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'Agreement Between His Britannic Majesty's Government and the Persian Government.'

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Reference	IOR/L/PS/18/C197
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About this record

This file consists of an agreement between the British Government and the Persian Government [a provisional agreement that was never ratified; it was later known as the Anglo-Persian Agreement], dated 9 August 1919. In the agreement, which consists of six clauses, the British Government agrees to continue to 'respect absolutely the independence and integrity of Persia'. It promises to supply – at the cost of the Persian Government – the services of whatever expert advisers may be required for reforms by the several departments of the Persian administration, as well as military officers, munitions and equipment. For the purpose of financing the aforementioned reforms, the British Government offers to provide a substantial loan for the Persian Government. The British Government also states that it is prepared to co-operate with the Persian Government 'for the encouragement of Anglo-Persian enterprise' in railway construction and other means of transport. The agreement concludes with a statement that both Governments agree to the appointment of a joint committee of experts for the examination and revision of the existing customs tariff.

The agreement is followed by another agreement which concerns a loan of 2,000,000 / from the British Government to the Persian Government. This agreement is followed by an extract from a contract between the Persian Government and the Imperial Bank of Persia, regarding a previous loan of 1,250,000 /, dated 8 May 1911.

The file concludes with two letters from Sir Percy Zachariah Cox, Acting British Minister at Tehran, to His Highness Vossug-ed-Dowleh [Woṭūq-al-dawla, Prime Minister of Persia], both dated 9 August 1919. In the first

of these letters, Cox states that the British Government is prepared to co-operate regarding the following issues: the revision of existing treaties between the two powers, Persia's claims to compensation for damage suffered at the hands of other belligerents, and the rectification of the Persian frontier. In the second letter, Cox states that the British Government will not claim for the cost of the maintenance of British troops that were sent to Persia to defend its neutrality during the First World War, while on the other hand the Persian Government will not claim from the British Government an indemnity for any damage caused by British troops in Persian territory.

'Agreement Between His Britannic Majesty's Government and the Persian Government.' [205r] (1/4)

C.197
Book Copy (205)
PERSIA No. 1 (1919).

AGREEMENT

BETWEEN

HIS BRITANNIC MAJESTY'S GOVERNMENT
AND THE PERSIAN GOVERNMENT.

SIGNED AT TEHRAN, AUGUST 9, 1919.

Presented to Parliament by Command of His Majesty.



LONDON:
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1919.

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'Agreement Between His Britannic Majesty's Government and the Persian Government.' [205v] (2/4)

Agreement between His Britannic Majesty's Government and
the Persian Government. Signed at Tehran, August 9,
1919.

No. 1.

Agreement between the Governments of Great Britain and Persia.

PREAMBLE: In virtue of the close ties of friendship which have existed between the two Governments in the past, and in the conviction that it is in the essential and mutual interests of both in future that these ties should be cemented, and that the progress and prosperity of Persia should be promoted to the utmost, it is hereby agreed between the Persian Government on the one hand, and His Britannic Majesty's Minister, acting on behalf of his Government, on the other, as follows:—

1. The British Government reiterate, in the most categorical manner, the undertakings which they have repeatedly given in the past to respect absolutely the independence and integrity of Persia.

2. The British Government will supply, at the cost of the Persian Government, the services of whatever expert advisers may, after consultation between the two Governments, be considered necessary for the several departments of the Persian Administration. These advisers shall be engaged on contracts and endowed with adequate powers, the nature of which shall be the matter of agreement between the Persian Government and the advisers.

3. The British Government will supply, at the cost of the Persian Government, such officers and such munitions and equipment of modern type as may be adjudged necessary by a joint commission of military experts, British and Persian, which shall assemble forthwith for the purpose of estimating the needs of Persia in respect of the formation of a uniform force which the Persian Government proposes to create for the establishment and preservation of order in the country and on its frontiers.

4. For the purpose of financing the reforms indicated in clauses 2 and 3 of this agreement, the British Government offer to provide or arrange a substantial loan for the Persian Government, for which adequate security shall be sought by the two Governments in consultation in the revenues of the customs or other sources of income at the disposal of the Persian Government. Pending the completion of negotiations for such a loan the British Government will supply on account of it such funds as may be necessary for initiating the said reforms.

5. The British Government fully recognising the urgent need which exists for the improvement of communications in Persia, with a view both to the extension of trade and the prevention of famine, are prepared to co-operate with the Persian Government for the encouragement of Anglo-Persian enterprise in this direction, both by means of railway construction and other forms of transport; subject always to the examination of the problems by experts and to agreement between the two Governments as to the particular projects which may be most necessary, practicable, and profitable.

6. The two Governments agree to the appointment forthwith of a joint Committee of experts for the examination and revision of the existing Customs Tariff with a view to its reconstruction on a basis calculated to accord with the legitimate interests of the country and to promote its prosperity.

Signed at Tehran, August 9, 1919.

No. 2.

*Agreement relating to Loan of 2,000,000l., at 7 per cent., redeemable in
Twenty Years.*

PREAMBLE: Contract between the British Government and the Persian Government with reference to an agreement concluded this day between the said Governments. It is agreed as follows:—

Article 1. The British Government grant a loan of 2,000,000l. sterling to the Persian Government, to be paid to the Persian Government as required in such instalments and
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at such dates as may be indicated by the Persian Government after the British Financial Adviser shall have taken up the duties of his office at Tehran, as provided for in the aforesaid agreement.

Art. 2. The Persian Government undertakes to pay interest monthly at the rate of 7 per cent. per annum upon sums advanced in accordance with article 1 up to 20th March, 1921, and thereafter to pay monthly such amount as will suffice to liquidate the principal sum and interest thereon at 7 per cent. per annum in twenty years.

Art. 3. All the revenues and Customs receipts assigned in virtue of the contract of the 8th May, 1911,* for the repayment of the loan of 1,250,000*l.* are assigned for the repayment of the present loan with continuity of all conditions stipulated in the said contract, and with priority over all debts other than the 1911 loan and subsequent advances made by the British Government. In case of insufficiency of the receipts indicated above the Persian Government undertakes to make good the necessary sums from other resources, and for this purpose the Persian Government hereby assigns to the service of the present loan, and of the other advances above mentioned, in priority and with continuity of conditions stipulated in the aforesaid contract, the Customs receipts of all other regions, in so far as these receipts are or shall be at its disposal.

Art. 4. The Persian Government will have the right of repayment of the present loan at any date out of the proceeds of any British loan which it may contract for.

Signed at Tehran, August 9, 1919.

No. 3.

*Article 5 of Contract between the Persian Government and the Imperial Bank of Persia relating to the Persian Government Five per Cent. Loan of 1,250,000*l.* of May 8, 1911.*

(Included for reference.)

5. THE Imperial Government of Persia specially assigns to the service of the loan, and as a first charge thereon, subject only to prior charges amounting to 15,714*l.* 1*s.* 10*d.* per annum for three years, and 30,278*l.* 12*s.* 7*d.* per annum from the year 1913 to the year 1928. The full net customs receipts of every description which the Government now is, or at any time hereafter may be, entitled to collect and receive at all ports or places in the Persian Gulf, including Bushire, Bunder Abbas, Lingah, Mohammerah, and Ahwaz, which receipts are hereby made payable to the Bank, and the Imperial Government of Persia hereby engages forthwith after receipt thereof to pay to the Bank all such Customs receipts as aforesaid without deduction other than for actual expenses of administration of the customs of the said ports disbursed prior to the date of such payment.

(a.) The Imperial Government of Persia undertakes that throughout the continuance of the loan all sums collected by the Customs Administration shall be paid to the Bank at the ports of collection, or at its nearest branch, week by week for meeting the prior charges referred to above and for the service of the loan, and an account of such receipts shall be submitted to the Persian Government by the Bank at the end of each month.

(b.) The bank shall, out of the moneys so collected, pay the prior charges above-mentioned, and the interest and sinking fund of the loan, and shall hold the surplus at the disposal of the Imperial Government of Persia.

(c.) The bank undertakes, out of the moneys so received, to pay on behalf of the Imperial Government of Persia the half-yearly coupon in London, and supervise the working of the sinking fund and service of the loan free of charges connected with the same.

(d.) In the event of the Customs receipts of the above-mentioned ports for any three months falling short of the amount required for the prior charges and the service of the loan, either for interest or amortisation, the Imperial Government of Persia binds itself to make good such deficiency from other sources of Government revenue, and further, should receipts from these sources fall below the amount required as above, the Persian Government hereby assigns for this purpose the revenue derived from the receipts of the telegraphs—this assignment to constitute a second charge on the said telegraph receipts up to the year 1928, after which the telegraph receipts will be free.

* See No. 3.

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No. 4.

Sir P. Cox to His Highness Vossug-ed-Dowleh.

Your Highness, *British Legation, Tehran, August 9, 1919.*
I TRUST your Highness has been able, during your successful direction of affairs of the Persian State, to convince yourself that His Britannic Majesty's Government have always endeavoured to support to the utmost the efforts of your Highness's Cabinet on the one hand to restore order and security in the interior of the country, and on the other to maintain a policy of close co-operation between the Persian and British Governments.

As further evidence of the goodwill by which the Cabinet of London is inspired, I am now authorised to inform your Highness that, in the event of the agreement regarding projects of reforms which your Government contemplates introducing in Persia being concluded, His Britannic Majesty's Government will be prepared in due course to co-operate with the Persian Government with a view to the realisation of the following desiderata:—

1. The revision of the treaties actually in force between the two Powers.
2. The claim of Persia to compensation for material damage suffered at the hands of other belligerents.
3. The rectification of the frontier of Persia at the points where it is agreed upon by the parties to be justifiable.

The precise manner, time and means to be chosen for pursuing these aims shall be discussed, as soon as practicable, by the two Governments.

I have, &c.
(Signed) P. Z. COX.

No. 5.

Sir P. Cox to His Highness Vossug-ed-Dowleh.

Your Highness, *British Legation, Tehran, August 9, 1919.*
WITH reference to the second desideratum indicated in my previous letter of to-day's date, it is understood and agreed between the two Governments reciprocally that, on the one hand His Majesty's Government will not claim from the Government of His Majesty the Shah the cost of the maintenance of British troops which His Majesty's Government were obliged to send to Persia owing to Persia's want of power to defend her neutrality, and that on the other hand the Persian Government will not claim from the British Government an indemnity for any damage which may have been caused by the said troops during their presence in Persian territory.

It is to be understood, however, that this agreement of the two parties does not in any way affect the claims of individuals and private institutions, which will be dealt with independently.

A note from your Highness informing me that you accept this position on behalf of the Persian Government will suffice to record the agreement of the two Governments on this subject.

I have, &c.
(Signed) P. Z. COX.