

*Shaul Bakhash*

## “Where Do I Go without Money?” Reza Shah’s Finances in Exile

*When Reza Shah died in exile in Johannesburg, South Africa, in July 1944, he left in his account at Barclays Bank a deposit of £110,000, a considerable amount of money. Yet when he went into exile only three years earlier, Reza Shah feared he would be hard-pressed for money, if not left altogether destitute—and with good reason. He left Iran with a “horde” of progeny, family members and retainers. Before departing, he had ceded all his enormous wealth in cash and property to his son and successor. He did not remain destitute for long. His son, the new shah, continued to send him money, and for a while the British paid for a major part of his upkeep. Yet his money anxieties did not cease. This article describes and follows the winding trail of Reza Shah’s finances in exile.*

When Reza Shah died in exile in Johannesburg, South Africa, in July 1944, he left in his account at Barclays Bank a deposit of £110,000. This was a considerable sum of money at the time, equivalent in 2015 purchasing power to £4 million or \$11 million.<sup>1</sup> Yet when he went into exile only three years earlier, Reza Shah feared he would be hard-pressed for money, if not left altogether destitute—and with some reason. Having abdicated his throne after Britain and Russia invaded and occupied Iran in August 1941 during the Second World War, Reza Shah had also transferred to his son and successor, Mohammad Reza Pahlavi, all his enormous wealth in properties, agricultural land, hotels and factories, including 683 million rials in bank deposits. The cash in his bank account alone translated into £9.8 million at the 1941 exchange rate.<sup>2</sup> The new shah was to use these resources for schools, hospitals and the general public welfare, but the transfer meant Reza Shah was left with no money of his own. He was going into exile with a party of nineteen others: his wife, Esmat, her step-sister and a lady-in-waiting, six sons and two daughters, his private secretary, his son-in-law, who served as his aide, a cook and five additional servants.

“I haven’t a penny to my name ... where am I to go with horde,” he asked, referring to his numerous progeny?<sup>3</sup> The British, who, along with the Russians, had engineered Reza Shah’s abdication, were eager for him to leave the country as quickly as possible.

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They diverted a ship, the *S. S. Bandra*, to the Iranian port of Bandar Abbas to pick up the shah and his party for the outward journey. Reza Shah was resigned to leaving Iran in British hands; but he wanted to be certain he would have adequate funds in his new life; and he waited for confirmation that his son had arranged for the transfer of foreign exchange to cover his expenses abroad. As he made his way across Iran, with brief stays in Isfahan, Yazd and Kerman, heading for the port of Bandar Abbas and exile, the problem of money was much on his mind. In Kerman, he enquired if foreign exchange could be purchased from local banks.<sup>4</sup> From his court minister, who accompanied him until he boarded ship at Bandar Abbas, he asked how much money remained in the foreign bank account set up to pay for the crown prince's education at a Swiss boarding school. (The amount left in the account turned out to be insignificant.) The British consul in Kerman, George Falconer, instructed by his government to hurry Reza Shah out of the country, assured the ex-shah that he need not await fund transfers since all his travel expenses would be covered by the British government. Reza Shah replied that the problem was not the cost of travel. "I asked for money for [living] expenses. I cannot leave in such a hurry."<sup>5</sup>

He feared being "strapped for money" in exile, he said.<sup>6</sup> Responding to a letter from his son while he was still on Iranian soil, he gently but urgently reminded the new shah that "you said nothing regarding the expenses of this large family abroad—as to from where, under what arrangements, and with what assurance the money will reach us." What he wanted, he wrote, was for the transfer of "a substantial sum" to a foreign bank, with arrangements for regular monthly payments "so that after arrival at our destination we can give order to our lives."<sup>7</sup>

In fact, Reza Shah did not remain impoverished for long. By the time he arrived at the island of Mauritius, the place of exile chosen for him by the British, Mohammad Reza Shah had arranged for two transfers totaling nearly £35,000 through Lloyds Bank and Barclays Bank.<sup>8</sup> Once in exile, Reza Shah received money transfers from his son on a regular basis. Moreover, the British government, the movers behind Reza Shah's abdication and exile, concluded they should shoulder a major part of the cost of his upkeep, at least during the Mauritius period. Still, money concerns did not disappear. Well provided for and parsimonious himself, Reza Shah's eldest daughter and older sons had extravagant tastes. Besides, Reza Shah had always displayed anxiety regarding his financial security. When in April 1942 the British acquiesced in Reza Shah's desire to move from Mauritius, which he found oppressive, to Canada, they also decided that he should pay his own expenses, adding (the British estimated), between £600 and £1,000 to his monthly expenditures.<sup>9</sup> Once Reza Shah died, the unimpeded right to his estate, including the substantial sum remaining in his bank account, became a point of contention between Mohammad Reza Shah and the government of South Africa.<sup>10</sup> Thus money, a focus of attention during his life in exile, remained an issue after his death. This article describes and follows the background and winding trail of Reza Shah's finances in exile.

*A Voracious Appetite for Wealth*

First, a bit of background is in order.

From the time he began his rise to power as a young officer in Iran's Cossack Brigade, Reza Khan, as he was then known, displayed a voracious appetite for accumulating wealth—this despite the fact that, by and large, his personal tastes remained simple, even ascetic, whether as an ordinary soldier and an officer living in military barracks, or as the shah, inhabiting royal palaces. In February 1921, Reza Khan, then commander of the Cossack Brigade, the only effective military force in the country, along with a civilian co-conspirator, Seyyed Ziā' ad-Din Tabātabā'i, had staged a coup and seized power in the name of reform, anti-corruption and national independence. The ruling Qajar dynasty had long been seen as corrupt, inept at home and ineffective in protecting Iran from great power interference. A thoroughly cowed Ahmad Shah, the last monarch of the Qajar dynasty, agreed to appoint Seyyed Ziā' prime minister and Reza Khan commander of the armed forces. Reza Khan proved the craftier and the more politically astute of the two men, and his consolidation of power was rapid. Within three months, he had forced Seyyed Ziā' to resign and to go into exile and had secured from the shah his own appointment as minister of war. Within two years, he was prime minister and the virtual master of Iran. In 1925, Ahmad Shah left for Europe, never to return; and at the end of the year parliament and a constituent assembly deposed the Qajars and conferred the crown on Reza Shah as the founder of a new dynasty, the Pahlavis.

As minister of war and as prime minister, Reza Khan had demanded and secured a considerable portion of government revenues for the army while refusing to permit any outside scrutiny of the war ministry's accounts. Earlier, immediately after the 1921 coup, he and Seyyed Ziā' ordered the arrest of members of the old ruling class, demanding hefty sums for the prisoners' release—a demand that was at least partly designed to replenish a depleted treasury.<sup>11</sup> Critics alleged Reza Khan was using extortion and military funds to amass a personal fortune. In a surprisingly frank conversation in 1923, Reza Khan told the British minister, Sir Percy Loraine:

The accusation that he had pocketed any money is false. He had however on two occasions taken money not as bribes but by force from wealthy families. 70,000 tomans from the sons of Zell al Soltan [a Qajar prince] and of this sum he had spent 30,000 tomans on the military school and deposited the remainder in the bank ... 30,000 tomans from Farmanfarma [another Qajar prince and major landowner] and deposited it in another bank ... these two sums to provide for the future of his children ... His own modest needs have been paid by the state.<sup>12</sup>

This early inclination to use office and coercion for personal benefit and to secure his family intensified after he became shah. He set about assembling for himself vast landholdings, not only in the agriculturally fertile Caspian provinces of Māzandarān and Gorgān, but in almost every part of the country. The acquisition of these

properties was almost always accomplished through an official deed of sale or deed of transfer—but by questionable means. Owners were “persuaded” to sell at well below market prices or to “gift” their property to the shah. In property disputes and in the interpretation of imprecise property deeds, pliant judicial authorities issued rulings favorable to the monarch. Sometimes, property was acquired through outright confiscation—for example, of the holdings of rebellious tribal chiefs or of landowners accused of plotting against the state. Stated-owned land (*khāleseh*) was purchased by Reza Shah at highly favorable prices.<sup>13</sup>

An elaborate bureaucracy, organized into seven geographical departments, was established to manage the royal estates. Many of the overseers, agents and inspectors were military officers whose salaries were paid by the army. These agents, eager to ingratiate themselves with the shah, abetted and even encouraged his acquisitions. For example, scattered peasant or small-landowner holdings might lie between two villages held by the shah. Ways were found (coerced sale, judicial rulings) to transfer ownership to the shah and give him a continuous stretch of property.<sup>14</sup> Diplomats stationed in Tehran commented on Reza Shah’s acquisitive instincts. The American minister in Tehran, Charles Hart, wrote that Reza Shah aspired to travel across hundreds of miles of Iran—all through his own property.<sup>15</sup> The British minister, Reader Bullard, commented on Reza Shah’s propensity to amass property by forcing owners to sell at “ruinously low prices.”<sup>16</sup> Revenue from these landholdings financed full or partial ownership of hotels, textile and silk-spinning mills, and a sugar refinery, but charities as well.<sup>17</sup> When he abdicated in 1941, Reza Shah was estimated to own more than 2,000 villages or parts of villages across Iran.<sup>18</sup> Some sources cite even higher figures for his holdings.<sup>19</sup>

### *The Transfer of Property*

On his abdication, Reza Shah ceded this carefully assembled and vast property holding to his son, Mohammad Reza Shah. He appears to have been propelled to take this step largely under British pressure, and by the desire to preserve the throne for his son. The British foreign secretary, Anthony Eden, knew with near certainty that entry of British and Russian troops into the capital on 16 September, four weeks after the initial occupation, would lead to Reza Shah’s abdication.<sup>20</sup> In considering the future of the ex-shah, the Foreign Office (FO) had briefly toyed with the idea of deposing the Pahlavi dynasty altogether and restoring the Qajars to the throne.<sup>21</sup> Bullard, however, advised against such a step. The Qajars were not popular, there was no viable Qajar candidate, and internal stability and order would best be served by adhering to the constitutional norms, he wrote. Bullard recommended that Mohammad Reza Pahlavi be allowed to succeed his father in keeping with the constitution and in the interest of stability—but on condition that Reza Shah leave the country, take all his sons with him and transfer his vast wealth to the nation. Eden concurred.<sup>22</sup> We do not know precisely how these conditions were imparted to the Iranians. Bullard, however, was in close communication with the Iranian prime minister,

Mohammad Ali Foroughi, and the foreign minister, Ali Soheili. We must assume these two men somehow conveyed this unwelcome message to Reza Shah.

The formal transfer of property took place in Isfahan, as the shah was making his way across Iran to leave the country. The task of securing Reza Shah's signature on the transfer document (*sanad-e enteqāl*) fell to a prominent elder statesman and landowner, Qavām al-Molk Shirazi, whose son was married to the Reza Shah's daughter, Princess Ashraf, and to Mohammad Sajjadi, a long-time cabinet officer and minister of roads in the first post-abdication cabinet. Both were men trusted by Reza Shah. Sajjadi writes that a few days after the swearing in of the new shah he was summoned to the royal palace and asked by Mohammad Reza Shah to carry a letter to his father regarding the property transfer. Sajjadi was unable to refuse the daunting assignment. Qavām and a reluctant Sajjadi left for Isfahan the next day, spent the night in Isfahan, and asked for a private audience with Reza Shah the following morning. They were received in the home of the prominent Isfahani merchant, Kazerouni, where Reza Shah and his family were staying.

Sajjadi described this dramatic moment in a subsequent memoir. The shah, smiling but ill at ease, received the two men and said to Sajjadi: "Oh, minister of roads, I know that you have come to send me on my way." He read his son's letter and put it down. "Very well," he remarked. "I, too, had such an intention. Bring me pen and paper."<sup>23</sup> It happened to be a Friday, when all government offices and notary public offices were closed. Sajjadi searched high and low for a notary and finally located one to draw up the legal transfer document. Reza Shah signed it. According to Sajjadi, he then drew a checkbook out of his briefcase and said: "All the cash I own, 680 million rials, is in my private account at the central branch of the Melli [National] Bank." He knew, he added, that once he set foot out of the country, "they will everywhere say and write that I put away countless monies in foreign banks for just such a day. But I can say unequivocally that I have no money in foreign banks or in any domestic bank other than the National Bank."<sup>24</sup>

Rumors of Reza Shah's alleged millions in British and American bank accounts did begin to circulate after his abdication and were deliberately repeated on the BBC Persian language broadcasts from India, much to the consternation of the Iranian government. The BBC's harsh criticism of Reza Shah's rule began as part of the planning by the British government for the invasion of Iran and continued after his abdication. The Foreign Office, however, decided to drop allegations of Reza Shah's foreign bank accounts, for which there was no foundation. "The G[overnment] of India seem to have rather a guilty conscience on this matter!," minuted H. A. Caccia, a senior FO official. "There is no reason to pursue this issue further." I. T. M. Pink, one of the diplomats dealing with Iran at the FO, agreed: "The idea of hoarded millions in foreign banks was a useful propaganda point, but it has served its purpose and has become rather embarrassing," he wrote. The BBC Persian service was now instructed to "dispel the illusion" of foreign bank accounts, certainly insofar as British banks were concerned.<sup>25</sup>

In the Reza Shah-Sajjadi encounter, there was more to come. Reza Shah, it turned out, not only knew exactly how much cash he had in his bank account, he also kept a

detailed record, village by village, and holding by holding, of the revenues accruing to him from his estates. According to Sajjadi:

The shah then took out a notebook from his briefcase and handed it to me. The pages of this notebook were covered with a detailed list, written in pencil and in the late shah's own hand, of all [his] properties and movables. Beside each piece of property was noted the revenues it generated each year, over several years... . Reza Shah said: "to this hour, no one knew of the existence of this notebook. I had a right to keep it secret... from the accountants of my estates, so that when at the end of the year they put the balance sheet before me, I would not endorse it without consulting my notebook... . It is no longer of any use to me. Today, I hand it to you to give to my dear son."<sup>26</sup>

#### *Mauritius: Expenditure on a Liberal Scale*

As already noted, the British did not expect Reza Shah to pay for his passage out of the country; but they had to consider how his expenses in his place of exile in Mauritius—rent, food, general household expenditures, salaries for locally hired servants, entertainment—would be paid for. The governor of Mauritius, Sir Bede Clifford, had already advised the royal family to bring with them rugs, stair carpeting, mattresses and pillows, bed linen, towels, and even dust rags and kitchen cloths, as such items were not easily available on the island. These items were purchased at the Bombay Army and Navy Store by Clarmont Skrine, an India government political officer assigned to escort Reza Shah from Bombay to Mauritius. Skrine made his purchases even as the ex-shah and his family sat anchored and waiting, six miles offshore, first on the *S. S. Bandra*, then on the *S. S. Burma*, to which they were transferred for the onward voyage to Mauritius. (The viceroy, Lord Linlithgow, fearing Muslim Indian agitation, had refused to allow Reza Shah to set foot on Indian soil.)

Clifford's staff had also found a suitable house, Valory (Val Ory), on Mauritius for the royal family and had begun to furnish it. Clifford was instructed to meet the requirements of the royal family on a "reasonable" scale. With the family ensconced in their new home on Mauritius, Clifford cabled London for further instructions:

I feel obliged to meet all the demands of the party and in doing so I assume I must interpret the word "reasonable" ... in accordance with their royal status. Judged by any other standard demands so far made would have to be regarded as very extravagant and in meeting them I have assumed that I must keep them as contented as possible.<sup>27</sup>

More detail was provided by Skrine. He wrote:

Considerable sums were spent before the ex-Shah arrived in providing and furnishing houses for him and his large party, and since they came, heavy bills have been

run up for catering, transport, P. W. D. supplies and services, medical attendance, etc. None of the family have any idea of the value of money, and any article or services for which they have a whim is ordered regardless of cost ... The Governor has sanctioned free of cost to the ex-Shah the provision of all the furniture and fittings [at] "Valory" as well as various articles which have been purchased on request since the party arrived.<sup>28</sup>

A flurry of correspondence followed between Tehran, London and the Colonial Office (CO) regarding ultimate responsibility for Reza Shah's upkeep. For a time, the Foreign Office seemed under the impression that Reza Shah would be allocated a pension by the Iranian government out of which he would refund the expenses already incurred on his behalf and shoulder the costs of the future upkeep of himself and his family.<sup>29</sup> The FO even sent a cable to Bullard in Tehran to encourage the Iranian government to hurry things up. Bullard, however, dampened such expectations. He thought it unlikely parliament would vote a pension for Reza Shah. The ruling shah himself had not yet been allocated a budget for his civil list and was living off funds left to him by his father. Since Reza Shah had funds at his disposal sufficient to last him a considerable period of time, he wrote, "I suggest that the difficult task of obtaining a pension for him from Parliament should be postponed."<sup>30</sup>

After some discussion, the FO and the CO arrived at a formula that held as long as Reza Shah remained in Mauritius:

Accommodation, furniture, food, clothes, motor transport, recreation and other needs on a liberal scale ... will be provided by His Majesty's Government, while goods which become the personal property of the ex-Shah or his suite should be paid for out of their own funds.<sup>31</sup>

Included in goods which became personal property were "luxuries such as additional cars, radios, etc."<sup>32</sup>

The Treasury grudgingly concurred. "That the British tax payer should have to find the funds for the ex-Shah is naturally not very palatable to us," a Treasury official wrote to the Foreign Office, but "since H. M. G. had to keep him in British territory and for that purpose sent him to Mauritius, there was no alternative to accepting the charge." The Treasury also decided the cost of Reza Shah's upkeep should fall on the Colonial Office.<sup>33</sup>

The phrase, "additional cars, radios, etc." that the shah's family would themselves have to pay for requires a word of explanation. Skrine had purchased in Bombay not only the household goods the governor of Mauritius had advised that the royal party bring with them, but also "expensive luxuries" ordered by family members, who were barred from going onshore to shop for themselves. The young men and women needed clothing for a tropical climate. Skrine was also asked to purchase, among other items, four Persian carpets for Reza Shah; a sports car (a Sunbeam Talbot) for Princess Shams; gold watches for the women; a complete 8mm cinema

outfit, a Leica camera, a pair of binoculars and tennis racquets for the young princes; and also two radio sets and two refrigerators. For all these purchases, he presented Reza Shah with a bill for £3,260, for which the ex-shah wrote out a check against an account set up in his name at a British bank in India for the funds Mohammad Reza Shah had sent to his father.<sup>34</sup> These deposits were later transferred to a bank account set up for Reza Shah in Mauritius.

These arrangements meant that the British government bore most of the cost of Reza Shah's four-month stay in Mauritius, covering rent, the purchase of bathtubs, basins and armoires, and other recurring item expenditures for maintenance and repair, care of the grounds, salaries of extra guards, travel, utilities and furniture rental.<sup>35</sup> It appears that they later refunded Reza Shah for the cost of the household items that Skrine had purchased in Bombay.<sup>36</sup>

Expenditures borne by Reza Shah himself during the Mauritius portion of his exile do not appear to have been substantial. In any event, he did not remain on the island long. The ex-shah disliked Mauritius from the moment he set foot on the island. Its isolation and small size made him feel he was a prisoner. He disliked its hot, often humid climate. He needed bracing cold weather, as in Tehran, he said. Practically from the day he arrived in Mauritius he began to press, either directly or through his son in Tehran, for relocation—preferably to Canada where the climate was similar to the climate of the Iranian uplands. The British withheld consent, concerned that Reza Shah would become a target for Nazi intrigue and attract unwanted press attention. In December 1941, Clifford reported that Reza Shah was “very despondent” and there were fears he would experience a serious breakdown in his health.<sup>37</sup> In January, the FO finally agreed that Reza Shah could go to Canada and it also allowed those members of his family who had wished to return to Iran to do so. Reza Shah was to sail from Mauritius to Durban, South Africa, where he would take another ship for the longer voyage to Canada.

His departure was delayed, initially awaiting the arrival of a fresh batch of servants from Iran, as most of the servants who had come with the family to Mauritius wanted to return home. The “servant problem” for a while loomed large. “We cannot, I think, possibly send on the ex-Shah to South Africa and Canada without servants,” remarked W. H. Young at the FO;<sup>38</sup> and Reza Shah himself was unwilling to leave before the servants arrived. Reza Shah then fell seriously ill, suffering from a cardiac breakdown and other complications. This resulted in further delay. He finally sailed from Mauritius on the *S. S. Empire Woodlark* on 16 April, arriving in Durban on 21 April, where he was to await sea passage to Canada. Several members of his party had elected to return to Iran. These included Reza Shah's wife and her lady-in-waiting; his eldest daughter and her husband; his youngest son and daughter, aged fifteen and eleven, and four servants. The party accompanying Reza Shah to Durban remained large, however. He was accompanied by five of his sons, his private secretary, one Iranian servant and one Mauritian attendant. Also in the party was H. D. Tonking, a Mauritian public health official who served as a political aide and medical adviser to Reza Shah. The ex-shah had come to rely on him, and his services were thought indispensable.<sup>39</sup>



Once in Durban, rather than continuing on to Canada as planned, Reza Shah insisted on staying in South Africa. He was not eager to risk a dangerous sea voyage or to arrive in Canada in the summer. The South African prime minister, Field Marshal Jan Smuts, had agreed to allow Reza Shah into South Africa only in transit (and had urged minimum publicity),<sup>40</sup> but he now agreed to let the ex-shah and his party to remain indefinitely and to move to Johannesburg. It was in Johannesburg that Reza Shah passed away two years later.

### *Johannesburg: A Time for Economizing*

British officials, as we noted, agreed that His Majesty's Government should bear the cost of Reza Shah's maintenance in exile. They also agreed that the medical expenses of the ex-shah and his party, as well as Tonking's salary, emoluments and expenses, should be paid from public funds.<sup>41</sup> An undercurrent of resentment at having to pay for the ex-shah's upkeep persisted, however. The Treasury, as we noted, acknowledged, but found "unpalatable," Britain's financial responsibility for the ex-shah. Skrine, describing the heavy cost of preparing to receive Reza Shah in Mauritius, had added: "I see no reason why the British taxpayer should be saddled with any expenditure on the ex-Shah and his party." The Iranian government, as the beneficiary of Reza Shah's considerable wealth, he wrote, should shoulder his expenses.<sup>42</sup> Other British officials shared these sentiments. Reza Shah's desire to relocate to Canada offered a means of shedding an unwelcome financial burden. The CO, the FO and the Treasury concurred that, once settled in his new place of exile, Reza Shah should pay his own expenses. Reza Shah, eager to leave Mauritius, agreed.<sup>43</sup>

In South Africa, Reza Shah was not wanting for money. When he arrived in Durban he had £60,000 in his bank account, and periodic remittances from his son in Tehran and raised this figure to over £90,000 by 1943.<sup>44</sup> Yet he appeared to be nagged by a persistent sense of financial insecurity. For example, he initially wished the physician who had been attending him in Mauritius, Dr. de Chazal, to accompany him to South Africa. The Foreign Office balked at paying de Chazal's "none too modest fees," and even considered bargaining "to reduce them to rather less grandiose proportions." They decided that since Britain was paying for Tonking to accompany Reza Shah, he should pay de Chazal's fees himself.<sup>45</sup> Reza Shah decided he did not need de Chazal's services after all.<sup>46</sup>

In choosing two houses for himself and his family in Johannesburg, he had passed up the better residences that were shown to him, perhaps due to cost. Ernest Peron, a confidant of the young Mohammad Reza Shah, arriving in Johannesburg in June 1942 with a letter from the shah in Tehran to his father, was amazed to see the royal family housed "in such a poor way."<sup>47</sup> (In 1943, however, Reza Shah and the family did move to a larger house, with a five-acre walled garden in a good district in Johannesburg.) Tonking noted that "His Majesty seems rather too careful about money matters, presumably anticipating a cessation of supplies from Persia." Yet at the time he had in his bank account enough funds, at current spending levels, to last him for five years. Reza Shah

was also disinclined to pay tradespeople for their services if he considered them too high, risking damage to his good name, Tonking noted.<sup>48</sup> In early 1944, Reza Shah's private secretary told Tonking that the ex-shah "is being very difficult about household expenses and has been indulging in an economy drive which make[s] life very difficult for him."<sup>49</sup>

Parsimoniousness was not a quality ascribed to his three older sons, however. Their spending habits and "escapades" in Johannesburg were often a subject of exchanges between Tonking, South African officials and British officials in Pretoria and London. During his June-July 1942 visit, Peron observed that "the Princes lived a life of complete idleness, their only amusements being nightclubs and cinemas, and that they were making no real effort to improve their education."<sup>50</sup> Tonking wished to see the two youngest of the five sons sent home, "as he fears all sorts of trouble of the kind he had already experienced in connexion with the escapades of the older boys."<sup>51</sup> (The two younger boys were eventually sent back to Tehran.) The South African government wanted to avoid adverse press comment arising from the "gay time" the three older boys were having in and around Johannesburg and quashed the wish of the two older boys, Ali Reza and Gholam Reza, to spend Christmas at the Edward Hotel in Durban: "It is most undesirable that their Royal Highnesses should make pleasure trips or, for that matter, travel about the country at all under prevailing conditions," the South African secretary for external affairs wrote to the office of the high commissioner.<sup>52</sup>

There was also the problem of petrol consumption. The boys had acquired additional cars in Johannesburg. Aside from Reza Shah's Cadillac, which he used little, the older boys had at their disposal a Mercedes Benz, a Studebaker and three Buicks. Their gasoline consumption was high, and the South African government feared a public outcry, since war rationing was in place. A report noted that the royal family's petrol consumption rose from 128 gallons in July to 300 gallons in August 1942, and 340 gallons a month in November and December. Consumption continued to run at well over 200 gallons in some months in 1943.<sup>53</sup>

Tonking had his hands full with the boys: "Dr. T. is having his usual problems with the amorous adventures of the Princes, with which Johannesburg offers considerable scope," noted C. G. Sayers, an official in the high commissioner's office.<sup>54</sup> Replying to a query from Tehran, Tonking wrote that he was unaware if the eldest, Ali Reza, had any marriage plans, but the prince, he wrote, "is at present enjoying the favors of a blonde who, in her spare time, sells tickets at the Colosseum Picture Theatre."<sup>55</sup>

Ali Reza considered himself "Crown Prince" and next in line for the throne. A high spender, he was constantly having money problems. "Prince Ali has no money," and his bank balance was exhausted, the high commissioner in Pretoria wrote to Bullard in Tehran.<sup>56</sup> The manager of Barclays Bank in Johannesburg reported that Ali Reza had gone through £3,200 in twelve months and had less than £1 left in his account.<sup>57</sup> Tonking, who had to stand surety for the princes' bank overdrafts, did not want to see them run up bills. The problem, he wrote, was partly that the princes would receive lump sums from their brother, the shah, but that there was no regularity either in the timing or in amounts sent: "They are either rich or they are broke,"<sup>58</sup> he wrote in February 1944. The boys were hesitant to ask their father for money,

and Reza Shah seemed to think they needed nothing but board and lodging, Tonking noted. He estimated that the princes required £200-£300 a month and suggested that Bullard raise the matter with the shah. "All three are now quite destitute."<sup>59</sup> Bullard spoke to the shah, and the shah again sent the three older boys lump sums of £1,000, £500 and £500 to tide them over; he also arranged for a monthly stipend for each of £30.<sup>60</sup> Tonking found the amount so small that he asked for confirmation. "The Crown Prince pays this alone to his pet masseur," he observed.<sup>61</sup> Bullard realized that the princes "will of course think monthly allowances inadequate but I happen to know the Shah is or soon will be in financial straits." He advised that, without indicating awareness that the shah was short of funds, the boys should be told that their brother was a constitutional monarch and lacked unlimited resources. They should assist him by exercising economy.<sup>62</sup>

His sons notwithstanding, Reza Shah clearly tried to economize while in South Africa. After his death, to resolve a dispute over estate taxes (death duties), the royal court in Tehran provided the South African government with documentation showing that between 1941 and Reza Shah's death in 1944, Mohammad Reza Shah had sent his father through bank transfers £132,000.<sup>63</sup> When Reza Shah passed away, as noted earlier, he left £110,000 in his bank account. This meant that in the roughly twenty-six months he lived in Durban and Johannesburg, he had spent around £1,000 a month. This was not a small amount at the time, but Reza Shah was clearly not in dire straits.

There were, to conclude, two facets to Reza Shah's finances in exile: British and Iranian. The British initially felt responsible for the financial maintenance of a former king over whose exile they had almost complete control. They determined the country of his residence and the visitors, including family members from Iran, he was permitted to receive. They censored his letters to his son and relatives in Iran; they decided if family members in South Africa could travel or return home. They had assumed a financial responsibility, and they made an effort to keep the ex-shah and his family reasonably content. But British officials found reason to shake off a financial undertaking they found onerous once Reza Shah was allowed to change his place of exile, although in South Africa, too, British officials remained in control of his movements and the degree of freedom he would enjoy.

As to Reza Shah: he seemed to simultaneously practice both extravagance towards his children and parsimony elsewhere. There were the multiple cars and the Talbot Sunbeam, the gold watches, and the "toys" and indulgences he permitted his sons; and there were at the same time the attempts to economize on household expenses, the reluctance to pay tradesmen, and the persistent financial anxiety. Reza Shah had been a very wealthy man before he transferred all he owned to his son; and from the beginning of his exile, he feared that he would lack the means to support the "horde" of family members and servants who accompanied him, that his source of funds from Iran would dry up. He therefore saw to it that his son continued to add to his bank account. Financial anxieties notwithstanding, he left behind a large surplus in that account when he passed away. Ironically, as it turned out, he was as well funded in death as he had been in life.

*Notes*

1. The pound/dollar conversion is based on 1944 rates. The 2015 purchasing power of these amounts is based on an annual inflation rate of about 3.8 percent. For these calculations, see tables accessible at <http://www.measuringworth.com>
2. The 1941 exchange rate was 68.8 rials to the British pound. The £9.8 million would have come to \$29 million at the time.
3. Moʻtazed, *Az Ālāshī ta Ifriqā*, 643. Moʻtazed has brought together in his book the memoirs of several of the participants in the events following Reza Shah's abdication and exile.
4. *Ibid.*, 647.
5. *Ibid.*, 648.
6. *Ibid.*, 658.
7. *Ibid.*, 661-2.
8. These transfers were tracked and reported by British officials. See British National Archives, Foreign Office (FO) 371/27248, Clifford to Secretary of State for the Colonies, no. 612, November 12, 1941, enclosed in Colonial Office to Foreign Office, November 14, 1941; and FO 371/27247, Reader Bullard to Foreign Office, no. 925, October 6, 1941, and also the minute on this dispatch by I. T. M. Pink, dated October 18, 1941.
9. British National Archives, Dominions Office (DO) 119/1274, "Report on H. M. the ex-Shah of Iran," November 15, 1943, by H. M. Tonking.
10. For the drawn-out tug-of-war between the South African government and Mohammad Reza Shah over the death duties payable on this inheritance after Reza Shah's death, see Bakhash, "A Matter of Political Expediency."
11. Ghani, *Iran and the Rise of Reza Shah*, 205-6.
12. FO 416/73, Loraine to Curzon, November 15, 1923, cited in Ghani, *Iran and the Rise of Reza Shah*, 283-4.
13. For these methods of property acquisition, see Abrahamian, *Iran Between Two Revolutions*, 137; Lambton, *The Persian Land Reform*, 49-50; and Lambton, *Landlord and Peasant in Persia*, 256-7.
14. Memoirs of Ali-Akbar Derakhshāni, quoted in Moʻtazed, *Az Ālāshī ta Ifriqā*, 152-8. Derakhshani was a military officer who under Reza Shah served variously as governor of East Azerbaijan, commander of the Tabriz army and an inspector for the royal estates. He provides interesting details on how the royal estates were managed and provides examples of the ways in which local agents and officials added to Reza Shah's properties.
15. Cited in Majd, *Great Britain and Reza Shah*, 146.
16. FO 371/27150, Annual Political Report for 1940, enclosure in Bullard to Eden, February 23, 1941.
17. Abrahamian, *Iran Between Two Revolutions*, 137; Majd, *Great Britain and Reza Shah*, 160-61.
18. Lambton, *The Persian Land Reform*, 49-50. Lambton is citing a post-abdication September 1941 royal decree and subsequent laws by which these properties were returned, under special procedures, to their original owners.
19. Moʻtazed, *Az Ālāshī ta Ifriqā*, 150-51, cites archival records that became accessible after the Islamic revolution of 1979 which list over 6,000 "units" (*raqābeh*) of land owned in various districts of the country by Reza Shah, but it is not clear how the term *raqābeh* is being used here: probably it refers to parcels of land rather than to entire villages.
20. For Britain's role in bringing about Reza Shah's abdication, see Bakhash, "Britain and the Abdication of Reza Shah."
21. Bakhash, "'Dear Anthony,' 'Dear Leo.'"
22. Bakhash, "Britain and the Abdication of Reza Shah," 330.
23. Moʻtazed, *Az Ālāshī ta Ifriqā*, quoting Sajjadi's memoir, 622-3.
24. *Ibid.*, 624.
25. FO 371/27248, Caccia, minute dated October 8 on India Office telegram no. 5500 of October 7, 1941, E 6513/5952/34; Pink minute dated October 12 on Bullard to Foreign Office, no. 954, October 9, 1941, E 6526/5952/34.

26. Sajjadi's memoir, quoted in Mo'tazed, *Az Ālāsht ta Ifriqā*, 624-5.
27. FO 371/27248, Sir B. Clifford to Secretary of State for the Colonies, no. 586, Most Secret, October 29, 1941.
28. FO 371/27230, "Note on the financial questions raised by the detention of the ex-Shah and his party in Mauritius," enclosed in Skrine to Caroe, Government House, Mauritius, October 30, 1941.
29. FO 371/27248, Foreign Office to S. E. V. Luke, Colonial Office, November 8, 1941.
30. FO 371/27248, Bullard, Tehran, to Foreign Office, no. 1198, November 23, 1941.
31. FO 371/27248, Colonial Office to I. T. M. Pink, Foreign Office, 13621/41, December 18, 1941. Underlined words are in the original.
32. FO 371/27248, S. E. V. Luke, Colonial Office, to I. T. M. Pink, Foreign Office, no. 13621/41, December 18, 1941, E 846D/5952/34. The term "on a reasonable scale" was amended here to "on a liberal scale." See also Clifford to Secretary of State for the Colonies, no. 586, Most Secret, October 29, 1941.
33. C. G. L. Syers, Treasury Chambers, to W. H. Young, Foreign Office, December 10, 1941, E 5216/5952.34.
34. Skrine, "Assignment to Mauritius," 149-50; and Skrine to Government of India, Secret, on the S. S. Burma, Bombay, October 6, 1941. The cost of the purchases Skrine gives in the article he wrote some years after these events is £3,650; and he speaks of five Persian carpets in his original report and of four carpets in his later article.
35. Clifford's report, which may not include all expenses, is in British National Archives, Colonial Office (CO) 968/107/5.
36. This is implicit in the enclosure in Skrine to Caroe, Mauritius, October 30, 1941, FO 371/27230, and by Clifford's observation (Clifford to Secretary of State for the Colonies, October 29, 1941, FO 371/27248). He wrote that the articles he mentioned and other supplies purchased by Skrine "with the shah's own money" will have to be refunded. The phrase "*additional* cars, radios, etc." cited in note 28 above suggests Reza Shah was repaid for some of these purchases but would have to pay for any *additional* ones.
37. CO 968/46/10, Clifford cited in Dominions Office to High Commissioner, Canada, no. 2124, Secret, December 5, 1941.
38. FO 371/31392, Minute by Young, February 12, 1941, on the cover folder of CO to FO, Secret, February 10, 1942, E 951/22/34.
39. For these lists: FO 371/31392, Clifford to Secretary of State for the Colonies, no. 79, Most Secret, February 6, 1942; and FO 371/31392, Dominions Office to High Commissioner, South Africa, no. 684, Secret, April 17, 1942. The FO, CO and DO adopted a numbered list of the members of Reza Shah's party and, for the sake of brevity, referred to individuals only by their numbers. For example, in his no. 79, cited above, Clifford wrote: "Nos. 1, 4, 5, 6, 7, and 8 will go to Canada and Nos. 2, 3, 9, 10, 11 and 14 to Persia."
40. FO 371/31392, High Commissioner, South Africa, to Dominions Office, no. 150, Secret, January 28, 1942.
41. FO 371/31393, Folders E 5855/22/34 and E 6305/22/34.
42. FO 371/27230, "Note on the financial questions raised by the detention of the ex-Shah and his party in Mauritius," enclosed in Skrine to Caroe, Government House, Mauritius, October 30, 1941.
43. FO 371/31392, C. G. L. Syers, Treasury Chambers, to I. T. M. Pink, Foreign Office, January 2, 1942; and Clifford to Secretary of State for the Colonies, no. 79, Most Secret, February 6, 1942.
44. DO 119/1272, Note by B. P. S. on conversation with Tonking, January 13, 1943; and DO 119/1274, H. D. Tonking; Report on H. M. the ex-Shah of Iran, November 15, 1943.
45. FO 371/31393, Foreign Office to S. E. V. Luke, Colonial Office, March 30, 1942.
46. FO 371/31393, Clifford to Secretary of State for the Colonies, no. 223, Most Secret, April 8, 1942.
47. FO 371/31393, Report by H. D. Tonking on his conversation with Ernest Person, August 25, 1942, enclosed in Dominions Office to Foreign Office, August 30, 1942.
48. FO 371/31393, Report by H. D. Tonking on his conversation with Ernest Person, August 25, 1942, enclosed in Dominions Office to Foreign Office, August 30, 1942.

49. DO 119/1275, Tonking to Sullivan, March 6, 1944.
50. FO 371/31393, Report by H. D. Tonking on his conversation with Ernest Person, August 25, 1942, enclosed in Dominions Office to Foreign Office, August 30, 1942.
51. DO 119/1274, High Commissioner for the United Kingdom, Pretoria, to Secretary of State for the Dominions, July 12, 1943.
52. DO 119/1274, Secretary of State for External Affairs to High Commissioner, November 29, 1943.
53. The petrol consumption report is in DO 119/1274.
54. DO 119/1275, Minute by Sayers, June 3, 1944.
55. DO 119/1275, Tonking to Sullivan, Secret, February 4, 1944, 1020/264/2.
56. DO 119/1275, High Commissioner for the United Kingdom, Pretoria, to Bullard, August 13, 1941. For clarity, I corrected an obvious typographical error. The original read: "Prince Ali has not money."
57. DO 119/1274, His Majesty's Trade Commissioner's Office (signature unreadable) to Sullivan, Office of High Commissioner, Pretoria, August 21, 1943.
58. DO 119/1275, Tonking to Sullivan, Officer of High Commissioner, cited in High Commissioner to Bullard, February 12, 1944.
59. DO 119/1275, High Commissioner to Bullard, February 12, 1944.
60. DO 119/1275, Secretary of State for Dominion Affairs, London, to High Commissioner, Pretoria, April 12, 1944, enclosing Bullard's no. 355 to Foreign Office.
61. DO 119/1275, Note by C. G. S[ayers], June 2, 1944.
62. DO 119/1275, Secretary of State for Dominion Affairs, London, to the High Commissioner, United Kingdom, Cape Town, repeating Bullard's no. 355.
63. Bakhash, "A Matter of Political Expediency'."

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