Persian Gulf. Russia could do as it pleased in Iran, at least as long as it pretended to recognize the Anglo-Russian Convention of 1907, and this patent fraud spared the British Foreign Office the embarrassment of having to explain to Parliament why Russia had not adhered to the treaty it had signed (Shuster, 1912).

After some debate, on 22 November the Iranian Cabinet resigned and a new one willing to accept to Russia’s demands was formed. To ease tensions on 24 November, Iran’s foreign minister issued a much-needed apology to Russia on behalf of his government. Shuster recalled his gendarmeries from Shua-al-Saltana’s estates. But Iranian effort was not enough for Russia, who in light of two other acts by Shuster, delivered another more demanding and stern ultimatum (Mickols, 1 June 2007). Shortly after this ultimatum was presented, Sir Edward Grey was asked in British Parliament to explain why the name of the British government was used. He replied that he agreed with the Russians’ demands, except for the indemnity clause, which could cripple the Iranian forces policing the southern trade routes, thereby damaging British trade. Apparently the British Foreign Office saw, or urged, the only possible objection to this ultimatum. During his speech, Edward Gray accused Shuster of trying to “turn back the clock” on Iran. He said that this was the reason for Shuster’s failure and that he must go (Shuster, 1912).

Russia’s Second ultimatum to Iran

The first reason behind the second ultimatum was Shuster’s attempt to recruit another British citizen to work in Russian-dominated areas. In early November of 1911, Shuster attempted to appoint a British subject of French descent by the name of Monsieur Lecoffre to the position of financial director in Azerbaijan. Shuster on his arrival found this anti-Russian of French descent British man in the employment of the Ministry of Finance, for duties in connection with his reorganization of tax collection. Lecoffre was considered suitable for the position because he could speak Persian, was familiar with the tax system, and had worked in the Finance Ministry in Tehran for two years without Russian objection (Mickols, 1 June 2007). Yet the British Foreign Office warned Shuster that if he sent Lecoffre north, he would provoke Russian protests under the 1907 treaty (Avery, 1965). The second reason for the Russian ultimatum was Shuster’s open letter to the Times in late October 1911, which was widely circulated throughout Iran. The letter sharply criticized Russia’s aggressive attitude towards Iran and

Britain's acquiescence to Russia. The Russian government blamed Shuster for spreading the article across Iran, while Shuster claimed that it was translated and circulated by the Iranian newspaper Tamadun (Mickols, 1 June 2007).

On 29 November, Russia, realizing Iran's weakness on its northern border, delivered its second ultimatum to the Iranian government. Among its demands were the dismissal of Shuster and Lecoffre, and a commitment from the Iranian government not to hire foreign advisors without the consent of both governments, and compensation for sending Russian troops to Iran. The explanation of the ultimatum referred to Shuster's insulting behavior toward Russia, which necessitated the dispatch of troops. The second ultimatum gave the Iranian government forty-eight hours before sending more troops and increasing the compensation (Avery, 1965). The ultimatum completely surprised the Iranian government, who thought the forty-eight-hour deadline did not allow enough time to debate the ultimatum (Mickols, 1 June 2007).

Rejection of Russia's ultimatum and the final defeat of the revolutionaries

Russian claims challenging Iran's sovereignty angered the Iranian community. Nationwide protests of outrage were held in various cities across Iran, where clerics gave speeches in mosques in support of Shustar. Shia mullahs, led by prominent top-level Shia jurist and philosopher Mohammad Kazem Khorasani, declared jihad against Russian intervention. At this time, the problem of wheat or bread was causing problems for the regent and the cabinet. There was a shortage of crops in northern Iran, especially around Tehran. This was partly due to drought and partly to the general disorder, destruction of crops and plunder, which had been going on since Muhammad Ali entered Iran. Then the ongoing war during the summer and the continued presence of large numbers of Bakhtiari and other irregular troops around the capital frightened the mule and camel drivers, on whom everyone depended to bring wheat into the city (Shuster, 1912). Shuster tried to calm the situation by bringing some wheat into the city.

Meanwhile, a split arose between the Cabinet and the Majles, the former ultimately decided to submit to the Russian ultimatum, the latter sincerely believing themselves to represent the patriotic aspirations and sovereignty of the Iranian people, were eager to fulfill their duties face to face. All parties represented in the then Majles, namely Democrats, Moderates, Unionists and Progressives, including the Dashnaktsutyun Armenian Party, were united in their determination to resist Russian advances. The Iranian statesmen and chieftains who formed the cabinet at this time quickly decided that, despite their treachery, they would accept this second ultimatum, with all the future oppression and cruelty for their people. Therefore, on 1 December 1911, shortly before the expiration of the forty-eight-hour period set for Russia to accept the terms, the cabinet appealed to the Majles to secure legal approval of their intended course. But the Majles voted to reject the ultimatum at the eleventh hour, with only one or two members abstaining (Avery, 1965). One example of this is the following telegram from 5 December 1911, sent by the Central Committee of the Iranian Democratic Party to the International Socialist Congress in Paris: "We protest vividly against the freedom robbing barbarism of Anglo-Russian diplomacy, which has brought the tyrant Muhammad 'Ali back to Iran [...] At present, in their ultimatum, they wet their hands in the blood of the Iranian people by taking their independence away from them and stamping with their feet on the constitution, against the laws of civilization. Unite with us to protest against this theft!" (Schwerda, Mira Xenia).

At this time of extreme national crisis, the Iranian Majles considered various proposals as a way out of the apparent impasse. One of the proposals presented to Shuster was to provide an excuse for the United States government to intervene in Iran. But he explained that he could not participate in such an undertaking. After the Russian claims were officially rejected by the Majles, an event that the Russian government probably did not really expect, Russian officials and well-known ambassadors in Tehran tried other means to bring about at least a colorful acceptance of their ultimatum. They spent food and money among the poor in the name of the Russian government, with the information that Russia was providing the money and that the Majlis' hostility towards Russia was the cause of the bread shortage (Shuster, 1912). At the same time, Russia ordered its forces to enter Iran through the northwestern borders. In response to militant attacks on Russian troops a brigade of the Imperial army was dispatched to Tabriz, under General Voropanov. Its aim was to occupy three major cities – Tabriz, Anzali and Rasht. To keep up with the ambitions of their regional partners, the British also expanded their

presence in the south. They managed to move up parts of the Indian army through the Persian Gulf and stationed them within Iran (Lion and the Sun).

On December 14, Major Stokes left Tehran to return to his regiment in India. At this time, Shuster and his family were very concerned about their safety. The next day, the Russian delegation informed the Persian government that if the terms of the ultimatum were not accepted within six days, the approximately 4,000 Russian troops stationed in Kasvin would march towards Tehran. A few days later, under the cover of the Russian advance towards Kasvin, about 2000 Turkmen advanced from Mazandaran towards the capital and actually reached Damghan, from where they threatened the city. At that time, Tehran could spare no more than 600 men to resist them. A force of this size was sent to suppress them, led by a lieutenant from Ephraim. Telegrams and messages of encouragement and sympathy poured into Tehran from Muslim communities around the world. Some of them poured coals of fire on the heads of the devoted cabinet, which had been in favor of surrender to Russia from the beginning. At that time around 12,000 Russian troops were deployed across northern Iran and were advancing towards the capital (Shuster, 1912).

On 22 December 1911, facing a difficult situation with the growing Russian military presence in the north and Britain's in the south, Naser-al-Mulk asked the Iranian cabinet to inform the Russian minister that they had agreed to accept all demands including Shuster's removal from his official role. But the members of the Majles were still adamant in standing against Russia's ultimatum to terminate Shuster. However, finally the cabinet led by Samsam-al-Saltanah Bakhtiari, who were not as interested in the ideas of the revolution as they were in their own power, closed the Majles on 24 December 1911. The forcible dissolution of the Majles that had ratified Shuster's agreement ended the last hope of effective action for the Iranian people. Shuster and his American colleagues were forced to consider their work finished (Armajani, 1970). The armed forces forcibly expelled all representatives and threatened them with death if they tried to convene a parliamentary session elsewhere (Lion and the Sun). The constitutional movement in Iran was dead, but that could not save the country from further Russian occupation. More Russian troops continued to occupy northern Iran, killing many liberals in Tabriz and bombing the shrine of Imam Reza in Mashhad (Wilber, 1955).

Before December 24th, the cabinet had proposed Shuster's resignation several times through various emissaries in exchange for various benefits. But Shuster immediately replied that he would not resign until he could get some genuine statement that the deputies of the Majles would not consider his resignation a betrayal of their interests. Shuster's answer was not received favorably by cabinet members at all. As a result, at one point the cabinet adopted an attitude of open hostility, and the Bakhtiari Khans renewed their threat to attack his residence and plunder the treasury. Finally, Shuster was dismissed on Christmas Day 1911. During the period from 25 December 1911 to 7 January 1912, the tide of anger against the traitorous ministers, who had sold out their people, continued to rise. A storm of protest arose by telegraph from the provinces, condemning the regent and the cabinet for the attack on the constitutional representatives (Shuster, 1911).

On 11 January 1912, Shuster and his American team left Iran. M. Mornard of Belgium took over as Treasurer-General, a position he held until 1918. Shuster's departure was a defeat for the democrats, a defeat from which they never recovered (Avery, 1965). After returning to the United States, Morgan Shuster published a personal memoir of his time in his famous book *The Strangling of Persia*. In this book, he paints a clear picture of the encroachment of European powers into the politics of the region. After Schuster's departure and the failure of the Second Majles Iran found itself back where it had started (Lion and the sun). Aref Qazvani, the popular lyricist of the revolution, composed a song that has continued to be sung long after Shuster's death (Armajani, 1970):

“Shame on the host whose guest unfed doth from the table rise

Rather than this should happen, make the life his sacrifice

Should Shuster fare from Persia forth, Persia lost in sooth

O let not Persia thus be lost, if ye be men in truth”

Impact of various reforms adopted by Shuster

The tragic failure of the Shuster Mission by dissolving the Iranian Majles was a notable example of how imperialist powers undermined a nation's efforts at self-determination. Although the constitution was not repealed after the failure of the drafters, no new parliament was elected in Iran until 1914. After the outbreak of World War I, the Iranian government returned to a conservative cabinet under close supervision and investigation by the British and Russians (Avery, 1991). During the War, the Iranians feared that in the event of an Entente victory, Iran would certainly be divided between Russia and Britain, so they sided with the Central Powers. However, despite the Entente's victory in the war, Iran was not divided because Russia had temporarily withdrawn from the competition through the communist revolution (Armajani, 1970).

The experience of the Constitutional Revolution and the devastating campaign of the Great War convinced Iranian intellectuals that they needed a means to implement socio-political change, and that this could only be achieved through the service of a dictator. Examining the European experience, they concluded that what Iran needed to begin the process of modernization was an 'enlightened dictator'. This ultimately emerged in the figure of Iran's Peter the Great, Reza Khan (later Reza Shah), who succeeded in pressuring the Majles to depose and formally exile Ahmad Shah and install him as the next Shah of Iran (Ansari, 17 October, 2023). During Reza Shah's sixteen year reign, important socio-economic reforms and development programs were carried out. It is noteworthy that the legacy of fundamental laws drafted by constitutionalists and the multiple government regulations issued by Morgan Shuster helped Reza Shah and subsequent Iranian rulers develop Iran's governance and financial system (Lenczowski, 1980).

CONCLUSION

In conclusion, it can be said that the Constitutional Revolution of 1906 paved the way for a major change in Iran from absolute monarchy to representative government (New York Times, 27 May 1960). But unfortunately, the hope for constitutional rule was not realized. The Anglo-Russian agreement in exchange for Iran took away the success of the movement (Fernau, 1954). To modernize Iran's chaotic financial system, which had collapsed as a result of the monarchy's corrupt spending, the Iranian parliament appointed Morgan Shuster as Treasurer-General. But unfortunately he came to Iran at a time when the country was actually a semi-colony of two imperialist powers- Russia and Britain. Despite opposition from Britain and Russia, Shuster was warmly received in Iran (Bakhtiary, 2020). Shuster not only dedicated himself to financially supporting the Iranian Constitutional Revolution, he also encouraged the people of Persia in their desire to have a real voice in their government (Ardalan, 8 January 2020). Shuster's reform efforts were strongly opposed by the Russian and British governments, both of which had substantial financial interests in Iran. His efforts to establish a strong central treasury and collect taxes independent of foreign influence directly opposed Russia's goals in Iran. Russia, along with Britain, gave the Iranian government an ultimatum to dismiss Shuster. Finally, Shuster's departure was marked as a setback for Iran's modernization and independence efforts. It also highlights the extent of foreign interference in Iranian affairs at the time and the limitations of Iranian sovereignty (Conversation 31 July 2018). His failure to restore tolerable order out of the chaos was deeply regrettable and broke the morale of the Iranian friends. He was certainly an unfortunate choice for Iran because he lacked the exceptional qualities needed to tackle such a difficult and complex problem. But, even if Shuster had proven as suitable as he was unsuitable, Russia would never have allowed him to succeed (Sykes, 1951). Despite all this, it can be said that his ten-month tenure as Iran's Treasurer-General will remain a memorable event in Iranian history that Iranians will never forget.

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