

pated that the price of corn would soon increase sharply as a result of the drought. So they would use any means to try and obtain a note from the minister ordering the local departments of finance to reduce their agricultural tax liability for the coming year. This was done by fixing the amount of agricultural tax on the basis of the average price of corn in the preceding years. At that time the average price of every kharvarl of wheat was still less than 100 rials, whereas, by the last months of the year, the price jumped to over 10,000 rials per kharvar. Even though I had ensured that all letters signed by the minister had a copy on file sealed by the rubber stamp 'signed by the minister', I was still afraid that something like the looting of Qa'im-Maqam's house, which I remembered from my childhood, would also happen to me. That looting incident had occurred because of the shortage of bread in Tabriz. As the ministers of finance did not last long in office due to constant reshuffles, people would consider me to be the permanent office holder in that ministry. Thus, they might well have held me as the man responsible for the shortage and high price of bread. So I saw fit to resign from my job before the harvest came in and, thus, save myself from a moral responsibility.

FOOT NOTES TO CHAPTER 17

1. Tr. Hasan Vusuq al-Dawleh formed his cabinet on 7 August, 1918. His government fell in July 1920.
2. Tr. The Iranian term is 'assistant minister' (sometimes incorrectly translated into 'deputy minister'). However, the rank corresponded partly to (the British) 'minister of state', and partly to 'permanent secretary' (i.e. a mixture of the two), neither of which existed in Iran. Hence our choice of the term secretary.
3. Tr. Amir Bahadur-i Jang was Mohammad Ali Shah's minister of war, and one of his staunchest supporters in his struggle against the constitutionalists.
4. Tr. "the Anglo-Russian Agreement of 1907 which dealt with Iran, Afghanistan and Tibet. So far as Iran was concerned, the two great powers divided the country into three spheres of interest. The Russian sphere of interest included northern and central parts of Iran, whereas the British were given a free hand in the eastern and south-eastern parts of Iran, with Tehran and the environs left as the 'neutral' zone.
5. Tr. The provisional government of the Muhajim in the west of the country, and their declaration of war on the Allies.
6. Tr. Equal to 300 kg.
1. Tr. The Red Cross used to be called the Lion and Sun Society in Iran. After the 1979 revolution the name was changed to Red Crescent.
7. Tr. Mehdi Quli Hedayat, Mukhbir al-Saltaneh, served under the

Qajars as governor-general of Fars (1910), and governor-general of Azerbaijan (1921), and under Reza Shah as prime minister (1926-33).

8. Tr. Mohammad Ali Furughi, a noted statesman and scholar, was a minister, and prime minister, several times during his career. He was the author of a number of scholarly works including Sayri Hikimat dar urupa (A History of European Philosophy).
9. Tr. The Perso-Arabic letter 's' here stands for 'God's blessings and peace be upon him'.
10. Years later (in 1953-4), in my trial in the military court at the Saltanat-Abad, the question of this sentence and my 'excommunication' was brought up once again. A French text of my thesis had been lost in the looting of my house during the 19 August 1953 coup. I had managed to get a copy of its Persian translation and submitted it to the court.
11. If Ashtari were still alive and asked about the reason for my being convicted in the military court he would have answered the same.
- Tr. A coalition of democratic and socialist radicals led by Mirza Kuchik Khan.
12. Tr. The famous mosque in central Tehran built by Fath'ali Shah Qajar. It was renamed 'Imam Mosque' after the 1979 revolution.
- Tr. Husain Ala, Mu' in al-Vizareh, (1883-1964) a lawyer by training who served in high offices as ambassador, minister, prime minister and court minister under the Pahlavis.
13. Tr. In this translation the chief administrator of the state is identified by different expressions: those coming after the post-constitutional era are called prime minister, those of the pre-constitutional era are referred to as grand vazir.
14. Tr. The Turks marched into Iran and advanced as far as Hamadan (1916). The Russians had already taken up position to the north and the British to the south and south east.
15. Tr. There was a traditional fortune-telling practice which consisted of calculating the number of rosaries. A certain number had customarily been deemed as being a good omen and a certain number as being bad.
16. Tr. As has been noted before, Abdul-Husain Mirza Farmanfarma (1858-1939) was Dr Musaddiq's uncle on his mother's side.
5. Tr. Abbas Mirza Nayib al-Saltaneh, the famous son, designated heir and crown prince of Fath'ali Shah (d. 1834), who died before his father, was admired as a modernist-reformist army commander and crown prince.
17. Tr. See chapter 9, footnote 1, p. 145.
18. Tr. He was the Iranian expatriate who advised the author in Paris during his first trip to Europe. See chapter 9, above, p. 142.
19. Tr. Farsakh or farsang is the traditional Iranian unit of length equal to 6.24 kms.

ایرانی ام، ایران زمین را دوست دارم

نوار کاست و لوح فشرده‌ی صوتی «ایرانی ام، ایران زمین را دوست دارم»، با شعر و صدای پروفیسور حسن امین، با موسیقی مناسب به تعداد محدودی آماده‌ی عرضه به دوستان و مشترکان مجله است.
برای دریافت آن با تلفن‌های ۶۶۹۶۸۴۸۷ و ۶۶۹۶۸۴۸۸ تماس بگیرید.

I put up with all these difficulties because I felt I was able to render a service to my country, thanks to the people's support. My conflicts with anyone or any given class or profession, were based simply on the interest of the country. There was no intimidation or use of force to silence people, or discourage them from speaking their minds, or make them obey the government's dictates. The reason for the orderly progress of government affairs in that period was that the country's elite was committed [to the good of the people] and it was that very commitment which led a number of leading politicians and deputies in the Third Majlis to give up their posts and salaries [during the First World War], leave Tehran and other cities, and suffer misery and misfortune inside and outside the country.'

The middle and lower classes still have some force of conviction. But because the important political posts are now monopolised by agents of foreign powers, and the people's right to free elections has been usurped, the ordinary people can neither express their views nor exert any influence on the running of public affairs. However, let us not be distracted from what I was originally talking about.

During my work as the secretary in the ministry of finance I used to examine all the letters going out of the ministry. Anything which was not in the interest of the country I would reject outright; and whatever was necessary to accept, I would put my signature to. Those decisions which had to be taken by the minister were drafted in proper form, put in a special folder, and sent to him for signature. As it happened, I had to work with a minister who was both unwell and lazy. It would be better not to say anything about his other agreeable qualities. This minister had rented a place in Shimiran, north of Tehran, both for relaxation and recuperation. The reception rooms in that house had several in-built niches. He did not open any of the folders containing the letters and documents to be seen and signed by him, but simply piled them on top of each other in one of those niches. Not infrequently there were letters which had to be signed immediately. In such cases we attached a red mark to the folder to indicate its urgency. But even these urgent tasks would be left unattended for quite a while, and after two

months his reception room looked like a large overstocked library.

People frequently came to the minister's chef de cabinet [private secretary] demanding a reply to their letters. Handling these inquiries would prevent some of the civil servants from attending to their normal duties. This was too much to bear and I felt I had had enough, so I told the chef de cabinet to direct the inquiring public to the residence of the minister in Shimiran to ask for a reply to their letters from him personally. This, as one could imagine, made him furious. Faced with demanding individuals, the minister decided to solve the problem by sending back to us all the letters, documents and files which he had kept in his house. However, because there were no taxis in those days, he ordered a number of carriages to be hired to transfer all those files to the ministry. The files were covered with pieces of cloth so that people could not see what was inside the carriage. Accompanying the files was a memorandum from the minister to the secretariat which read:

I am sending all the files which were in my house. File away all those letters which no longer need attention due to lapse of time. Return to me those which still need to be signed.

The chef de cabinet showed that memorandum to me. I said it would have been nicer had the minister said 'send the rest as well so that I can keep them till they are out of date'.

This attitude made me want to give up as well. When he realised what had happened, the minister sent his son to me for reconciliation. As a result, it was resolved that the minister should work three hours per day with me in the ministry, without receiving visitors during that time. However, after only a few days he stopped coming to the ministry, and continued receiving visitors at his residence in Shimiran. Faced with this, I resigned my office although, I should add, there were other reasons for my resignation.

One major reason for my decision was the abuse of authority by the minister of finance in the course of fixing the landlords' liability for agricultural tax. That year there had been a drought and the harvest was not expected to be good. The landlords antici-

contact with Amir Bahadur.' They became friends, and several years later, after the shelling of the Majlis, Vusuq did Amir Bahadur a favour. The government of Vusuq approved the payment by the treasury of some 1,800,000 rials before an audit to Amir Bahadur as an advance payment for his claims on the government. Amir Bahadur's claims were on account of expenses incurred during and after the shelling of the Majlis. His point was that he had paid these expenses on behalf of the government [of Mohammad Ali Shah] but that he had not been reimbursed. There was in fact no justification for the reimbursement of these expenditures which had been incurred in fighting the constitutionalists and freedom-fighters, after the constitutionalists had won the battle and were in power. The payment was particularly inadvisable considering that it was equivalent to exactly 1 per cent of the total expenditure budget of the state. Indeed such a payment to Amir Bahadur could have made it impossible to meet the government's urgent expenditures. In spite of all this, no one had objected to this irregular payment.

There were a number of similar cases which were not enforced during my office. Such action was facilitated by the disappearance of the Tsarist Russian empire, one of the signatories of the 1907 Treaty,' from the colonial scene. This allowed the Iranian people to express their views about public issues, and, hence, public affairs were conducted rather more in the interests of the country. The government of Vusuq, although supported by foreign powers, failed to bring the country fully under its control. Having failed in one of its main ventures, namely the ratification of the 1919 Agreement, it was forced to resign. The successive governments insisted that I should stay in my job as the secretary. Every new finance minister felt he had to work with me [because of my popularity], and I myself wished to serve, to show my appreciation of the people's support and encouragement. Therefore, whoever was appointed as minister of finance would feel obliged to invite me to continue my work. I should admit that I was ready in those days to work with people with whose thinking and politics I disagreed, because the personal views and attitudes of the min-

isters of the day did not have the least effect on my work, on account of the support which I enjoyed from the people.

My appointment as secretary in the ministry of finance was most effective and lasted for fourteen months in difficult circumstances. The government was weak, the taxes were not collected properly and there was no foreign aid or oil revenue to help the treasury. I had made certain arrangements in the ministry whereby no letter could be signed by the minister unless I had seen it first in my capacity as secretary. All ministerial letters were sent to the minister to sign after my prior approval. I had had two rubber stamps made, one reading 'with the minister's signature' and the other, 'with the signature of the secretary'. Every letter signed by the minister was identified by the first, and every letter bearing my own signature, by the second stamp. This procedure caused some friction between the minister and myself. The minister used to say that there should be no formal distinction between the minister and the secretary, so there was no need to identify the letters separately in that fashion. I explained that his statement was absolutely right so long as the letters signed by the minister and the secretary were all in the interests of the country and in accordance with the law. However, assuming that there might be an occasion when the law was breached, it would be far better to be able to identify the person who had signed a particular letter in contravention of the law.

Freedom of expression was a double-edged sword. On the one hand, people could express their views about public affairs, and so government departments functioned within the law and in the interest of the country. On the other hand, there were some unscrupulous people who abused this freedom, using every possible excuse to avoid paying tax. These people's delay or default in paying their taxes doubled the volume of correspondence between them and the ministry of finance. The increase in workload was such that I had to work round the clock, and had only a few hours' sleep every day. I went to work in the ministry an hour before the office hour, and I stayed there in the evening long enough to ensure that nothing was left unattended.

I did not wish to resign my post as a member of the auditing commission for government expenditures which was a straightforward civil service post; and I did not care to take up a political appointment which would make me dependent on the existing government. However, there were two reasons why I could not continue my work in the auditing commission. First, I could no longer achieve anything useful because only a couple of applications per day were referred to the commission for auditing. In fact most of the payments were being made by the treasury without our approval in the commission. The second reason was that my mother had been a friend of Qavam's mother-in-law. I was a child when she came for a visit one day, had a sudden stroke in our house, and died shortly afterwards. Qavam himself was also a friend of mine. Once we had even talked about going together to Europe for education and staying there for a few years.

I remember the exact day that Qavam and I spoke of our trip to Europe together. It was the day that the prime minister of the day had invited a group of people to ask them to make contributions towards the raising of the capital to set up a national bank in Iran. Ehtisham al-Saltaneh, the Majlis speaker, was pressing for these contributions very vigorously. During conversation, an argument broke out between him and Zia'al-Mulk Hamadani. The Majlis speaker said that people like Zia'al-Mulk had benefited all their life from the country, and it was time they repaid some of their debt by making contributions for the setting up of a national bank. Zia'al-Mulk retorted that all his life he had lived modestly like a peasant, and he had not received a penny unlawfully from the state funds. Even so, he continued, he was able and willing to offer the services of the Hamadan regiment, which was under his command, at his own expense anywhere it was required. There were similar exchanges and arguments between the Majlis speaker and a number of other people present there. Qavam al-Saltaneh and I, sitting in a corner of that large reception room, were talking about the possibility of our trip to Europe to receive education. The meeting convened on that day came to an end without any positive results as the entire time was taken up by those silly

arguments.

In short, Qavam's pressure through my mother and my own friendship with him persuaded me to accept the deputyship at the ministry of finance. However, I made my acceptance conditional on the proviso that the presidency of the department of accounts was also attached to my jurisdiction. I did so in order to ensure that the commission for auditing public expenditures could to some extent fulfil its duties. If the legislator's objective could not be achieved for lack of an approved general budget, I wanted to ensure that at least no money would be paid out of the treasury without it being audited by the commission.

Qavam, the minister of finance, accepted this condition and attached the auditing commission to my office. As a result, when I took up my office no payments could be made by the treasury without the endorsement of the auditing commission. In this, I had the backing of the minister. After a little while, however, my relationship with my former colleagues in the commission badly deteriorated. They were spending too much time debating and discussing every single application for expenditure, and consequent delay in the payment of bona fide claims led to many complaints. Made by various ministers, all these complaints were directed to me as the secretary responsible for the auditing commission. This led me to authorise the payment of the funds without prior auditing by the commission.

Although, because of the commission's delay, some payments had to be made without auditing, thanks to my being in charge of the accounts department the cabinet refused to endorse some of the applications for funds. As long as I was secretary, neither the ministers, nor the cabinet as a whole managed to contravene the statutory provisions of the ministry, although their personal complaints to me [about the rigid application of the law] abounded. By way of illustration, I refused to enforce a resolution which had been approved by the cabinet because I found it to be against the statutory provisions.

[Let me give an example of such contraventions before my time.] Before the Constitutional Revolution, Vusuq al-Dawleh, serving as the chief official accountant of Azerbaijan, had come into

well'. I replied that the choice was entirely his. He answered that although he was sure that no one was trying to detain him, he wondered how it was that the letter of introduction that he had obtained from Arbab Bahman had had no effect at all in the course of his journey. I said that perhaps this was due to the fact that I had secured no right of priority, and this made him laugh. However, this time as soon as he asked for special treatment his coach was made ready for him and he left.

We had hoped that Dr Kirk had reserved our place on the boat at Port Anzali. However, because of the war, anyone wishing to purchase tickets had to present his passport and travel documents; Dr Kirk had been unable therefore to buy our tickets or reserve our seats. So we bought our own tickets after our arrival at the port, but we travelled on the same ship as the Kirks. That night I was ill. The following morning, before reaching land, I gave the doctor 400 Russian roubles, as we had agreed, which at that time was almost 1,000 rials. He did not wish to accept it. He had found out that Baku railway station could not take on any passengers for another fifteen days, due to the troop movements, so he asked me if it was possible for him to be present in the theatre during my operation, and come and see me afterwards during my stay in hospital.

There was a large hospital in Baku which had been built by a German national before the First World War. After the declaration of war, he had assigned it to a Russian national and left. I immediately went to that hospital and a famous surgeon called Dr Finglestein operated on me while Dr Kirk was in attendance. After the operation, they showed me a piece of my appendix which they had put in alcohol. The surgeon told me any further delay would have been dangerous. My post-operation stay in the hospital was rather short because of the arrival of many war casualties. I was discharged from the hospital and went to a local hotel. Because the weather in Qafgaz was milder than Baku, I went to Tiflis so that I could rest there for a while. In the meantime I received a telegram asking me to return to Tehran as soon as possible. The telegram had been sent to Petrograd (St Petersburg) via Shu'a al-Dawleh Diba who was the Iranian consul-general in Tiflis. But more on this issue in the next chapter.

CHAPTER 17 FOURTEEN MONTHS IN THE POSITION OF THE SECRETARY OF THE MINISTRY OF FINANCE

There was a young patient in the Baku Hospital who shared a room with me, and was vehemently opposed to the Tsarist regime. Judging by what he said, it was apparent that before long big changes would take place in that country. These aspirations for political freedom which were current in Russia were not without their impact on neighbouring Iran. Indeed, it was due to these circumstances that Vusuq al-Dawleh¹ (the Iranian prime minister) contemplated certain changes within his government. He thought that by bringing a number of his opponents into the cabinet, he could ensure that he would last longer in office.

To bring about these changes, Vusuq al-Dawleh could do no better than form a coalition with Qavam al-Saltaneh who, although his brother, was not on good terms with him. Qavam al-Saltaneh had a number of influential friends, and his entry into the cabinet would please and pacify them all. On the basis of such calculations Vusuq reshuffled his government, bringing Qavam al-Saltaneh into office as minister of finance. Qavam was the type of man who wanted to show people that he was always trying out new ideas when he was in office. During his term of office as minister of finance I saw a formal photograph of the Belgian advisers in Iran wearing Iranian dress and hats. As a public relations exercise, this photograph was designed to tell people that the foreign advisers were so loyal to the Iranian ministry of finance that they would all wear Iranian dress, even at official ceremonies.

My working experience in the ministry of finance in the pre-constitutional era and my subsequent education in Europe, had made me an ideal candidate for the post of secretary to the ministry of finance in Vusuq's reshuffle. I was sent a telegram via the ministry of foreign affairs to return to Tehran. As I later learned, this had been sent on Qavam's instructions. On my arrival in Tehran, Qavam came to see me and told me of his wish to appoint me as secretary to his department.

operation, and even if the doctor was able and willing to operate on me, there were no facilities for it on the way from Tehran to Anzali. So I did not accept his condition and bid him goodbye. Instead, I decided to travel a day before him so that if anything happened during the journey, he could catch up with me on the way, and I would then pay him the fees he asked for.

The Tehran Anzali coach transport monopoly was at that time held by Arbab Bahman who was a Zoroastrian. I was told that Dr Kirk had operated on this gentleman's son in the American Hospital in Tehran, and for that reason he had been able to obtain a letter of introduction from the Arbab to the transport officers. That letter ordered the officers to give priority to Dr Kirk over the other passengers in changing the horses on the way.

I made some discreet investigations and found out which day Dr Kirk was going to travel. It was a very cold winter's day. Together with my brother Abulhasan Diba, and my butler Abdul Rahim Khan, we started the journey from Tehran to Anzali. The first staging was a place called ShahAbad, some four farsangs⁸ away from Tehran, where the horses had to be changed. We were about to move on when a coach arrived and Dr Kirk and his wife got off. Dr and Mrs Kirk expressed surprise at seeing us. The doctor said: "We are fellow travellers after all". I said to him that it was lucky for me that we were to travel together. However, if he got his horses and left immediately, my plan to travel ahead of him would not succeed. So I asked for the second man in command in the carriage station and told him that I was unwell and needed to reach the district of Yanghi Imam by night to rest. I asked if he could kindly attend to the doctor a little later, to allow me to travel to Hesarak before him whence I could reach Yanghi Imam by night. Having witnessed that I had been carried on a stretcher from the coach, the station officer agreed to afford us this favour and received my little bakhshish.

Before sunset we arrived at Yanghi Imam and rented one of the two rooms which were available in a building in front of the coach station. The doctor who arrived afterwards rented the other room. On his own initiative, he paid me a visit and when

he was leaving, according to the practice in Tehran, my butler gave him an envelope which contained 50 rials. But he refused to take it. After dinner, Dr Kirk showed the letter of introduction from Arbab Bahman to the man who was in charge of the coach station. The man said that he would comply with the letter and what his master the Arbab had ordered, but in the circumstances he could do very little to oblige, since the horses were tired and could not be taken out of their stables before they were fed. It would be a foolish thing, the man explained, to take the horses out at that time of the night. It was probable that the horses would not manage to take the doctor to the next station and, in that cold winter, his innocent child's life would be in danger. Since you could not beat that argument, Dr Kirk and his family spent the night in Yanghi Imam.

I was watching out to see whether the doctor would sense what was happening and would give the manager an unusually large tip in order to ensure that he could travel before us in the morning. As it happened, on the following morning, before the Kirks had got up, we got our horses and moved out of Yanghi Imam. We did not see Dr Kirk until we reached the city of Qazvin.

The coach station at Qazvin had changed quite a lot since I had last seen it before the First World War. Prior to the war, the coach station and the guest-house were both on the same site. Now, the station guest-house was occupied by Russian troops, and the passengers had to stay in different inns around the town. The coach driver took us to one of these inns in the city. Dr Kirk who had been taken to another inn later came to visit me.

The coach driver who had promised to have the coach ready before sunrise kept his word. From the city of Qazvin onwards we were ahead of Dr Kirk in all the stations until Sefid-Kutleh, the station immediately before the city of Rasht, where he caught up with us. However, there was only one room available in the station guest-house at Sefid-Kutleh and that had been taken by ourselves. So Dr Kirk said to us "You have to put us up overnight. Otherwise, let us move on before you, and in return I promise to get your tickets before you arrive at Port Anzali, and reserve your place on the boat as

doing the same thing at that time in the auditing commission. The only difference was that in my existing job I had been elected by the Majlis and that I drew a salary of 2,000 rials per month. If I was to leave my current appointment and accept the chairmanship of the proposed international commission, the people would think that the excessive salary payable for life had persuaded me to leave a national appointment for an international one. The trade delegation chief of the Russian embassy was a simple man. He innocently said that the solution to the problem was in my own hands. If I agreed to draw the same salary as I was doing before, then no one would say that I was being bribed.

I noted that there was no point in continuing this conversation so I said that I would think about it and let him know. Immediately, I made an appointment with Sardar Kabir who was a fellow member of the Moderation Party and was also the new prime minister's brother. Through him I requested that the prime minister should not consider me for this appointment. It was only then that I realised why Farmanfarma had resigned from the post of prime minister.

The international commission was set up under the chairmanship of J.B. Heynssens of Belgium, who was the chief administrator of the customs department. The members of the commission were Haj Muhsin Khan Amin al-Dawleh, Abdul-Husain Khan Sardar Mu'azzam Khurasani (Taimur-Tash) and the representatives of Russia and Great Britain. Situated in an office opposite our auditing commission, we could see members of this international commission going to the White Palace to be introduced to the prime minister. It was a scene which affronted anyone who loved Iran.

I continued to work in the auditing commission of government expenditures. As time went by my health deteriorated until it reached a point when I could no longer do my job well. The history of my illness went back a year or so, when there was a rumour that the shah was going to move out of Tehran and make the city of Isfahan his capital. Then I had a fever and a severe gastric attack. I went to Dr Khalil Khan Saqafi⁶ who was my friend and neighbour. He prescribed some medicine and

the problem went away. When the illness recurred for the second time, I went to Dr Mahmud Khan Mu'tamid, an old friend,⁷ who diagnosed appendicitis. Dr Kirk, who was the resident physician in the American Hospital in Tehran, also confirmed this diagnosis. At that time appendicitis was not common in Iran and certainly no one had undergone an operation for it in the country.

The medical advice I was given was simple. I should put a bagfull of ice on that part of my stomach which was in pain. I should not eat solid food, but only soups, orange juice and the like until such time as the swelling went away, when I should go abroad for a surgical operation. I complied with that advice and the pain eased.

One day when Dr Kirk visited me, he said that he was going to return to the United States with his wife and infant child. He said that Lavachrie, the head of the Official Mint (zarrab-khaneh), had promised to take him and his family up to Port Anzali (Pahlavi). In the circumstances I decided to go with him so that if I had any trouble on the way, I would have his help at hand. Because the number of motor cars in Iran were very few in those days, one of the ministers serving in the cabinet of Vusug promised to get me a Red Cross ambulance from the Russians.

The following day when Dr Kirk visited me I told him about my plan. He agreed that we should depart on the same day and travel together until we reached the port of Anzali. It was agreed that I should give him 1,000 rials for this service. We waited for a number of days but neither the motor car promised to him, nor the ambulance promised to me, was made available. So we decided to travel by horse-driven coaches which were the usual means of transport. Again we spoke about his fees but this time Dr Kirk said that I should give him 4,000 rials. He explained that if we were going by motor car we would be travelling for only one day, so 1,000 rials would be sufficient. However, now that we were going by coach, our journey would last longer. Thus he would not accept a sum lower than 4,000 rials, which at that time was worth almost 80 British gold sovereigns. There was no medication or cure for my illness apart from an

to take up the ministry of finance. At that time I worked at the auditing commission for government expenditures. Farmanfarma did not fill the post of minister of finance for several days, in the hope that my mother could persuade me to accept that position. I did not join his cabinet because I was opposed to Farmanfarma's politics. Disgruntled by my decline to serve in his cabinet he refused to see me as long as he was prime minister. The day he resigned, however, he came to see me. He asked me whether I would like to know why he had resigned and I answered that I was quite interested to know the reason. He said he resigned because, as the grandson of Abbas Mirza⁵ he could not cheat his country. Although he did not elaborate the point further, it was rumoured that, prior to his resignation, he had requested Haj Amin al-Zarb to intrigue with some people to attack the government in order to provide him with a pretext to resign as prime minister. Not long afterwards, the cause of his resignation

i.e. the [foreign] demand which he had refused became public knowledge.

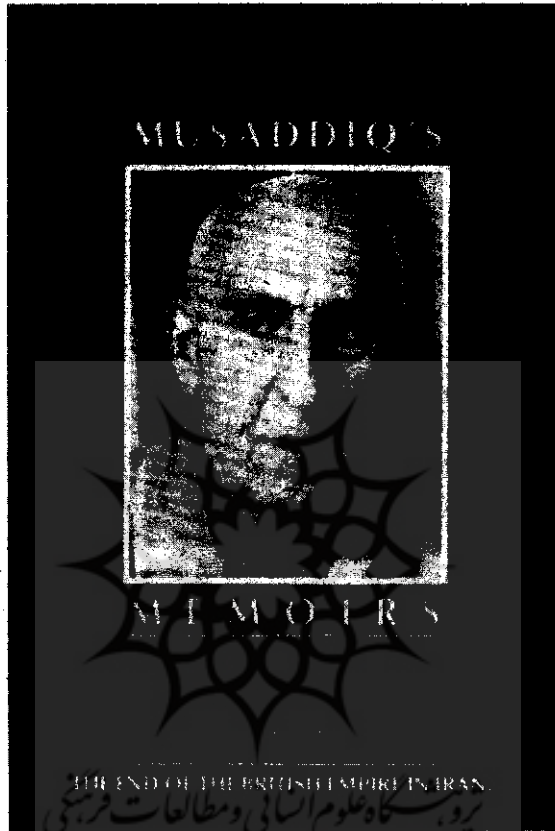
After Farmanfarma, Mohammad Vali Khan Sepah-Salar became prime minister. Following this change of administration, the head of the Russian trade delegation in the Russian embassy in Tehran asked to see me. I happened to know him because he had rented from Sa'd al-Mulk a residential property which is now part of the site of the Marble Palace. He had to pay the rent to my wife on account of the debt that the landlord owed to her. Once, since there were some differences over the rent accounts, we had a meeting, and this had led to our acquaintance.

The head of the Russian trade delegation came to tell me that the Russian Embassy's first secretary and himself had been to see the new prime minister, Sepah-Salar. The prime minister had confided in the first secretary of the Russian Embassy that he had it in mind to set up an international commission to supervise the country's financial affairs. The

premier had also said that he had someone good in mind to chair that commission, mentioning my name as the chairman designate. As the Russian secretary had said that he had never seen or heard of Musaddiq, the trade delegation chief who knew me wanted to introduce me to the secretary, and that is why he had come to see me. He further mentioned that the proposed commission entrusted with the supervision of the ministry of finance was to be composed of five members. Three of its members were to be nominated by Iran, the fourth by the Russian government, and the fifth by Britain.

I had been nominated to chair that commission with a salary of 10,000 rials per month, to be paid by the Russian credit bank (the previous Banque d'Escompte de Perse in Tehran) for the rest of my life. The Russian advised me that, given the fact that the commission's majority was composed of the appointees of Iran, it would be a very good idea if I accepted this appointment. He counselled that I should supervise that commission at least for a little while until things got under way, and resign afterwards if I wished. If I were agreeable, he could immediately take me to the embassy so that he could introduce me to the Russian minister plenipotentiary.

I said that if the duties of the proposed commission were to supervise the ministry of finance I was



tem, which was common in the old regime. At that time some important persons, and others who were on a state grant, would obtain a tuyul by taking over a given estate, or a number of freehold or state properties, as the source of their own salary. This allocation had two advantages for them. First, the governors-general of the provinces and the governors of the cities could not refuse to pay the respective salaries of the tuyul-holders, in the name of their own differential credit against the central government. In this way those who held an estate in tuyu/could obtain their salaries, irrespective of local government-central government balance. Secondly, if the subject of tuyul was a freehold estate owned privately, the tuyu/-holder could pocket any additional tax due from that estate. Alternatively, if the subject of tuyul was a property owned by the state, the tuyu/-holder could improve the land and pocket the additional produce from the state land. The tuyul system also brought some incidental benefit to the neighbouring landlords and the residents of the estate attached as tuyul. They would be generally protected by the tuyulholder, and, in particular, would be immune from the atrocities of government officials. After the abolition of the tuyu/ system, the additional credit, previously pocketed by the tuyu/-holders, was also paid into the public treasury.

What contributed more than anything else to the achievement of a balance between the state revenues and expenditures was a reduction in, or sometimes a total cut of, salaries and grants. The recipients of these salaries often did not need any salary from the state because they themselves were rich and wealthy. Previously, many people, because of their family status and influence, had been allowed substantial grants from the country's public treasury. The First Majlis boldly reduced the budget of the royal court and the salaries of the princes, leading personalities and ladies, or sometimes cut these altogether and without exception. Because that was an assembly composed of genuinely-elected deputies of the people, neither the shah nor the privileged people could object to its decisions.

In short, there had never been a complete and

thorough budget approved for the country as a whole to guide us in the auditing commission. When there was a relevant act of parliament approving a specific credit for any of the government organisations, the commission would compare all the requests with that statutory credit. In the absence of such legislative guidelines, the requests for expenditure had to be matched with the resolutions made by the council of ministers. Accordingly, it was not always possible for this auditing commission to carry out the real tasks laid down for it by the legislator. Indeed, in most cases, the people who were approving the funds were the very same persons who were making applications for the expenditure. That is to say, in both cases it was the cabinet which approved the applications, whereas the legislator's objective had been to check the excesses of executive power.

In spite of all these limitations, the auditing commission continued to function in the ministry of finance. Because of some divergence of opinion which existed amongst its membership, the commission did not progress satisfactorily. At the end, the delays posed by the commission caused the ministry of finance to try and bypass it. The minister would directly order the payment of those expenditures which were urgently needed without having the approval of the commission, and only those payments which were not immediately necessary would be sent to the auditing commission. Even that referral was mainly because there was no money in the department of public treasury. In this way, the commission was being used as a delaying tactic so that the application could be left open until such time as the treasury had funds to pay for it. Members of the commission made no complaints about the fact that some applications were not being sent to them for approval. They regularly received their own salaries, at any rate, because the pre-constitutional system which made the officials' income directly dependent on rendering specific services had been abolished.

As a result of political difficulties, Mustawfi al-Mamalik resigned from the premiership. In his place Prince Abdul Husain Mirza Farmanfarma⁴ was instructed to form a cabinet, and he invited me

sary first to appoint those directors so that the other personnel and heads of sections could be appointed later, with the approval of the respective director of each department.

Haj Amir Nizam Hamadani was thinking about whom to appoint to lead the department of public treasury. Again he sought guidance from his rosary. If the division of the number of beads in his rosary showed an appointment as being good then he would have another go with his rosary to see whether his decision not to make that appointment would be bad. Even when his fortune-telling on both counts confirmed the appointment of a person as being good, he still hesitated to make that appointment. As a result, the department of public treasury would have no director. Even when his rosary alternatives were in favour of appointing a candidate and showed that it was bad not to make that appointment, he would still make the appointment of the director of this department dependent on the result of all other fortunes told for the other departments. As it was impossible that all the various fortune-tellings would be in favour of the appointment of all the directors, and bad for making no appointment for any of them, the organisation of the ministry of finance did not materialise as long as Haj Amir Nizam Hamadani was the minister. After the collapse of Ain al-Dawleh's government, Mustawfi al-Mamalik again became prime minister. Then Vusuq al-Dawleh who was well informed in financial matters and was also a decisive man was appointed to lead the ministry of finance. It was only then that the law of reorganisation of the ministry of finance was put into action.

One of the central organisations of the new ministry of finance was the commission for auditing government expenditures. This commission consisted of five members to be elected by the Majlis. The commission was duly set up and I was elected as one of its members. The main duty of this commission was to consider any application for expenditure coming from any government department to the ministry of finance. If the expenditure budget demanded was consistent with the approved credit for the respective ministry, the commission would certify and approve the application. Upon this

approval the finance and accounts department would issue a draft and send it for signature to the minister of finance, and after his endorsement, the department of public treasury would make payment. In short, this set-up meant that no money could be taken out of the public treasury unless there were already funds for its payment as approved and certified by this auditing commission. However, as the country's annual budget had never been precisely defined, the implementation of the tasks of this commission was no easy matter.

The First Majlis had established a balance between the country's revenues and expenditures. This was a very useful exercise but did not amount to providing a national budget. A budget is a plan of the revenues and expenses for the next financial year in the country. By contrast, the functions of the fiscal committee of the First Majlis were confined to preparing a list of all the state revenues and expenditures, as applicable to the financial system of that era immediately before the establishment of the constitutional system. In the post-constitutional era, as time passed, the style of work and the nature of organisations changed and this had a certain impact on the country's budget. Accordingly, none of the first few parliamentary sessions had been able to approve a comprehensive national budget. Those budgets considered and approved by the Majlis special committees, such as the budget for the royal court fixed by the First Majlis at 300,000 rials per month,* were selective and specific, not general and comprehensive. Now we must see how the First Majlis established a balance between the revenues and the expenditures of the country.

1. In the pre-constitutional era, in addition to the taxes which had been fixed by the central government, there was a differential credit which the governors-general of the provinces and the governors of cities were entitled to collect to their own individual credit from the taxpayer. In the post-constitutional era, this differential credit was incorporated in full as part of the formal revenue of the central government. I say in full because even in pre-constitutional Iran, part of that differential credit was paid to the public treasury as advance payment by the provincial governors.

2. The First Majlis abolished the tuyul sys-

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CHAPTER 16 MEMBERSHIP OF THE AUDITING COMMISSION FOR GOVERNMENT EXPENDITURE

After the First World War broke out, Mustawfi al-Mamalik, the prime minister¹ of the time, having sought the views of a number of well-intentioned and knowledgeable people, decided to declare Iran's neutrality in the war. It was for this reason that the Majlis which had just convened after its third general election voted in favour of Mustawfi for prime minister. However, for reasons that will be made clear later, his government did not last long. The Majlis then voted in favour of Hasan Pirniya, Mushir al-Dawleh. He duly formed his cabinet but his government did not last long either.

Prime Minister Pirniya was trying to use the rivalry between the allies, i.e. France, Great Britain and Russia, and the central powers which consisted of Germany and Austria in such a way as to benefit Iran. He did not succeed in executing this policy and was therefore obliged to proffer his resignation. The reason for his failure was that none of the warring powers was willing to observe Iran's neutrality. On the one hand the Russian Empire sent some armed forces under General Baratov. On the other Turkey, which was Germany's ally, took similar action by sending its troops to the Western part of Iran.²

The allies requested the government of Pirniya to protest against Turkey for invading Iran. The prime minister refused to do so, because the Russians had invaded Iran before the Turks, and he was of the opinion that protesting to one side only

was contrary to Iran's neutral position in the war. Pirniya undertook to make the protest demanded by the allies provided the Russians would withdraw their troops from Iran. The allies did not accept this condition and the prime minister resigned. What Pirniya did achieve during his short term of office was to bring to an end the contract of a Belgian adviser by the name of [Joseph] Mornard. This Belgian, who headed Iran's public treasury, was an effective figure in implementing the policies of foreign powers. Mornard had been promoted to that office after Morgan W. Shuster, the American adviser. Shuster had secured for himself sweeping powers under the Law of 23 Jawza for the reorganisation and administration of Iran's financial system, and Mornard was abusing the authority given to his predecessor under the provisions of that law. The prime minister was also successful in proposing a new bill, which he had drafted himself, to the Majlis for the reorganisation of the ministry of finance.

After Pirniya's resignation, Ain al-Dawleh formed a new cabinet. In this administration, Haj Amir Nizam Hamadani (previously titled Sardar Akram) was appointed to the ministry of finance. This minister not only was ignorant of matters financial but also utterly ineffective and void of any willpower as an individual. To take a decision he used to resort to fortune telling by using a rosary³ which he often held in his hands. His conduct can be illustrated by the way that he handled the law of reorganisation of the ministry of finance, which had been proposed by Pirniya to the Majlis and approved after his resignation. That law had envisaged the establishment of a number of departments within the ministry of finance. These included a department for the assessment of incomes, a department of finance and accounts, a department of public treasury and a legal department. Each of these departments needed a director. It was neces-