

lost to Italy, even although their acquisition is now sought at the expense of inconsistency and of the wise and just provisions of an international document.

It would seem that the universal disapproval with which the action of Italy has been regarded is in itself evidence of a growing international opinion based upon a respect of elemental law and justice, and there are not wanting evidences to show that Italian statesmen have betimes qualms of conscience. Thus Italy is represented in the press as willing to pay a goodly number of millions to quiet title to Tripoli and Cyrenaica, which were formally annexed to the kingdom on November 6, 1911. In the United States this suggestion is likely to be attributed to its proper source, for we, as a nation and a people, have endeavored to satisfy the conscience aroused by an unjust war, by a formal purchase of territory which we had already occupied and conquered. By the treaty of Guadalupe-Hidalgo the United States bound itself to pay Mexico the sum of \$15,000,000 for the territory acquired by an unjust and unjustifiable war, and there are perhaps some people still living who would be inclined to attribute this payment as due to some other cause than the inestimable value of the land in question to the United States. Pot may well call kettle black.

#### RUSSIA AND PERSIA.

While the state of affairs in Persia is still too unsettled for it to be possible to predict the outcome, it is well to point out what the situation means for the independence and sovereignty of Persia. On August 18/31, 1907, a convention was signed between Great Britain and Russia<sup>1</sup> the general object of which was "to settle by mutual agreement different questions concerning the interests of their states on the continent of Asia." In that treaty the two Powers while engaging "to respect the integrity and independence of Persia" state that "for geographical and economic reasons" they have "a special interest in the maintenance of peace and good order in certain provinces of Persia adjoining or in the neighborhood of" their frontiers, and that they are "desirous of avoiding all cause of conflict between their respective interests in the above-mentioned provinces of Persia." They thereupon agree in Articles 1, 2, and 3, to limit the spheres of their respective interests in Persia to the

<sup>1</sup> Printed in SUPPLEMENT, 1:398.

Persian provinces adjoining their respective frontiers, thus dividing Persia into three spheres of interest: a British sphere, a Russian sphere, and a neutral sphere. Within their respective spheres each party is to be free from competition in seeking economic concessions from the Persian Government. Article 4 provides that the revenues from the Persian customs shall be devoted as previously, certain of them to the amortization and interest of the loans concluded by Persia with the *Banque d'Escompte et des Prêts de Perse* (a bank controlled by Russians and connected with the Russian State Bank), and certain others to the service of the loans concluded by Persia with the *Imperial Bank of Persia*, a British bank incorporated in Great Britain by a royal charter of September 2, 1889. Article 5 contemplates the possible necessity of either government establishing control over the sources of revenue mentioned in Article 4 "in the event of irregularities occurring in the amortization or the payment of the interest of the Persian loans concluded with the Banque d'Escompte et des Prêts de Perse and with the Imperial Bank of Persia."

The treaty does not in express terms constitute an attack upon the sovereignty of Persia. It is true that a nation possessing a clear consciousness of its sovereign rights would resent such an arbitrary treatment of its economic interests and especially the suggestion of possible interference on the part of foreign governments in the administration of its revenues. As regards the former point, it is no infringement of state sovereignty for two foreign Powers to agree to respect each others monopoly of economic concessions, though the state might well be alarmed that an economic partition would in due time be stretched into a political partition. The provisions of Article 5 are, however, more significant. How far were the British and Russian Governments concerned in the loans made by the banks controlled by their respective countrymen? The loan made by the British bank in 1892 was guaranteed by the customs of Fars and the Persian Gulf ports. The loan made by the Russian bank in 1900 was guaranteed by all the Persian customs with the exception of those assigned as the guarantee of the loan made by the British bank. These guarantees gave the Russian and British Governments the right to interfere *diplomatically* in favor of the rights of their subjects; they did not give those governments the right to take control on their own initiative of the Persian customs. But Persia was in too disturbed a condition in 1907 either to observe the subtle meaning of the terms of the Anglo-Russian agreement or to enter a protest against them.

The present crisis has the treaty of 1907 for its starting point. The economic interests of Russian subjects and corporations have become the political interests of the Russian Government. The conclusion is inevitable from the pretexts offered by the Russian Government for its action.

On June 13th, Mr. Shuster, an American citizen, assumed charge of the treasury and revenues of Persia. In the statement issued in reply to Russian criticisms, Mr. Shuster says that when he entered upon his duties he found banking deficits amounting to over £100,000, together with an unknown sum outstanding in checks, drafts, etc. These deficits have now been paid, in spite of heavy expenses entailed by the civil war, and there is now a balance of £160,000 in the Persian treasury. What are the charges of the Russian Government against Mr. Shuster?

The law of June 13th invested Mr. Shuster as Treasurer-General with the control of all revenues and the sole power to sign checks on government funds. Mr. Shuster thereupon gave notice that all customs payments should pass through his hands. This action aroused a protest from M. Mornard, a Belgian, who held the office of Director General of Customs, and who had previously drawn checks on the customs funds. In this protest he was supported by the Belgian Legation at Teheran, which announced that it would not permit the Belgian employees of the customs service to serve under Mr. Shuster. The Russian Minister went further and declared that he would introduce Russians into the customs service rather than submit to having Mr. Shuster in control. The two legations even denied the power of the Mejliss (National Council) to pass the law of June 13th. Mr. Shuster satisfied any possible ground of complaint by giving notice to the Imperial Bank and the Banque d'Escompte that no disbursements would be made from the customs receipts until all liens upon them had been paid. M. Mornard was prevailed upon to comply with the law and conceded the justice of the Treasurer-General's demand; but the Russian Minister nevertheless continued to resist Mr. Shuster's authority.

Mr. Shuster's efforts to levy taxes upon the Persian grandees, who as Russian protégés, had hitherto evaded the Persian tax laws, met with steady opposition on the part of Russia. When, however, Mr. Shuster began to appoint Englishmen, familiar with the Persian language, to posts in northern Persia (a measure which he was perfectly justified in taking, though it might have been a more tactful policy had he appointed officers of another nationality) Russia came forward with a veto upon the appointments.

Following this, Mr. Shuster, acting under orders from the Persian cabinet to confiscate the property of Prince Shua-es-Sultaneh, a brother of the deposed Shah, sent a body of gendarmes to the Prince's palace. These gendarmes came into conflict with Russian cossacks who were on guard there. The Russian Government immediately demanded from the Persian Government an apology for the pretended insult, and proceeded to invade the country. The apology was duly made, but in the meantime Mr. Shuster wrote a letter to the *London Times* defending himself against Russian criticisms of his official conduct and making counter-charges against the Russian agents, who had given assistance to the ex-Shah. This letter was made by Russia the pretext for continuing the invasion of Persia, and an ultimatum was issued from St. Petersburg demanding of Persia the immediate dismissal of Mr. Shuster, and a promise that for the future no foreigners should be taken into her service without the consent of the Russian and English Governments.

To sum up the list of charges, Persia has regulated her customs service by placing all of its subordinate offices under her Treasurer-General; she has enforced her taxation laws upon all her subjects, high as well as low; she has appointed tax collectors whom she considered efficient, regardless of their nationality; and lastly she has sent a body of gendarmes to seize the property of a rebellious citizen. These are all acts which by the fundamental principles of international law any sovereign state may do. To regulate without interference its domestic affairs is one of the prime incidents of a state's sovereignty. How can Russia contest the rights of Persia in those matters and yet assert (in the paraphrase of Lord Morley) that she "has no aim which would violate the integrity and independence of Persia." It is difficult to see how the agreement of 1907 between Russia and England can be offered as a justification for the action of the Russian Government, and for the approval by England of its action. There is nothing in that agreement which gives either country any rights as against Persia, and nothing in it which can confer even between the contracting parties any right of political interference in Persia on the part of one of them which the other is bound to support.

One further point deserves comment. On November 9th and 10th Mr. Shuster published in the *London Times* a letter in which he defends certain general statements made some weeks before and gives details to show that Russia's attitude towards Persian reform was one of hostility and interference, and that England was giving her moral support to

Russia in this matter. The letter was translated into Persian and circulated throughout the country — a step for which it is not certain that Mr. Shuster was personally responsible. Conceding that the letter, however true its charges, was a diplomatic blunder, and was in fact calculated to arouse a natural hostility in Persia against Russia, it is again difficult to see how the act can be construed as giving Russia the *casus belli* implied in an ultimatum. The letter was in no way an official document of the Persian Government, and to treat it as such was to take the position that a government is criminally responsible for the unauthorized acts of its agents — a principle clearly not warranted by international law. The Russian Government could properly do no more than treat the letter as it is common in international intercourse to treat published interviews of a similar character, *i. e.*, to protest diplomatically to the government whose officer has committed the act and to demand an official statement that the act was unauthorized. In no case, however, was any greater injury done to Russia by the letter other than that of its putting before the world certain acts of aggression which Russian officials are charged with having committed; such an injury could only give ground for war when a government has, upon investigation, found the charges to be false, and when it has been unable to obtain redress for them through diplomatic channels. As for the condition imposed upon Persia by the Russian ultimatum that Persia shall for the future appoint no foreigners to official posts without the consent of the Russian and British Governments (a condition modified later into a veto upon appointments), the demand put Persia in the position of either entering upon a war, which would be utterly disastrous to undertake, or of accepting terms which are a clear limitation of its sovereignty. The Mejliss has, however, accepted the terms of the ultimatum, and Mr. Shuster has been dismissed from his position as Treasurer General. The situation which results amounts in fact, if not in law, to a joint protectorate on the part of Russia and Great Britain over Persia under protest. *Fuit Ilium.*

## MOROCCO

On November 4, 1911, the authorized representatives of France and Germany signed an agreement<sup>1</sup> granting to France the freedom of action in political matters which it has long hoped to obtain in Morocco. The

<sup>1</sup> Printed in SUPPLEMENT, p. 62.