



## Hows and Whys of Reuter's Agreement: From Contraction to Cancellation

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**Abstract:** This article is an attempt to survey the contraction and cancellation of the Reuter's agreement as a one-sided approach and from special perspective, by using minimalistic ideology and with emphasis on multi-sided and various reasons and factors effective in the process of this contract. On the basis of this research, in this contraction, different factors came together and augmented one another. They can be summarized in the three factors of modernized inclinations of Nasser al din Shah, operationalization of the insights of Mohammad Hussein Khan Sepahsalar, the chancellor of the time, and efforts of the English merchants for trading in Iran. In the cancellation of the Agreement, also, different processes were involved including the explicit opposition of Russia, the priority of the political-security role of Iran for the Government of England, and disagreement of the majority of the Qajar Court authorities and a part of clergy people with Sepahsalar and their benefitting from this opportunity to dismiss him. On this basis the article attracts the attention for researchers to this issue that history cannot be interpreted just on the basis of intentions and with the supposition of actualization of actor's intentions, but there should be more emphasis on the importance of the role of constructs and dialectic of constructs with the agency of individuals and their thoughts.

**Keywords:** Reuter' Agreement, Colonial Competition, Internal Reforms, Exogenous Developments

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### Introduction

The age of Qajar Dynasty is important in the history of Iran from different perspectives: One: renewal of the political centrality of Iran, Two: collision and/or involvement of this dynasty with the international policies, Three: great, fast, and abundant developments of the late 18th and 19th centuries (competition of European Governments and emergence of Russia as a new power in the world), Four: submissiveness of unaware Qajar Sultans and enlightened figures of that time to the superiority of Europeans (forgetting the national

identity/efforts to access freedom and Constitutional Monarchy), Five: Aggression of greedy Colonialists on Iran (Navae, 1998). In reaction to these problems, some of the Qajar Kings and figures were on the verge of planning a program to get out of these crises. These efforts, however, were postponed with two times defeat from the Russia and Fiasco reforms to the time of Nasser. Nasser al din Shah was himself the most innovator among Qajar Kings, and on the other side, he found this historical chance that at the onset of his long time monarchy to find a higher rank au-

thority like Amir Kabir in his court. Regardless of these, factors like conspiracy of the courtiers, The pressure of Russia and England and enemy making of people like Mohammad Taghi Khan, and the inexperience of the young Sultan, took the opportunities of reforms of Mirza Taghi Khan from Iran, although mental challenges of the King and the world relations did not come to inertia. In this way, the idea of reform which was a dream to respond to the outer world nightmare, had occupied the mind of reformists. After the defeat of reforms which were being conducted with the authority of the King (1858-1861), The last signs of reform get evident during the ministry of Mirza Hussein Khan-e Sepahsalar (1871-1873). Sepahsalar who had been familiar with different improvements in England, Russia, and Ottoman Empire, during twenty years of his consulate mission in Bombay, Tbilisi, and Istanbul, tried to follow the reforms in two internal and external dimensions during his short period of ministry. In the internal- political dimension, he tried to cut short the hands of the spoiled authorities from the soul and property of people and by enactment of the laws of the civilized countries attempt to reform the procedure of government, and establishment of a regular government. In the economic dimension, also, he attended the “growth of the private capital, relative proceed of the steam engine, building the trading companies, and application of the internal capital in the productive activities. In other words, the symbols of the economic renewal in the Sepahsalar period can be summarized in three expressions of “Banking and Financial, Industry and Capital, Roads and Railways” (Adamiat; 1972). Sensitivity of modernists to these affairs opened the way toward the contraction of the Reuter Agreement.

### **Background of the Study**

No historical research about the Nassery period in Iran can overlook Sepahsalar Period, and internal and international events in that era, and there

is no historian who investigates the actions of Sepahsalar can overlook the Reuter Agreement. Among many historians this agreement is the head of all activities performed by Sepahsalar. Almost all researchers consider it as a sign of an expanded unwisdom that made Iranian politicians unaware of the global relationships and had caused people like Sepahsalar, who intended to renew the reforms in the country, because of their incorrect understanding from the reformist trends to make the national governance the plaything of disgraceful and colonial contracts, in its very optimistic state. The extremity of this state puts emphasis, accidentally, on the awareness, jobbery, and corruption of the very person, Sepahsalar, and believes that there is no difference mentally and operationally in behavior, precedence and reports on Sepahsalar to make him different from other prime ministers of Qajar Dynasty. Mahmud Mahmud is among these historians who, in a very strict judgment and continuity of the pessimistic tradition dominant over the majority of historical interpretations emphasize on the inefficiency of the Qajar Court as the most principle reason for the weakness and historical backward movement of Iran, and says: “In this period everybody from the King himself to the smallest members of the Court, without exception, were after their own interests and following a life full of pleasure and fun. What they did not think of was the country and the nation”(Mahmud, 1976; P. 1507). Lack of attention of this perspective to exceptions, although incomplete and not continuous, which had some useful constructs to equip the country, makes the writer to misjudge. If it is the case that Mahmud writes, then there should be some doubt about the histories reported on Abbas Mirza, the Prince, Ghaem Magham Farahany, and Amir Kabir and their reformation activities, and following that the question that might arise is: What is the source of this “black Historiography” and “How can we achieve interpretations on what they have written”? And still the next question is “How and

where can the traces of individual and collective agencies be observed”?

On the other side, there are a few Iranian historians who consider the contraction of the Reuter's Agreement the continuation of the internal reforms initiated by Sepahsalar and driven from his developed thinking and education about the rule of law and a systematic government. According to them, in that historical condition and to escape the extensive chaos which had surrounded Qajar Government, they had no other choice than to do what they did. On one side, they had faced a group of opposing and competitive agents in the court who could not tolerate his improvements, and on the other side, amongst the international order of the time and extensive competition among colonial governments, he had to choose a strategy to hold the country up under the shadow of one of the big powers of the day, while not triggering the sensitivity of other governments. The failure of Sepahsalar's policies and the uproar that arose after that in the form of a constitutional revolution, and disentangled everything in the government is itself a reason for Sepahsalar's curiosity who had felt the signs of chaos and was to find solutions for the upcoming problem, just because of his familiarity with the developments of the modern world, and because of his intuition. From among these historians Fereidon Adamiyat, Sadegh Ziba Kalam, and Abbas Amanat can be mentioned. Writings of these people do not have anything to do with absolutisms in which a hidden actor is sought behind all and every happening which is following his (its) own benefits, regardless of other's wishes. Supposition of this article is that history is the outcome of actions and interactions of many actors with different intentions, and no event in any period of time can be interpreted wisely without taking into account the characteristics of individuals and the psychology of the actors and the general processes of the events, and of course, the interaction between and among these elements.

### **Theoretical Background**

James Rozna points to five effective factors in structural interpretation of the theory of decision making. Mohsen Khalili believes that there are twenty five variables involved in decision making, when he extends the above factors. These factors and variables are as follows: 1. the personality of the decision maker; familial constructs, individual senses, class belongings, experiential background and political manners, 2. the role and choices of the decision maker; the place of individual, the choices of the individual, individual policies and individual skills, 3. Internal construct of the government and the ruling system including policy makers, legislators, executive authorities, influential authorities, and elites, 4. International system: neighborhood, local areas, beyond local areas, international conditions, attitudes, and international behaviors. Concerning all these variables, this article will investigate the issues of construction and cancellation of the agreement (AghaHusseini, 2009; PP. 52 and 53).

### **Factors Effective in the Contraction of Reuter Agreement**

#### ***A. Modernist Tendencies of Nasser al din Shah***

Nasser al din Shah was seventeen years of age when he became the king of Iran. His childhood and puberty were not free from the sense of the lack of security, tranquility, lack of mental peace and financial welfare. His father's disappointing relations with Malek Jahan and the presence of Mirza Aghasi who preferred the Crown Prince-ship of Nasser al din Mirza's brothers made him neither enjoy an education proposed by his ancestor, Abbas Mirza, and nor to show his capacities and abilities because he was not put to work in the political affairs. The king of future, because of the modern cultural atmosphere which had developed since the time of FathaliShah, and which had caused gathering of literary people and scientists in the court, possible, tried to compensate the de-

iciencies in his formal education, the efforts that if the report of Lord Kruzon, who prepared it years after, is read, makes us understand that they were not in void: "From the early adulthood, he was surrounded by subservient and flatterers who cherished the Eastern monarchs, and it is of surprise that Nasser al din Shah was so well trained" (Cruzon, 1982; 397, cited from Amanat, *ibid*; p. 113). With all these merits, his bitter memories of the time he was a prince mixed with inattention of his father, being the entertainer of the of reform, being depended to Russia and Britain- were the feelings that remained with him and provided a tentative, but permanent fear in him from the change, development, and submission of power to authorities and fatherly ministers, that turned into disappointing decision makings and catastrophes like the death of Mirza Taghi Khan-e Farahani, and sudden discharge of Mirza Hussein Khan Sepahsalar, and stoppage of the process of reform. The effect of old and new reminders and the challenges he met when he tried to recognize the modernity when he contacted it in the texts about international history and geography made him preoccupied with the infatuation for the new and modern things... and a combination of old and new with a known color and odor (Amanat, 2004; 130).

Privileged chancellery of Amir Kabir and the main effects of his landowning on the mind of the King helped him to reach the position to leave an acceptable dossier of himself when dealing with the conflict between Russia and England, and also in the foreign policy: this achieved shaky balance which continued to remain the same to the early years of the 1300 decade (Islamic Calendar) was continuously moving from one pole to the other, yet what Nasser al din Shah had achieved was more promising when compared with perspectives of the performance by his other Muslim neighbors-like the Second Sultan Abdolmajid (1876-1909) in Ottoman Empire, or the dangerous attempts made by Khadiv Ismail (1863-1879) in

Egypt, on the process of modernization. In the Cold War between Russia and England, the King could make use of his skills in bargaining, successfully, and as a result, could save, at least, the integrity of his country, and this was the time other governors in his very similar position had lost their independence, when European governments intervened in their affairs (Amanat, *Ibid*; 542 and 543). However, if we don't agree with Abdol Hussein Navaee who says: Nasser al din Shah like all his predecessors and posterities was so much fun of Iranian culture and tradition and Islamic Rituals, and his intention was to promote Iran and Iranian society" (Navaee, 1998; P. 501), we cannot ignore this issue that, 1. Nasserid period was the time of hard colonial competitions, and 2. During this period Shah who had taken hold of all foreign policy issues after the murder of Amir Kabir, could not only agree with some sort of modernization, although in a very limited fashion. This was to prevent the destruction of the inefficient governing system and the collapse of Qajar Dynasty, and also to succeed with maneuvers taken in the domain of diplomacy, to preserve the independence of the country, except in the cases like Heart whose loss was unavoidable. Seven years period of Mirza Agha Khan-e Noori's Ministry (1268-1275, Lunar Calendar) was so different from the order and discipline of the time of Mirza Taghi Khan, that not only the King, but also fair courtiers and Minister Plenipotentiaries of Russia and England, also, confessed its reality and truthfulness. What had remained at the end of this period were unresolved problems that had got the monarchy of "Khaghan Ibn-e Khaghan Ibn-e Khaghan" involved. The defeat of Herat and Paris contract were only signs of the weakness that the government had met. In this context, Shah accepted to be the agent of executing reforms in the country and in a three year period (1275-1278, Lunar Calendar) he ordered the establishment of the council of government, "Public Advisory" and agreement with the formation for a

political group under the name of “Association of the Forgotten”. He sent a group of forty two Iranian students to France, attempted to make a board to take hold of the improvement of trade and industry, and showed willingness to accept the first sketch of the Iranian constitution annexed by the social, political, and economic regulations. But all these reforms, since the government was a quickly renewed one, were deplored one after the other because of the conspiracy of the courtiers, outside pressures, and the slowness of the improvements. The last stroke was hit by the “Riot on Bread” that caused the King to stop the process of reformation and leave it in the middle, because of the suggestion of the opponents of reforms and to preserve the glory of his monarchy. According to Adamiyat: “We know that reforms had many opponents; they adhered to any trick to divert Shah’s attention from the reforms. When the situation got worse-instead of looking for the reasons, the simplest action was to state that any innovation is harmful, and any new law conducted or enacted would result in incapacity and disability. And if the advisory attempted to reproach the government (as it was indicated in its formulary) it would lead to corruption and sedition and would interfere with the basis of the reign independence. And, if the “Association of the Forgotten” would remain, it would cause the chaos. In this context the effect of people’s riot was easily understood that could cause the murdering of the city Imam Jome. Putting on the red clothes by the Shah and the way he ordered the execution of Mahmud Khan-e Kalantar were all signs of the Shah’s absolute negation of the improvements in the roles of monarchy.” (Adamiyat, 1972; PP. 80 and 81). The situation was the same for the next ten years (1278-1287, Lunar calendar). The general tendency of affairs was toward restitution, but, in between, two things made the reforms unavoidable: first, the expansion of the innovative ideas issued by the educated people who had returned from the West and whose objectives were

to experiment the basis issues of the western ideology in governance, the way it was practiced in Ottoman and Japan, and the second, was the economic crisis that was followed by the political crisis. It was in this atmosphere that the third period of reforms of Nasserid period started with the help of Mirza Hussein Khan Moshir al doleh and with the support of the Shah. Considering all the issues, as a final interpretation of Nasser al din Shah’s behavior, it can be claimed that Nasser al din Shah-e Qajar, during his fifty years of monarchy, was involved in many reformist movements to help the country to get away from the unorganized economic situation, the extensive corruption of the Court, involvement and inadmissible interference of foreign governments, and chronic historical backwarded situation that had surrounded the life and the time of people. In comparison with his predecessors, Nasser al din Shah took more and higher steps in improving the situation of the country, although, at the final stage, he would achieve the most from his efforts. It should be stated that his fifty years of kingship coincided with the intensified colonial competitions of the Colonists in different parts of the world and inside the area of Iran and India. On the other side, in the dimension of the internals, the contention of courtier groups who had embarrassed the government worsened the situation, and meanwhile, the king himself whose character was under the influence of his problems he had met during his Crown Princeship period, finally led to a sweet result, contrary to its problematic beginning.

### ***B. Operationalization of Muhammad Hussein Khan –e Sepahsalar’s Attitudes***

Mirza Hussein Khan-e Ghazvini (1243-1298, Lunar Calendar) was the son of Mirza Nabi Ghazvini who was put to work in the Court. When he finished his primary education and spent some time studying at Dar al Fonon, he was sent to foreign missions. During the ministry period of

Amir Kabir he had been a diplomat in Bombay for three years from 1267 to 1270, in Lunar Calendar, and when he returned from India, he became Iranian Consular in Tbilisi (1271-1275, Lunar Calendar). During the later years of the ministry of Mirza Agha Khan –e Nouri, and when he was thirty two years old, he became the minister in Istanbul. He was in the position for ten years and after that he became the ambassador and stayed in Istanbul for two more years. The so called Moshir al dolleh lived outside Iran for twenty years. Although during twelve years of residence in Istanbul he was the observant of the Monarchy and the rule governed systems which were reflected very extensively in the Ottoman Empire, and got familiar with the effort of Ottoman intellectuals to achieve a constitution and establishment of a parliament, and they were all effective in his later activities, according to Adamiat, the basis of Sepahsalar's thought and philosophy was his education in France and his interest in the French style government- which was for him, against the English style (Adamiat, *ibid*; PP. 126, 127). During his mission in Tbilisi and Bombay, he got familiar with the orderly arrangement of the Courts of Russia and Britain, and as a result and gradually the idea of improvement and the bases for reform started to grow in his mind.

He made arrangements for Nasser al din Shah's travel to the holy shrines in coordination with the Ottoman Empire and in this way he could attract Shah's trust to start reforms in the country. He familiarized Shah with the fundamentals of government in the West and their new governmental constructs, he also showed him Iranians who had left the country because of the tyranny of Qajar Dynasty, and had moved to Iraq. At the end of his trip, Shah brought Mirza Hussein Khan to Tehran with himself and assigned him to the Ministry of Justice and Endowments, in Ramadan 29th of 1287, the Lunar Calendar. In Rajab 1288, Lunar Calendar, he was honored to the title of Gene-

ralissimo and the Minister of War, and a little later he reached the Chancellery. This position, although constructive, was very short, and because of the conspiracy of the opponents of Sepahsalar under the leadership of Kamran Mirza, Mahd-e Olya, and Haj Mullah Ali Kani and the pressures posed on the King, when he returned from the West, everything came to an end. Shah, Of course, assigned him to the Ministry of Foreign Affairs and that of War, later on. In 1297, Lunar Calendar, he was dismissed from both positions and a year after when he ruled Khorasan, he experienced a mysterious death. In sum, the ten year period Mirza Hussein Khan's Presence should be investigated and talked about as a separate period in the history, including the events that happened before and after that. This quotation from Mahmud, that "what was expected from Mirza Agha Khan-e Norrie, and Mirza Hussein Khan-e Sepahsalar, was also expected from Mirza Ali Asghar Khan-e Amin al Sultan and was put to work during his Chancellery, cannot be taken with much importance. If we compare the history of the Chancellery period of Asghar Khan to the end period of Nasser al din Shah's life with that of Hussein Khan –e Sepahsalar, we can find lots of similarities in practice (Mahmud, *ibid*; p. 1526). During ten years period of Chancellery and Ministry of Sepahsalar a series of social and political reforms along with some new civil establishments were founded, all of which had Western origins. Social reasoning improved, suddenly, meaning that this kind of thinking easily moved from the elites of the society and reached the middle class or even the lower groups. "The combination of all these developments and changes make the period of Sepahsalar". (Adamiat, *ibid*; P. 129) This doesn't mean that that Sepahsalar was individually the creator of all these developments, but there is no doubt that, Moshir al doleh knew well the sense of the time and did his best to coordinate with it and in this way guarantee the luck of his nation, who contrary to his predecessors, were not

peasants. Many of elites of the Qajar Period had come across this idea and accompanied him, but what made this minority group's wishes become the real wish of a king like Nasser al din Shah was the immense corruption, and economic and cultural stagnation of the country.

"Progress" was a concept derived from the optimism of the enlightenment period and because of the care of scientists toward the scientific discoveries and effects they would have on the construction and design of a new and developed society. According to this idea, progress meant "developmental change" and that the "social life" follows the same rules that nature does and according to which it develops. In this way history has a developmental nature, and with improvements in scientific rules, we can observe increase in social intellect and as a result the luck and happiness of mankind. Belief in the principle of "progress" entailed some consequences: separation of society from government, the necessity of existence of a logical law, interaction between individuals and the government on the basis of a law that considers the rights and responsibilities of both, lack of interference of religion into politics, the necessity of public education and necessity of the increase in industrial production and domination over nature. Sepahsalar who knew two languages of French and English well, had the opportunity to read the original texts, and get informed of the progressive insights, and attempt to plan for progress. In the political dimension, he made himself involved in reforming the government, establishing an orderly government by civilized governments, preventing the oppression of rulers against people in the political and judicial affairs. In the cultural dimension, while respecting the social criticism, he attempted to install new schools and free schools, establish newspapers like "Vaghaye Adlieh, Military Marikhof, and Vatan" to improve and educate the nation. In the economic sector, he considered the development of the private capital, relative propagation of

steam engine, founding trading companies and putting to work the internal capital in the productive activities, and using the foreign investments in the economic developments of the country. These activities were reflected in three areas of "Banking and Finance", "Industry and Investments", and "Road and Railways."

What, here, relates to the Reuter Agreement is related to the attitude of those following the progress in Iran including Sepahsalar, who wished to achieve in the economic dimensions and international relations. According to Sepahsalar, to change the situation in Iran, a solution at two levels was applicable: 1. Iran had to be taken out of "solid state between two moving forces", and 2. to define itself in a new condition inside the system. In this context, he tried to prove Iran's neutrality to the governments of Germany and Austria, while Iran's integrity had to be guaranteed by Russia, and Britain's consideration had to be preserved. He, even, succeeded in attracting Bismarck's positive view toward his viewpoints; although, finally Sepahsalar found that the real essence of reform should emerge from within and because of that he attempted to do some political and cultural reforms inside the country. In the field of economics, Sepahsalar tried to regulate the tax system of the country, when the country was at the top of economic crisis which had a ten year experience of stagnation, and he succeeded to some extent, too. In the domain of industry and investment, while criticizing the import of consumable objects, worried about the national economy, and his special attention was toward the industry of steam engine. It was, however, in the field of road and railway that Reuter Agreement was put forward. There was no doubt that railway was very important in the process of trading development, but the problem was that it was years that Iranians wished to have such equipment, but they did not have the capacity to hold it. Nasser al din Shah had talked about this wish in "Al-maaser va al Asar": A line is drawn between the

shores of Caspian Sea and the Persian Gulf, it is important that this blessing is appreciated and put forward in the agenda. Regarding the importance of Railway, Sepahsalar finally attempted to sign a contract with Baron Julius de Reuter. In 1289, Lunar Calendar, by paying 40,000 pounds and 60 percent of the interest of custom's privileges, bought the exclusive right of establishment of Melli Bank, exploitation of mines (except Gold, Silver, and other precious stone mines), the right of the construction of the railway, the canals, aqueducts and the affairs of irrigation, construction of roads, telegraph lines and industrial factories for seventy years and hiring all custom and exclusive exportation of any product to Iran for twenty five years (Abrahamian, 2005; P. 71).

A lot is written and said about the Reuter Agreement. Some consider it as the sign of direct dependence of Sepahsalar to the English Government, and treacherous complaisance. They even got help from Lord Curson who says: "when this patent was issued, everybody evaluated it as submitting the total industrial treasures of the country to foreigners (Alamooti, 1991; P. 15)". According to them and according to Curson "this contract embodies complete submission of the resources of a government to foreigners, an unprecedented one in the history" (Curson, 1970; P. 622 quoted from Abrahamian, *ibid*; P. 71). Another group even went farther and claimed that Sepahsalar had four commitments to the English Government which he tried to materialize during his Chancellery: "Sepahsalar had four commitments and conducted them all, meaning that "first, arbitration was carried out in Baluchestan, second, the map of annexing part of Sistan for the sake of England to meet the benefits had come to an end; third, Reuter's Agreement was approved and finally Shah's travel to London had taken place" (Not named, 1973; P. 190). Another quotation from Lord Curson that says: "happiness of Iran for making friendship with England, it's intimacy and loyalty for the English Government

have never exceeded as it has during the Chancellery of Sepahsalar", could distort everything and change him to a statesman who is like a glass marble on the field of Iran's politics who get replaced by the political actors" (Mahmid, 1982; P. 217). Anyway, the reason for the signing of the Reuter Agreement which was contracted by Sepahsalar can be summarized in the following factors:

1. Sepahsalar and progressive elites of Naseri Period like Malkom Khan had come to this conclusion that "companies should be brought from outside to develop the country, wiser people still have this idea that foreign companies will occupy Iran. There is a lot of ignorance in this idea" (ZibaKalam, 1998; P. 321). As Malkom and Sepahsalar believe economic development needs four elements of material resources, work, capital, and skill". This issue is evident in the letter that the council of ministers and Court authorities wrote to the Shah: "what we observe today is that for the construction of railway we need at least 5 Koror= 5,000,000 Rials. It is clear that the respected government is never able to pay for these expenses... what we have given are some of the things of no use for the government, and will not be useful in future as well, if we keep them" (Navaee, *ibid*; P. 640). What is interesting is that the letter is signed by the authorities of Qajar Government. The content of the negotiations, also, indicate that the ideas of the Authorities of the Court have been included and considered, meaning that there was no hidden negotiation between the colonial government of England and Sepahsalar as an agent, but it has been operationalized with the Agreement and accompaniment of Shah and other courtiers, and, of course, with the activities of



Mirza Hussein Khan. In this letter there are several times of mentioning the company and not the respected government of England. Principally, assignment of this privilege to the government of England was only an attempt to prove this claim that Moshir al doleh was related to that country, and there was no certainty in the claim, and had no relation with the reality of the issue. Even Henry Rawlinson whose words have been appreciated by many critics of Sepahsalar, also at the end of his allusions show explicitly that there is difference between the government of Britain and one who is a British, he writes: "when this enfranchisement was published and distributed all over the world, it was noticed that how it provided immense number of advantages and all the agricultural resources of the country was given to the English Government. Nobody was able to predict such event in which such an important enfranchisement be given to one of the citizens of the English Government" (Navaee, *ibid*; P. 639). However the emphasis of Sepahsalar was on the external development and this was neither contrary to the behaviors of the time, nor a reason for his treachery.

2. Experiences of Sepahsalar in Istanbul directed his thoughts and actions, later. Ottoman Empire was the center of oppositions between the reactionary ideas of Russia, on one side, and the support of progression by France, England, and Germany, on the other. This caused that even delay in the reforms by the Ottoman Government be criticized or even threatened by these governments. Later on, however, this situation was effective in its sustained tendency toward the West and in modernized approaches it adopted. Adamiat (*Ibid*; P. 134) quotes: "These

times the Western Governments will force the Ottomans to follow reforms in the affairs of the country. Although, at first, this importunity might seem bitter and unpleasant, at least it will lead to improvement". Therefore, these inclinations toward the West and moving away from Russia were related, directly to the international relations realities and the phenomenon cannot be judged from scratch. "Sepahsalar also had stayed in foreign countries for years and had based his policies on the cooperation with the England Government. And, this is why from the very beginning period of statesmanship he made facilities for the English to come to Iran" (Hooshang-e Mahdavi, 1996; P. 288). Or because of the suggestions of Malkom Khan, Sepahsalar had come to conclusion that Russians would, sooner or later, put an end to the Monarchy of Iran. He found that the only safe place for trading was inside England; if Iran could depend, without any condition, on England, the Monarchy would stay safe and away from the encroachments of Russia (Tabatabaee Majd, 1994; P. 362). In sum, Sepahsalar who hoped to save the country's integrity by being careful about Russians, considered Iran's progress bound to the cooperation with England and the West.

### ***C. The Efforts of the English Merchants to Trade in Iran***

With the incidence of Industrial Revolution and the establishment of Capitalism, it was natural that the Western Companies to seek the cooperation with the underdeveloped countries with the support they could get from the European countries. In the new world, it was not only countries which attempted to colonize the weaker ones, but investors, exchangers, banks, and the like, who looked for more incomes outside Europe and in

areas like Asia, of course, with the help of their own governments. Iranians, of course, were not beyond this circle and one of the mental occupations of the ambassadors of Iran was to make relations with these investors, and to motivate them to invest in Iran. In the year 1280, Lunar Calendar, Monsieur Savalan appeared in Iran for building the railway and extraction from the mines, but no agreement was achieved. Two years after the time Dr. Strasburg was sent to Tehran by Moein al Mulk, Iranian Minister Plenipotentiary in London was delegated to London, but the unpleasant situation of the Court made problems that were produced for him, made this Belarusian merchant to pay 4,000 Pound Sterling to free himself from the tragedy he was involved in. Later correspondences with the company of Siemens Brothers, because of their knowledge on unfaithfulness of Iran in their financial transactions, failed (Kazamzadeh, 1975; P. 93). During the years after, the construction of railway was delivered to French, Austrian, German, Belgian, American and Italian, English and Russian Companies, although none came to any conclusion (Navaee, *ibid*; P. 679). Finally, Mohsen Khan Moein al Mulk in a letter to Mirza Hussein Khan Sepahsalar confessed that; "the only market which is left free from our uncleanness is the market of London and no other person is left pure". With the presence of Sepahsalar and the new arrangements he made in the Court, he could solve one of the great problems of Iranians and that was cutting short the corrupted hands of the courtiers, and now was the time for finding a foreign company. By the efforts of Malkom Khan, Iranian Minister Plenipotentiary in London, Baron Julius de Reuter announced his agreement for performing the plan. Reuter had been born in Germany in 1816 and was the founder of the famous News Agency of Reuters who moved the place of his business from Germany to London which was the center of the world economies and in 1857, he got the nationality of England. Reuter could get

the agreement of the companies of Matisen and Jardin to cooperate in this project and then in 1288, Lunar Calendar, he sent his representative Edward Cout to Tehran to prepare the ground for the agreement. With the positive tendency of Shah, the plan was facilitated and finally in 18th of Jamady al aval, 1289, Lunar Calendar, Reuter's enfranchisement was registered.

What should be mentioned is that Thomson, the Diplomat of the England Embassy, just two weeks before granting the enfranchisement wrote a brief description and sent it to the Ministry of Foreign Affairs in England. Shah had ordered Sepahsalar to be careful not to frighten Cout, and Cout also did not mention anything about the proposition of Reuter. Therefore, it is important to distinguish between the Government of England and Reuter when interpreting the issue of enfranchising, and as it will be discussed, we will recognize that not only Reuter was not the agent of the English Government, but the England Government expressed its disagreement with this contract and, even, later, it did not help Reuter to fight for his right. This issue represented well, especially, in a statement Sir Dennis Right, the Minister Plenipotentiary of England expressed between the years of 1963 and 1971 in his work, the English people in Iran: "Many of the Europeans who looked for grants during the late 19th century had ambushed on Tehran like buzzards, were unjust adventurers who looked for windfalls, their activities had been registered in the minds of Iranians when getting the cancelled enfranchisements of Reuter and that of Tobacco. Activities of these adventurous and tough merchants who were not all English, caused disagreement of the Government of England, since their policy toward Iran was under the political rather than economic considerations (Wright, 2006; P. 154).

### **Factors Effective in Cancellation of the Reuter Agreement**

#### ***A. Explicit Opposition of Russia***

With the publication of Reuter Agreement, it was very natural that the Russian Government as the primary actors to disagree with the contract. From the perspective of current colonial competitions of the time, the very presence of such profitable contract that would eventually lead to the increase in the power of England was considered a real defeat for the Russians. Iran had been confined between two powerful colonial neighbors who were involved in their political conflicts. Anger of the Russians from the ignorance of their embassy in Tehran for the negotiations of Reuter and the Court was so much that they called their own ambassador and questioned him (Madani, 1981; P. 387). Also in Nasser al din Shah's travel to the West (Bahar, 1873) which was the first trip of a Muslim King to the West and which was one of the strategies of Sepahsalar for familiarizing the Great King with the improvements of the industrial world, the foreign minister of the Russia announced "his surprise" because of this contract. The Russian Government was worried about the dominance of the English over the customs of Iran and the complexities that was threatening the Russian Bourgeoisie in trading with Iran; and expressed his disagreement to the Shah, very explicitly. They, also, prevented the transfer of the materials needed by Reuter, for the construction of the Railway in Rasht for which the only passage was Russia. Later, the delay by Reuter, one of whose reasons was the preventions of Tsar Government, was an excuse for cancellation of the enfranchisement by Iran. The reality is that, Shah had written to Sepahsalar, much before that the following: "I have understood well the benefits of the job, the Russian Embassy can be offended as much as it can, they have no right" (Teimouri; P. 116 quoted from Mahmid, *ibid*; P. 229), but he did not expect that Gorchakov explicitly say that this advantage indignified the Shah. Of course, Shah's worries were not unreasonable, concerning the history of the relation between Iran and Russia and the new peculiarities that had

shaped in the international system. At this period that the imperialistic Trans local behaviors were the guides for the main actors, Russians who found themselves back warded in this game, made use of Iran as a passage through which they could endanger the interests of Britain in India and in the Persian Gulf (Khalili, 2010; P. 66). The Russian Government started their activities from within the country by the help of their supporters in the Court and could, eventually, organize a very large coalition of opponents. With all these efforts, the accede of the Russians to sign the contract of Granville – Gorchakov in February

1873 and much before Shah's travel to London in which the chancellor of Russia, Prince Gorchakov, committed that Afghanistan is considered outside the Russian influence was their most effective trend in cancelling the contract.

#### ***B. Priority of the Political – Security Role of Iran in the Government of England***

Sepahsalar's efforts to acquire guarantee from the side of English authorities on removing the Russian violations were left fruitless, and even in this trip not much cooperation was observed from the side of the England Government about the Reuter Franchise. Gradually, Shah and Sepahsalar noticed that something was cooking. The outcomes of the trip indicated that, as far as it referred to diplomatic strategies: England would not guarantee Iran's integrity and does not take any responsibility in defending its rights against the oppression of Russia; England advised not get involved in the enfranchisement of Reuter and does not support the contractor (Adamiat, *ibid*; P. 359). What happened that England came to such conclusion? Foreign policy of England during 1866 to 1874 was based on two principles: first, to be neutral in the continent of Europe and second, to be away from involvement with Russia. This later reason, of course had its own reasons. On one side, after the defeat of Russia in the Crime War, they tried to retaliate this defeat

with expanding their possessed properties in the Central Asia, Caucasus, and Turkistan which included four Governments of Khooghand, Bokhara, Samarkand, and Turkistan. Most parts of these named places were occupied by Russian forces in just one decade. In 1872, Kheiveh was occupied and in this way Russia could strengthen its twelve year dominance. This was an alarm for England and its colonized land of India (Madani, *ibid*; P. 386), at this period, there was also a triangle union among Russia, Austria, and Germany was formed in the center of Europe which could add to the dangers afflicting Britain. Development of Germany with the leadership of Wilhelm the First, and Bismarck was a reality whose overlooking in colonialists' disputes would harm England interests. Some believe that for this reason, England tried not to get involved with Russians, directly, and instead through its influence in Iran, Ottoman, and Afghanistan try to stand against Russians. As this group believes, the Reuter enfranchisement was an attempt in this direction. Ibrahim Teimouri, Mahmud Mahmud, and Jalal al din Madani are among this group of researchers. Although this might carry some reality, it should not be forgotten that more than that, England, principally, did not agree with the establishment of Railway in Iran, and it was because of political-security nature of the issue in which Iran was considered an intermediary Zone to preserve India from encroachment of others. Lady shell, the England Minister Plenipotentiary in Iran considered crossing the railway from Iran and Iran's improvement in economic, social, and military affairs in contradiction with the interests of England Empire in the East. When stating the reasons he believed that: "one hundred years are needed to pass for the poor, unable Iran, and a lax and useless government and nation like Iran to have the efficiency to participate in the plan of the Railway. Railway construction would, of course, lead to the increase in the power of Iran, and would activate their talent, which was hampered

by poverty, need and laxity". Shell did not only confine himself to these economic reasons and stated that, although, no military danger would threaten the interests of Britain from the side of Iran, at that time, railway could distort this equation (Zibakalam, *ibid*; P. 296). It seems that what made Shell to decide to cancel the Agreement was this cold behavior of England with the issue. The sign could be seen in inattention of Shah toward Baron Reuter and his refusal from participation in the dinner party he had arranged. Sometime later in November 1873 when Reuter had started to work just a few weeks before the deadline, with the excuse that the construction did not start at the due time, was cancelled by Iran.

Although the procedure followed by England about Reuter Agreement and leaving Sepahsalar alone, and even showing to Iran how to cancel it, had a very effective role in cancellation, when Russians asked for a similar enfranchisement by General Falcon- Hagen and got closer to the borders of Afghanistan through its forerunning in Turkistan and even got Marv and five other villages, while England was thinking about empowering Iran against Russians and in this way even implicitly agreed to return Heart to Iran, made use of Reuter Agreement, and not only did not prevent Russians from getting enfranchisement from Iran, but also got another achievement over the contract, and that was the establishment of "Shahanshahi Bank." Reuter which could see the atmosphere prepared, followed its complaint against Iran and could prevent the plan of "the International Company of Iranian Railway" with the cooperation of Germany and Austria in the Parliament of England, but Bismarck announced, explicitly: Other activities in renewing Iran is the one against Russia that would harm our friendly relations with that neighbor" and this was the unfortunate end for a contract, which according to Adamiat" deviated from its economic origin and fell into a totally political channel... the economic presupposition of putting to use the foreign in-

vestments changed into a pure political issue, in the political relations between the governments” (Adamiat, *ibid*; P. 369).

English people, who were still following Napoleon’s Expansionistic wishes and was, thinking about domination over India through Iran, noticed the importance of Iran’s Geopolitical position. They followed this principle in their agenda to preserve the security of India. Following this unchanged strategy can be deduced from the writings of Sir John Malkom in 1806 who wrote: “England has an important and evident benefit in empowering Iran, as an obstacle against India”. Three years later Britain warned The Russian Government that: “The Government of Britain considers Iran as an obstacle against the attacks of European governments to the territory of England and India. Because of these considerations, British Government has signed an agreement of union, as a result of which Iran is the friend of England, and stays in peace with its neighbors”. This continued to 1919 that Lord Curzon said to his colleagues in the cabinet that “it is impossible to allow Iran to destroy... its geographical position, our interests in that country and later the security of our Eastern Empire today, like fifty years ago does not allow us to be away from what is happening in Iran”. In this way as Right interprets, at the end of Qajar Dynasty as in the beginning of it, Britain sees its interests in the preservation of Iran’s independence and integrity which would be a support for its Empire in India; Moreover, now, it has rich economic interests that should be supported (Wright, *ibid*; PP. 21-23), the economic benefits that were accessed not before the Reuter’s Agreement but after the cancellation of the enfranchisement and in a period called “International Camisado”; although it was never considered an objective during the Qajar Government and constantly remained in the shadow of political-securities of Britain in India.

### ***C. Disagreement of Courtiers and Influential Clergy People***

Although it seemed that Shah had decided to cancel the enfranchisement much before reaching to Iran and in his five-month trip to the West, opponents of Sepahsalar which included a group of women of the Harem, clergy people and countries that were opposite to the new systems set by Mirza Hussein Khan and also Russophile elements of the court tried to make use of the situation in which the minister could not achieve his objectives, and his wishes were scrambled with requirements of the Tsar Government and get rid of the reformist minister. Anis al doleh, the favorite wife of Nasser al din Shah who believed that their return from Moscow was because of imposition of the minister, when she was back to Tehran, changed the Harem to the center for conspiracy of the courtiers and Qajar princes. The Governing Body including the princes, influential countries and the majority of ministers and rulers did not agree with the developments proposed by Sepahsalar. Haj Mullah Ali Kani who had talked about the complaint of the Minister about the use of the “Forbidden word of Freedom” and had close relations with courtiers, was opposed by Mirza Hussein Khan who had hoarded wheat when there was the situation of drought and famine: “if there were no Nezam aldoleh and Haji Mullah Ali on the hoarded cereal by them, the price of wheat would never exceed fifteen or eighteen Tomans (Adamiat, *ibid*; P. 257). Most of the clergymen disagreed with the construction of Railway and considered it contrary to religion. In this respect, Tehran Imam Jome in an edict considered using Railway an illegal action (Zibakalam, *ibid*; PP. 239 to 240). Alexander Burger, the ambassador of the Russian Government, undoubtedly, had a special position and if it were not the case, it would be amazing (2). Farhad Mirza Motamed al doleh who was the vice-regent when the king was not present, put them all together to the extent that

they telegraphed to the King who had recently entered Tehran, required Moshir al doleh's dismissal. Finally, Shah surrendered and dismissed Sepahsalar and abolished the tradition of assigning chancellors, altogether. However, when he turned back to Tehran, called Moshir al doleh and tried to make a balance between reformists and unsatisfied courtiers, the process which continued to the time of Mirza Hussein Khan's death, but made Moshir al doleh, the agent of cancellation of the Reuter Agreement and this became the end of an event which is still under discussion after one and a half century after its cancellation.

### Conclusion

Reuter Agreement was the offspring of Qajar reformists' tendency toward development through external processes. According to the modernists of the Nasserid Period, the idea of Malkom Khan which stated: "to improve the country, companies should be brought in from outside" was neither a sign of ignorance nor treachery. According to the plan laid by Malkom, economic development needed four effective elements: Natural Resources, Work, Capital, and Skill. The first two elements were present in Iran, but the latter two were missing, and therefore, there was no other choice for Iran to acquire them except from the West. Sepahsalar, in addition to agreement with such idea, was hopeful to increase the sensitivity of England about the independence of Iran by such contraction, when Russia and England were in conflict and it this way to control the invasion of the Northern neighbor. This attitude was not wrong, however. If England's attitude toward Iran was a security-political one and in line with the preservation of India, Sepahsalar could make use of the theory of "Iran; the Retainer" and by signing such agreement, make the external investments the beginning of rapid economic development for the country. If Iran was supposed to enjoy the same thing that happened to Egypt, India, and Ottoman possessions in Balkan and Afri-

ca, there would be no other choice than to save the balance between two governments, either by bargaining or by looking for a third element. The efforts of the Qajar Court to submit such important issue to Germany was useless, and therefore, Sepahsalar, by his presuppositions, attempted to contract with Baron Reuter, the action to which The Government Body and the Shah agreed. Reuter was a merchant, originally from Germany who followed his activities in London to use the present economic security in England, and like many other investors of the time was looking for a profitable transaction. Nevertheless, neither was Reuter a broker of England, nor was the Government of England, originally, optimist about Reuter. But, what Iran never thought of and did not know anything about was the common concern of England and Russia about the rise of Germany under the supervision of Bismarck. In his travel to England, Shah noticed the disagreement of both governments with the Contract, and when the Shah was back to Iran, when noticing the objections of Courtiers and stimulation of some clergymen who had some relations with the Court, dismissed Sepahsalar from Chancellery, by necessity, and a little later gave him the mission of cancelling the Contract.

In description of the real reasons for the cancellation of the Agreement, there are disagreements among authorities: Hushang Mahdavi Considers "lack of trust of the English Government toward Reuter's honesty and the objection of Russians" important (Hushang Mahdavi, 1996). Mahmud, Mahmud believes that "the political events and opposition of some of the courtiers" were the causes of the cancellation of the enfranchisement (Mahmud, 1966). Bina believes in "the anxiety of Nasser al din Shah suffered from because of the opposition of different groups of people in Tehran and the idea of European journalists about the disadvantages of the Contract" (Bina, 1973). Navae emphasizes on "the internal pressures by Iranian patriots, the pressure of the Russian Gov-

ernment from outside and inside, and the inclination of the Iranian Government to free itself from the chaos of pressures” (Navaee, 1988). Shamim enumerates “the opposition of global trade in addition to the political pressures of Russia and opposition of the public thought” (Shamim, 1996). Khanmalek Sasani considers “clergymen who believed that accepting the European traditions was contrary to religion” along with “the intimate Patriots” and “the State agents and rulers” effective. Madani states that: “as a result of the sian obstructionism, Reuter could not start its activity in due time, and from the other side, Russia was to get closer to the Government of England” (Madani, 1991). Finally, Adamiat is on the idea that “contrary to the idea of Iranians and foreign authors, the real reasons of the cancellation of the Reuter Agreement were not the threats and disagreements of Russia, but disagreement of London with it and/or at least its lack of support” (Adamiat, 1972).

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