

This same engagement is entered into in the name of the Daira Sanieh. Nevertheless, in case the Government, from urgent national reasons, should find itself placed under the necessity of having recourse to credit, it may do so within the limits of strict necessity, and without doing anything to affect the employment of the revenues set apart for the Treasury of the Public Debt, or to cause their diversion from their destination. These totally exceptional loans can only be contracted after an agreement on the subject with the Commissioners directing the Treasury.

ART. 10. In order that the arrangements stated in the preceding article shall not place obstacles in the way of the Administration, the Government may open a running account with a bank to facilitate its payments by means of anticipations to be regulated in accordance with the year's receipts. The debit or credit balance will be settled at the end of each year. This current account must never be overdrawn during the year by more than 50,000,000 fr.

### 3. The Concession for the Tobacco Monopoly in Iran, March 8, 1890

*A British company headed by Major G. F. Talbot sought and obtained a concession from the government of Shah Nasir al-Din to produce, locally sell, and export all tobacco in Iran. This concession included turbanis, the tobacco, used widely by Iranians in their water pipes. Unhappily with the monopolistic terms of the concession and the fact that it constrained one of the pleasures of Iranian daily life coalesced with rising frustration in Iran against European domination and intervention. The financially disadvantageous terms of the agreement fueled local anger against the "sale of the country" to foreigners. Many historians consider the revolt against the concession to be the beginning of the nationalist Iranian movement that culminated fifteen years later in the constitutional revolution.*

#### Discussion Questions

- What power did this concession give to the concessionaires over tobacco production in Iran (or Persia)?
- Why would the government of Shah Nasir al-Din give so much power over tobacco cultivation, production, and sale to a foreign establishment?
- In what ways would this concession have angered a large enough swath of the Iranian population to lead to major revolts?

Great Britain, *Parliamentary Papers*, 1892, Vol. 79, pp. 211-213. This document may also be found in J. C. Hurewicz, *The Middle East and North Africa in World Politics* (New Haven, Conn.: Yale University Press, 1975), pp. 462-463.

due to the English Government, and representing the interest on the Suez Canal shares.

ART. 3. If the payments of the revenue devoted to the debt be insufficient to meet the half-yearly charges, the special Public Debt Department will demand from the Treasury, through the intermediary of the Minister of Finance, the sum required to complete the half-yearly payments; the Treasury will have to deliver this sum a fortnight before the payments are due. If the funds in hand constitute a surplus over the amount necessary for the payment of the interest and the sinking fund, the special Treasury of the Public Debt will pay this surplus at the end of each year to the general Treasury of the Exchequer. The Treasury of the Public Debt will submit its accounts, which will be examined and reported upon according to law.

ART. 4. The suits which the Treasury and its Directors, on its behalf, acting in the name and in the interests of the creditors, mostly of foreign nationality, may consider they have to bring against the financial administration represented by the Minister of Finance in so far as regards the guardianship of the guarantees of the debt which we have confided to the said Treasury, will be brought in the terms of their jurisdiction before the new tribunals which, in conformity with the agreement entered into with the Powers, have been instituted in Egypt.

ART. 5. The Commissioners selected as stated above will have the direction of the special Treasury of the Public Debt. They will be appointed by us for five years, and will sit in Cairo. Their functions may be continued after the five years have expired, and in case of the death or resignation of one of them the vacancy will be filled by us in the manner of the original appointment. They may intrust one of themselves with the functions of President, and the latter will notify his nomination to the Minister of Finance.

ART. 6. The cost of exchange, insurance, and conveyance of specie abroad, as well as the commission for the payment of the coupons, will be borne by the Government. The Directors of the Treasury will come to a previous arrangement with the Ministers of Finance with regard to all these operations, but the Minister will decide whether the despatch of these sums is to be effected in specie or by letters of exchange.

ART. 7. The Treasury will not be allowed to employ any funds, disposable or not, in operations of credit, commerce, industry, &c.

ART. 8. The Government will not be able, without an agreement with the majority of the Commissioners directing the Treasury of the Public Debt, to effect in any of the taxes specially devoted to the Debt any changes which might result in a diminution of the revenue from these taxes. At the same time, the Government may farm out one or several of these taxes, provided that the contract entered into insure a revenue at least equal to that already existing, and may also conclude Treaties of commerce introducing modifications in the Customs duties.

ART. 9. The Government undertakes not to issue any Treasury Bonds or any other new bonds, and not to contract any other loan of any nature whatsoever.

The monopoly of buying, selling, and manufacturing all the tootoon and tobacco in the interior or exterior of the Kingdom of Persia is granted to Major Talbot by us for fifty years from the date of the signing of this Concession, in accordance with the following stipulations:—

1. The concessionnaires will have to pay 15,000*l.* per annum to the exalted Imperial Treasury whether they benefit or lose by this business, and this money shall be paid every year, five months after the beginning of the year.

2. In order merely to ascertain the quantities of tootoon and tobacco produced in the protected provinces (of Persia) the concessionnaires will keep a register of the cultivators who wish to work under the conditions of this Concession, and the Persian Government will issue strict orders to the local Governors to compel the cultivators of tobacco and tootoon to furnish such a registration. Permission for sale, &c., of tootoon, tobacco, cigars, cigarettes, snuff, &c., is the absolute right of the concessionnaires, and no one but the proprietors of this Concession shall have the right to issue the abovementioned permits.

The Guilds of the sellers of tobacco and tootoon who are engaged in this trade will remain permanent in their local trade and transactions, on condition of possessing permits which will be given to them by the concessionnaires.

3. After deducting all the expenses appertaining to this business and paying a dividend of 5 percent. on their own capital to the proprietors of this Concession, one quarter of the remaining profit will yearly be paid to the exalted Imperial Treasury, and the Persian Government will have the right to inspect their (the concessionnaires') yearly books.

4. All the materials necessary for this work which the proprietors of this Concession import into the protected provinces (Persia) will be free of all customs duties, taxes, &c.

5. Removal and transfer of tootoon and tobacco in the protected provinces (of Persia) without the permission of the proprietors of this Concession is prohibited, except as such quantities [as] travellers may have with them for their own daily use.

6. The proprietors of this Concession must purchase all the tootoon and tobacco that are produced in the protected provinces and pay cash for it. They must purchase all the tobacco, &c., fit for use that is now in hand, and the price that is to be given to the owner or the producer will be settled in a friendly manner between the producer or the owner and the proprietors of this Concession, but in case of disagreement between the parties the case will be referred to an Arbitrator accepted by both sides, and the decision of the Arbitrator will be final and will be carried out.

7. The Persian Government engages not to increase the revenues, taxes, and customs that are now levied on tootoon, tobacco, cigars, cigarettes, and snuff for fifty years from the date of the signing of the Concession, and the proprietors also undertake that all the customs that the Persian Government now obtain from tobacco shall be continued as they are.

8. Any person or persons who shall attempt to evade (the rules) of these Articles will be severely punished by the Government, and any person or persons found to be secretly in possession of tobacco, tootoon, &c., for sale or trade, will also be fined [and] severely punished by the Government. The Government will give its utmost help and support in all the business of the proprietors of this Concession, and the proprietors of this Concession undertake in no way to go beyond their own rights consistent with these Articles.

9. The proprietors of this Concession are permitted, should they wish, to transfer all their rights, Concessions, undertakings, &c., to any person or persons, but, prior to this, they must inform the Persian Government.

10. The producer or owner of tootoon and tobacco, whenever his crop of tobacco and tootoon is gathered, shall at once inform the nearest agent of the proprietors of this Concession of the quantity, in order that the proprietors of this Concession may be able to carry out the engagement in above-mentioned Article 6, and to purchase it quickly.

11. The proprietors of this Concession have no right to purchase lands, except to the necessary extent, for store-houses and abodes, and what may be necessary to carry out this Concession.

12. The cultivators, in accordance with certain conditions which will be made in conjunction with the Government, are entitled to be given an advance to a limit for their crop.

13. If, from the date of the signing of this Concession until one year, a Company to carry it out is not formed, and the work does not begin, this Concession will be null and void, except that war or such like may prevent the formation of a Company.

14. In case of misunderstanding arising between the Persian Government and the proprietors of this Concession, that misunderstanding shall be referred to an Arbitrator accepted by both sides, and in case of the impossibility of consent to the appointment of an Arbitrator, the matter will be referred to the arbitration of one of the Representatives, resident at Tehran, of the Government of the United States, Germany, or Austria, to appoint an Arbitrator, whose decision shall be final.

15. This Concession is exchanged in duplicate with the signature of His Imperial Majesty, registered in the Foreign Ministry, between Major Talbot and the Persian Government, and the Persian text of it is to be recognized.

#### 4. Tobacco Smuggling and the French Régie Monopoly in the Ottoman Empire, 1895

*In 1881, under pressure from England and France, the Ottoman Empire relinquished control over its internal finances to a European-dominated public debt administration, and by the end of the century, several European companies were*