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BY



credit that, instead of neglecting the ancient monuments as so many of his predecessors had done, he gave orders for them to be repaired. This work of restoration is still in progress and it is likely to continue for several years more. The modern Isfahan has not lost the art of making beautiful tiles, and many of these are now being made to replace those that have fallen from the Masjid-i-Shah and other old buildings.

Of modern buildings there is no lack. Of these the most outstanding are the Bazaristan or Arts Museum and School, and the National Bank.

It is always a great source of pleasure to walk round the Masjid-i-Shah and to think of Shah 'Abbas. As one admires his great buildings, one can forget that he had a cruel side to his character and one can concentrate on his great merits as a planner and builder. The Chahar Bagh, though it has no fountains or basins, continues to be the favourite haunt of the Isfahanis every evening. During the day it is a very busy thoroughfare indeed, but if one wants to escape from its bustle and noise, one has only to cross the threshold of the charming Madrasah and be at once in an atmosphere of peace and beauty.

His Imperial Majesty Muhammad Reza Pahlavi has, like his father, the interests of Isfahan at heart. In September, 1948, he paid a state visit to the city. In the course of his stay he journeyed to the rugged mountain country to the west in order to inaugurate the revival of the Kuhrang scheme. This great undertaking, which is being carried out by a British engineering firm, will, when completed, not only double the flow of the Zayandeh Rud without seriously depleting the Karun, but will also ensure that water is available when, under present conditions, the Zayandeh Rud is almost dry. These operations, which involve, amongst other things, the boring of a tunnel over a mile long, will render possible a considerable extension of the existing irrigation system and so bring more land under cultivation.

The numerous pigeon towers in the fields round Isfahan are a prominent feature; some of these towers are very picturesque. Once, when I showed someone in this country a photograph of one of these towers, she said that it was very good of the peasants to do so much for the pigeons, not realizing that their motives are not entirely altruistic. The droppings are used as manure for the Isfahani melons, but it is a moot point whether the benefit that accrues from this outweighs the damage that the birds do to other crops.



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SOME ECONOMIC PROBLEMS OF PERSIA

By EDWARD SYKES

Lecture given on July 12, 1950, Mr. Alistair Gibb in the Chair.

The CHAIRMAN: It is not necessary for me to introduce the lecturer, because the name of Sykes is sufficiently well known in this Society for me to make little or no further reference to it, but I would like to say how honoured we are to have Lady Sykes with us today. It is more than fifty years since Sir Percy Sykes first went to Persia, and since then there has been a complete continuity of service and work in Persia by the Sykes family. Mr. Edward Sykes is particularly well fitted to speak to the Royal Central Asian Society on Persia. He has been working there for the past fifteen years with little or no break until he returned from Persia two months ago. For the last two and a half years he has been working in a capacity which brought him into constant touch with the economic problems upon which he is about to speak.

Persia today, in virtue of its geographical position and mineral resources, is probably more in the 'international eye than it ever has been. In particular, the international gaze is directed towards Persia because of the events taking place elsewhere in this troublesome world.

MUCH has been said and written in recent years about the economic problems of the Middle East, and although superficially each of the countries in that area has differing problems, basically they are all the same. And what has been said and written about one can be applied very largely to the others. Basically all the countries of the Middle East have agricultural economies with very low levels of production which must be raised. All or most have newly founded industries which are struggling to survive and whose efficiency must be raised if they are to play a proper part in the development of those countries. The great mass of the population of each one is uneducated, untrained and ill-nourished, and means must be found to raise their general standard of living. Most of the countries in the Middle East have important oil resources on which they depend for the greater part of their revenue.

Persia is no exception to the above generalizations, but there are certain aspects of the economic problems that she faces today which are, I think, worth considering and which are to a certain degree peculiar to Persia. During the course of my talk I shall also say a few words about Persia's Seven Year Plan, although it is still too early for any serious stocktaking.

Persia has the misfortune to be a buffer state between Russia and the Western Powers. Before the last war she was a buffer state between Russia and the British Empire only but now her situation is more complex and her neighbours to the south are represented, practically speaking, by the whole of the Western world. This unenviable position has of course determined her foreign policy, but inevitably also it has coloured her internal politics, and both, in their turn, have had their effect on her economic development. I need only cite one well-known example to show how true this is. Persia's greatest mineral wealth lies in her oil, and it is

believed that large fields lie awaiting development in northern Persia, possibly in particular in north-eastern Persia near the Russian frontier. During the war Russia brought great pressure to bear on Persia to grant her, Russia, a concession for the development of that oil. Persia resisted that pressure and refused to grant the concession. As a result, however, the only course now open to her is to develop the oil herself, which with her limited resources and lack of technicians will be a slow and laborious task. For her to grant a concession to, say, the Americans or British or even to employ American or British technicians in that area would be to invite certain Russian hostility and suspicion.

Russia's attitude and unneighbourliness has its effect on Persia's economic development in more ways than that illustrated above. With her main producing areas in the north, economically the main outlet for Persia's products should be in that direction, thereby avoiding the long expensive haul to the Persian Gulf. In the same way Russia could supply more cheaply many of the manufactured goods Persia requires. Freer and greater trade between the two countries, assuming it was not accompanied by political infiltration on the part of the Russians, could be of great benefit to Persia.

There are also numerous small ways in which the attitude of Persia's northern neighbour hampers her development. An incident was quoted recently in the London press of the Russians' objection to the Persians carrying out an aerial survey of territories lying near the frontier. The survey must now be done on the ground—certainly a slower and probably a more costly method.

The suspicion and uncertainty with which Persia views the Russians' behaviour, and her need to maintain a very precarious perch on the fence of neutrality, not unnaturally tends to create a certain suspicion in the minds of Persians of the intentions of the other Powers, however friendly they may be and however anxious those Powers are to see the country prosper. This suspicion makes it difficult for Persia to accept outside assistance wholeheartedly, and this in its turn is apt to detract from the value of the assistance when it is granted.

I have spoken at some length on what might appear to be more of a political than an economic problem, but there is no doubt that the Russian shadow has seriously hampered Persia's economic development, and as long as Russia continues with her present policy Persia cannot be expected to develop along natural geographical and economic lines.

I would like now to turn from Persia's external troubles to some of her internal problems—problems which fall more into the realm of practical economics.

Under the impulse of Reza Shah the country made great strides. Of that there can be no doubt. Communications were improved, ports and railways were built, industries sprang up and the cities and towns were developed. Unfortunately, however, it would appear that much of the development that took place was misdirected and as a result failed to achieve the maximum good, and in addition created problems which have to be faced today.

For a country that must rely on the products of its land, not only

to feed itself but also to supply the raw materials for its industries and its commerce, surprisingly little attention was paid to the development of agriculture. Very considerable sums were expended on railways and ports, on industrial development and public buildings, but for some reason agriculture was left out of the picture. As a practical illustration of this I would mention the failure to train and make fuller use of the country's water resources. So little attention was in fact paid to this all-important subject that even such preliminary studies as flow recordings of the rivers were not undertaken. As a result, today, when it is desired to push on rapidly with water conservation and other hydraulic projects, little information exists about the characteristics and behaviour of the various water resources and there is a danger that projects will be put in hand based on insufficient data.

The province of Mazanderan provides a further illustration of this failure to develop the land. Money was poured into the province. Fine roads were built connecting the province with the central plateau and skirting the Caspian Sea shore. Luxury hotels were constructed presumably to attract the tourist and holidaymaker, and so on. But what possibly might be the chief asset of the province, its forests—the only timber of any value left in the country—was neglected and left to be despoiled uneconomically by the charcoal burner and woodcutter.

At a cost of some £35 million—a very large sum for that country—the Transpersian Railway was built in the 1930's, and lines westwards to Tabriz, eastwards to Meshed and southwards to Kerman started. As is well known, the Transpersian Railway was of inestimable value to the Allies during the war, but it is permissible to doubt if its construction was a sound capital investment at that time and at that stage of Persia's economic development. If that money was available for the betterment of communications, and there is no doubt that good communications are vital to the country with its enormous and widespread areas, it would surely have been a sounder policy to improve and extend the road system and open up new areas, improve telecommunications which were and are very poor, and develop internal air communications which were non-existent.

I have referred to what appear to have been major errors of economic policy in pre-war years, because their effect is to be seen today and the problems they have raised remain to be faced. I have been careful to describe them as errors of an economic nature because, of course, there were no doubt many other considerations which influenced the policy-makers of the time.

In the first place, I referred to the failure to give agriculture or the development of the land its proper place in the programme. One aspect of this was the development of industry at the expense of the land.

It is generally agreed, I think, today that no country can give its people a reasonable standard of living by remaining purely agricultural. It would seem that not only are industries necessary as a complement to agriculture if an economy is to be developed, but also that only through industry can the necessary impetus or incentive be given to a people to organize itself and work for a better standard of living. One cannot therefore quarrel

with a policy that built up a number of industries in a country that was so backward. What one can, however, quarrel with is the degree of encouragement the industries received at the expense of the rest of the economy.

Clearly a new industry, in a country such as Persia, cannot be expected to meet the competition of foreign industries of long standing, even in the home market, without some initial assistance. But that assistance should be of such a nature as will encourage it to work up rapidly to such a pitch of efficiency as will enable it to stand on its own feet. What has happened in Persia is that many of the industries enjoyed such advantages of freedom from competition, which were accentuated during the war, that there has been no incentive to attain a reasonable standard of efficiency. As a result, now that competition has returned in some measure, and it must be allowed to remain if the consumer population is to cease subsidizing the industrialists, the industries find themselves with worn-out plant improperly maintained, inefficient managements and unable to produce goods of a competitive quality.

Persia's industries are facing a crisis as a result of neglect in years of prosperity, and fairly drastic reorganization with new ideas will be required to set them on their feet.

There were, however, other effects of this policy of over-encouragement of industry. Carried out, as it was, at a time when agriculture was in a depressed state and not receiving the support due to it, the new industries attracted many thousands from the villages. As a result of this and following from this, on the one hand, the countryside has lost much labour which it can ill afford, and, on the other hand, the city populations have become swollen beyond their capacity to give productive employment, and insoluble problems of housing and health have been created. Following from this and from a purely economic point of view a quite disproportionate part of the population are pursuing non-productive trades. Far too many people today in Persia are taking in each other's washing.

There is no doubt that the numbers, and seemingly increasing numbers, of persons following non-productive trades form a serious problem, and unless means can be found to divert the streams flowing to the towns back to the land, the country will be faced with severe economic difficulties. Not the least of these will be increasing unemployment with all the attendant troubles and disorders that that entails. The position is serious enough already, although the true seriousness is partially hidden by various devices. For example, most government industries are being run at a heavy loss, and, while they are not the only nationalized industries being run in this way, there is no doubt that they have much redundant labour on their pay rolls. Many privately owned industries, and in particular the textile mills in Isfahan, are continuing to employ large numbers of operatives in excess of their requirements, having been forbidden by the Government to lay them off. And, lastly, the Government departments are grossly overstaffed.

I have suggested earlier that the construction of the Transpersian Railway was economically unsound and that the effect of this is to be seen today. With other alternative means of transport available the pros and

cons of railway construction are today always the subject of hot debate, and from this point of view the construction of the Transpersian has been no exception. However, it is not my intention to discuss this aspect of the Transpersian. What I want to suggest is that the enormous capital outlay involved in this project started a wave of inflation in Persia which, exaggerated by war conditions and the Allies' expenditure in that country, has not yet spent itself and, although measures have been taken in recent months to contain it, it is an ever-present menace to the country's economy.

Although part of the cost of the railway was defrayed in foreign exchange and was not therefore of an inflationary character, the great bulk of it, probably about 70 per cent., was spent on wages to local labour and on purchases of local materials. An enormous spending power was created for which there was no corresponding increase in consumable goods and the purchasing value of the local currency started on its downward course.

Inflation of the currency has led to a very unhealthy state of affairs with trade and commerce carried on a speculative basis and the living standards of the masses steadily deteriorating. The danger of further inflation is one of the fundamental problems facing the Seven Year Plan, about which I would now like to say a few words.

In the preamble to the Report of the Plan Commission of the Majlis, or Parliament, the objects of the Seven Year Plan were stated to be the following: increasing production; expanding exports; providing the prime necessities of the people within the country; developing agriculture and industry; discovering and exploiting mines and underground resources, particularly petroleum; reorganizing and perfecting means of communication; improving public health; and carrying out any kind of operations for the development of the country for the purpose of raising the standard of living and the standard of education; improving the living conditions of the people and reducing the cost of living.

The total cost of the plan is estimated to amount to some 21,000 million rials, or about £210 million, of which about 25 per cent. has been allocated for the development of agriculture, about 25 per cent. for roads, railways, ports and airways, about 15 per cent. for industries and mines, about 5 per cent. as capital for the creation of a Persian Oil Company, about 3½ per cent. for posts, telegraphs and telephones, and about 30 per cent. for social and municipal reforms. It is estimated that about one-third or approximately £70 million of the total cost of the Plan will be expended in foreign exchange and the balance in local currency.

It is an ambitious programme for seven years.

To assist the Government in the preparation of the Plan and also to advise on its execution an American firm of consultants known as Overseas Consultants Incorporated was engaged. They have sent teams of experts in various fields, in the initial planning stages to study conditions on the spot and to prepare a report embodying their recommendations, and latterly to advise on the execution of the Plan. The American firm has been assisted by a British firm of consulting engineers who were already established in the country, and by individual members of the British Middle East Office.

I would like to digress for a moment and, possibly in anticipation of a question on the subject, say a few words as to why an American firm was employed for this work in preference to a British one. One would have thought that with our years of experience in the Middle East and in India, and with our experience of dealing with just such problems as face the Persians, British experts would have been chosen instead of Americans who, of course, have a great reputation for getting things done in their own country, but have yet to learn what can and what cannot be done in the Middle East. There were, I think, two good reasons why the Persians turned to the Americans. In the first place, there is their reputation for carrying through schemes on an imposing scale. Projects such as that of the Tennessee Valley Authority have had a world-wide publicity, and one often hears talk of applying the same principles to backward areas. But I wonder if big schemes of this nature are really the answer or even part of the answer to Persia's problems. To carry them out would involve, quite apart from economic difficulties, a major social revolution. And, when completed, would the technical and administrative resources of the country be sufficient to operate the scheme efficiently, and would the people adapt themselves to new conditions so as to benefit fully from the advantages provided by such schemes? I am inclined to believe that the transformation must be a slower process than would be presupposed by great capital schemes.

The second reason why an American firm was engaged was, I think, because of the hope that American experts would be followed by a dollar loan. This idea of a dollar loan has, I believe, been something of a misfortune for the Plan. Somehow, and as a result of poor publicity, a dollar loan and the Plan have come to mean one and the same thing in the eyes of the people, and instead of the idea being fostered that the success of the Plan depended on the determined efforts of the Persians themselves, they have come to believe that they could sit back and watch the dollars perform miracles.

In fact, it would appear that no substantial dollar loan is required, at any rate in the initial stages. Persia's foreign exchange revenue, although largely dependent on oil royalties and sales of sterling by the Anglo-Iranian Oil Company for its expenditure in Persia, is very substantial, and if husbanded and used to good purpose would suffice amply for the country's needs, including those of the Plan. Furthermore by arrangement with the Bank of England, Persia's sterling holdings are convertible into dollars for any purchases that cannot be made in the sterling areas at prices and delivery comparable to those of the States. This arrangement is interpreted very liberally by the Bank of England and in practice Persia can get all the dollars she needs.

The foreign exchange requirements of the Plan should not therefore present any insuperable difficulties. The main problem would appear to be how to raise the necessary funds in local currency, and above all how to raise them without causing serious inflation which would render the completion of the Plan impossible. There are a number of ways open to the Government, but they all present serious obstacles.

The Plan is authorized to borrow up to Rls. 4,500 million, about £45

million, or about one-third of its requirements, in local currency from the National Bank of Persia. This bank, which is a governmental institution, is, however, already a heavy creditor of the Government, and for it to grant further loans would be to create inflationary tendencies. This right to borrow must therefore be used with the greatest caution. Taxation should be one of the more obvious ways of raising funds of a non-inflationary character, but the Persians are noted for their dislike of taxes and their ability to avoid paying them. Government bonds might be issued, but it is doubtful if they would be received with great enthusiasm, firstly because there is insufficient confidence in the Government, and secondly because the rates of interest payable on the bonds could not compare with those obtainable in the bazaar, which attain astronomical heights.

Since the Plan is to be financed by the Government, one method of raising the necessary funds would be to cut Government expenditure, and this could be done most effectively by reducing the number of Government employees. Some have in effect been transferred to the Plan organization itself, but much more drastic action than that is necessary if any substantial saving is to be effected.

On the whole, therefore, the financing of the Plan if serious inflation is to be avoided—and it must be avoided if the Plan is to succeed—is going to be no easy matter. The answer seems to be that a programme must be followed which will eschew capital works of any great magnitude in the early stages and concentrate on development which will give the country an increased productive capacity as rapidly as possible. Such a programme will not be easy to carry out, since concrete results will be slow in showing themselves and the country will be inclined to show impatience.

Time does not permit further consideration of the Seven Year Plan, and before I conclude I would like to refer to what seems to me to be a characteristic of all the problems which I have considered. This characteristic, or possibly it might even be called a common denominator of all the country's problems, is the Persian's lack of confidence.

A lack of confidence in his country's future is scarcely to be wondered at in the present state of world tension and with the cause of it sitting on his doorstep. But to this must be added a lack of confidence in his Government, a lack of confidence in his neighbour, a lack of confidence in himself. The world situation is beyond his power to alter, but somehow or other he has to regain confidence in his country and himself if he is to face up to his problems. It was hoped that the Seven Year Plan would provide the necessary tonic needed to revive his spirits, but whether it has been badly presented or whether it has lacked the necessary ingredients to capture and hold his imagination, whatever the cause, the fact is that his initial enthusiasm for the Plan is waning and he no longer expects great things from it.

Something more fundamental than a Seven Year Plan is needed. A plan can only give an order of priority to the solution of economic problems which are plain to everyone. It cannot by itself solve them, nor can it remove the causes that created the economic problems in the first place.

Somehow a new spirit needs to be infused into the country but how it is to be done, or who will be found to do it, I cannot pretend even to guess.

The CHAIRMAN: I am sure you all agree that we have listened to a most interesting talk. And now the meeting is open for discussion.

Mrs. GREGORY: Mr. Sykes told us that Russia would be able to supply most of Persia with cheaper goods if it was convenient and if infiltration did not take place at the same time. Could not India, particularly Pakistan, which is nearer, supply a good deal of the goods the Persians want, and supply them quite cheaply?

Mr. EDWARD SYKES: That is true of certain areas of Persia, but the main population is in the north of Persia, in Meshed, Teheran and Tabriz. Possibly India could supply South Persia more cheaply, but at the moment communications with India are not very good. The goods would have to be sent via the Persian Gulf, possibly, to Bushire, which is not a very good port in these days, and then up into the interior. Russia could, if she wished, supply Persia more cheaply than anyone else with such goods as cement, but any such supply usually has strings attached to it, in some way or other.

Mrs. GREGORY: Has anything more been heard of the railway from Pakistan to Persia? I think something was being attempted in that regard during the last war.

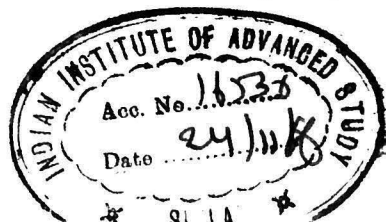
Mr. EDWARD SYKES: I do not think anything more has been done. There is the line as far as Zahidan in south-east Persia, but I have not heard of it being extended. If anything is done construction may take place down from Teheran towards Kerman, but it will be some time before there is any through connection to Pakistan.

Mr. PHILIPS PRICE: What is the situation in Azerbaijan just now? I understand that since the Russians left the place after the war the peasants have adopted a somewhat new line towards their landlords and have not paid the full dues; they have retained them for local development of the villages. Is that so, and has a similar agrarian movement started in other parts of Persia?

Mr. EDWARD SYKES: When the Russians were in Persia, and even more so when they left that country, they left a democratic, as they call it, or Communist, Government behind them. The great majority of the landlords, of course, left the area. While I personally have no experience of the Azerbaijan area, I have no doubt that the landlords have had considerable difficulty in reinstating themselves and collecting what they used to collect previously. And certainly in other parts of the country the peasant is possibly becoming the more mindful of what he might get out of the landlord and is more truculent. Nevertheless, the landlord does, on the whole, still get a large share out of the villages.

Colonel G. M. ROUTH: Could the lecturer give more information about the water-power schemes?

Mr. EDWARD SYKES: The most important and the biggest water-power project is that known as the Lar Valley Scheme. It was studied by a British firm of consulting engineers and a report was published shortly after the war. Their recommendations were only partially accepted by



the Seven Year Plan, which has concentrated more on the irrigation aspects of the scheme. There are other and smaller schemes in regard to the Ziyand-i Rud which are still in the planning stage. The Ziyand-i Rud is now being joined by a tunnel to the headwaters of the Karun; as the waters pass out of the tunnel they drop a considerable distance and the power there could and may be used; it is planned to build dams in the river bed—that is, lower down in the Ziyand-i Rud, and those dams may be, in their turn, combined with hydro-electric schemes.

Col. G. M. ROUTH: One sees a tremendous amount of water wherever one travels in the highlands of Persia. One would have thought there would be a number of minor schemes with a view to irrigation and water-power. There does not seem to have been a proper survey made so far.

Mr. EDWARD SYKES: I believe the possibilities are known in a general way, through detailed surveys of most of the rivers have not yet been carried out, but they are to be carried out under the Seven Year Plan. The difficulty is to combine water resources for hydro-electric power with the population. The large majority of the water resources are distant from large centres of population.

The CHAIRMAN: I think it fair to say that the planning organization advised by the Americans is in the process of carrying out these surveys. They are in their initial stages.

Dr. A. LAMBTON: The lecturer stated that in recent months certain measures had been taken to curb inflation. Could he say what those measures have been?

Mr. EDWARD SYKES: The measures taken have been largely by the National Bank of Persia. One of the measures taken indirectly by the National Bank was the decision to maintain the parity of the local currency with the dollar, rather than follow the pound. That has brought the price of imported goods down very considerably. At the same time, the National Bank of Persia has been restricting the credit to merchants and that has probably been the greatest factor. There are others; one is the uncertainty of the future and the hoarding by the Persians of their money and hesitancy about investing it. Another factor is that the country is choked with goods; that the markets are flooded and that prices have to come down. Somehow or other prices do not react very quickly in Persia, because the merchant when he imports expects to get about 100 per cent., if not 200 per cent., profit on his goods; if he finds prices dropping he will tend to hold on to his goods in the hope that prices will return later on. When making a profit of 100 per cent. on his goods the merchant can hold on for a long time. He is not like the normal trader in the West who expects only a small return and cannot afford to hold on for long.

ANOTHER MEMBER: Have the Americans all the engineering contracts now? At one time Persia turned very much to Great Britain in that regard, did she not?

Mr. EDWARD SYKES: The Americans are at present mainly concerned with the Seven Year Plan as advisers, and here they are working in conjunction with a British firm of consulting engineers. There are other British interests in Persia and there are also other foreign firms—French

and Scandinavian firms—doing engineering works. The Americans are rather newcomers; they are not well established yet and they are also rather hesitant about taking work.

Mrs. GREGORY: Are the Persians going to use any of the old qanats? Are they going in for water irrigation?

Mr. EDWARD SYKES: Yes, they are studying all possible ways and means of making fuller use of the water resources. Use of the qanats is doubtful; there are probably cheaper ways than qanats, because their maintenance is extremely costly, quite apart from the initial capital construction.

Miss KENNEDY: Are the people of Persia more literate than they used to be?

Mr. EDWARD SYKES: They are certainly more literate than they were in the days prior to Reza Shah, who did so much for education. Nevertheless, the people are still fairly illiterate. I do not know the proportion of illiteracy; it is certainly decreasing.

Mr. PHILIPS PRICE: As to the Labour Code, Mr. Hird, when I was in Persia three years ago, said he had assisted the Persian Government to introduce a Labour Code into the factories. Has that Code ever been applied or adopted in fact? There were Works Councils in the textile factories in Isfahan when I was there. What is the position now in that respect?

Mr. EDWARD SYKES: I personally am a little vague; a Labour Code was drafted but was not passed, though I am not very certain as to that. Certain of its provisions were being applied, but they could not be applied very effectively because they had no legal backing. If the Code has not been passed, I think it is going to be passed quite shortly.

Sir HERBERT TODD: Perhaps I can clear the point. Labour legislation has been passed, one Act in 1946 with a further Act in 1949. Joint Factory Councils are now a statutory obligation, with the unusual composition of one Government representative, one representative of the employer and one representative of the employees. They are functioning at least in some industrial concerns.

Admiral Sir HOWARD KELLY: May I first of all thank Mr. Alistair Gibb for presiding over this meeting with the competence born of a knowledge of the subject; secondly, I thank Mr. Sykes for his admirable lecture. It has opened up to all of us, especially to the ignorant like myself, some sort of idea as to the economic problems which face Persia.

When having a little post-prandial nap in the middle of the lecture, I suddenly came to and heard the lecturer talking about people sitting back and waiting for an American loan, about a redundant civil service, and a refusal to cut down expenses. Surely, I thought, I had come to hear a talk on Persia! (Laughter.) However, that country is very much in the foreground now of everything, and if there is to be another incident I much fear she is going to take the first knock. So any lecture which gives us information with regard to what is passing in Persia at present is especially valuable.

Finally, I would like to say what a great joy it is to all in the Royal Central Asian Society to have Mr. Edward Sykes with us. Any member of his family is always certain of an appreciative and sympathetic hearing.

because we owe an immense debt to his father, Sir Percy Sykes, who worked unceasingly for so many years for the benefit of our Society. It is nice to know that Mr. Edward Sykes is working in Persia, with which his family has been connected in such a distinguished manner for so many years.

