

Economic Expertise and Rural Improvement in Iran, 1948-1963

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Americans played a key role in Iran's oil-based development program of the 1950s and early 1960s, both through the U.S. government's official overseas development programs and private organizations.¹ Oil has historically been viewed as a key foundation of the Pahlavi regime of Mohammed Reza Shah (r. 1941-1979). According to Ruhollah Ramazani, following the U.S.-supported 1953 coup d'etat, "neither political consolidation nor economic rehabilitation could be envisaged" without the financial resources accrued from oil, "the backbone of the Iranian economy."² Iran's oil was placed in the hands of an international consortium of oil companies through a new oil agreement with the shah's government in 1954, and annual revenues from the consortium's sale of Iranian oil abroad grew from \$33 million to \$338 million between 1955 and 1960.³ Yet oil power needed expertise to be applied effectively, and from the U.S. point of view the Pahlavi state seemed rickety and corrupt, in need of American "know-how" to turn its oil power into lasting socio-economic growth and political stability for the shah's regime.

With American support, a determined effort was made to transform oil into a foundation for long-term societal and economic stability, through a central development program, the Second Seven Year Plan (1955-1962). For American "developmentalists" involved in assisting Iran's efforts, the primary goal was to correct what they viewed as Iranian inability to manage such bountiful resources: to apply American know-how, managerial acumen and technical expertise to the Iranian development program. They were assisted by members of Iran's educated middle-class, particularly the emerging technocratic administrative elite. Yet for the U.S. government and its principle ally, the shah, the goal of development was to preserve the regime's position of power and Iran's pro-Western strategic alignment. In the American estimation, Iran needed a top-down "controlled revolution," which the shah was best positioned to carry out.⁴

After the 1953 coup, the shah used his unchallenged position to squash dissident groups like the communist Tudeh Party and the middle-class National Front, while using the support of the United States to expand his military and internal security apparatus. Yet these were fundamentally short-term solutions. Iran remained a

country wracked with political instability, which the United States believed stemmed from pervasive economic inequality and rampant government corruption. To correct the country's long-term problems the shah's government put its faith in a central economic development plan, run by a semi-autonomous Plan Organization (Sāzmān-e Barnāma) that was a beneficiary of the Eisenhower Administration's economic aid strategy.⁵ Oil provided Iran with ample financial resources to accomplish its economic agenda, but in the eyes of American developmentalists, the Pahlavi regime was seriously deficient when it came to know-how. Knowledge exported through development efforts served a purpose in the larger strategic goal of defeating communism, similar to the ways in which academic institutions buttressed foreign policy, forming what Michael Latham has called "a mutually reinforcing system of knowledge and power."⁶ Non-state actors were motivated by a conscious desire to foster development in Iran, as a way of stabilizing the country and of allowing progressive political and social reforms, particularly among Iran's rural population. But ultimately, these efforts were subordinated to the overarching strategic interest in ensuring Iran's political stability, the security of the shah and his pro-Western alignment. After 1963, while the U.S. government backed the shah as the safest option for a stable Iran, "Pahlavism" won out over arguments that economic development could be tied to political reform. NGOs like the Ford Foundation and Harvard Advisory Group were frustrated with their failure to foment real reform and left Iran dejected, rather than emboldened, by the promise of development.⁷

The Ford Foundation and the Second Seven Year Plan

Budgeted at \$930 million or 70 billion rials (later raised to \$1.1 billion or 84 billion Iranian rials), the Second Seven Year Plan that began in 1955 was a massively ambitious economic development program. Money was chiefly allocated to infrastructure, transportation and agriculture. The Plan's implementation was placed in the hands of the Plan Organization. The agency, run by Abdolhossein

Ebtehaj, was designed to function as a “state within a state,” and lay outside the government ministries’ official jurisdiction. A larger-than-life figure with a “Napoleonic” attitude towards management, Ebtehaj is often considered Iran’s “first technocrat,” and was the “idea man and energizer” of Iran’s development program; as managing director of the Plan Organization, he enjoyed the shah’s full confidence, at least for the first few years of his tenure.⁸ His philosophy, which an associate later called the “wedge approach,” focused on driving development through a fully independent agency separate from the state bureaucracy. Ebtehaj wrote in his memoirs that Iran’s government ministries “were not equipped to assume quickly and with precision and competence the duties of a development system.” As a wasting asset, wealth from oil had to be re-invested into projects that would increase productivity and contribute to gross national product (GNP). Ebtehaj argued that oil money could never be wasted on military expenditures. Despite some appearance to the contrary, Ebtehaj was not a proponent of state capitalism. His economic philosophy, similar in ways to that of Alexander Gerschenkron, combined a view of Iran as economically “backwards” with a conviction that aggressive state investment, applied across a broad front in a coordinated, planned effort, could lead to rapid growth. The state would “lead the way,” rather than manage the economy directly; public investment would gradually be replaced by private sources of capital.⁹

Ebtehaj had recognized the Plan Organization’s need for an economic staff early in his tenure, and in 1954 he wrote to the Ford Foundation for assistance in obtaining the services of American economists to serve as advisors to the Plan Organization.¹⁰ The Ford Foundation was one of several private philanthropic organizations involved in development work during the postwar period. Private organizations like the Ford, Carnegie and Rockefeller Foundations functioned as “ideological pillars’ during the early Cold War, encouraging and disseminating ideas related to American liberalism and congruent with American strategic objectives.¹¹ Though the Foundation contributed only a small amount to Iran’s overall development budget between 1954 and 1964, its influence could be felt in rural improvement programs, vocational training, educational assistance and statistical surveys

conducted for the Iranian government. Support for the Plan Organization's economic staff was one of several projects the Foundation managed, with cooperation from the Iranian government and generally at a remove from USOM/I or other formal American operations.¹² In its work in Iran, the Ford Foundation generally expressed a consensus which social scientist Robert Pakenham noted was apparent at the time: that economic development could be "orchestrated by a well-educated elite...dedicated to the principle of sustained economic growth."¹³

The first attempt to foster such an elite in Iran met with frustration, however, as Ebtehaj's Plan Organization was found to be a peculiarly difficult organization to influence. In early 1956, the two economists Francois Cracco and Morgan Sibbett arrived in Iran on a Foundation grant. They built good working relationships with several Iranians within the Organization, yet were unsuccessful in their overtures to Ebtehaj, who refused to discuss long-term planning. Cracco and Sibbett were also repeatedly stymied by the lack of adequate statistics, and the poor accounting processes within the Plan Organization offices. After less than a year Cracco resigned in frustration, complaining that "association at top-level has proven impossible to establish," calling out Ebtehaj for his arrogance and contempt for other Iranians and recommending the Plan Organization be brought under tighter government control.¹⁴

In 1957, Ken Iverson, the Foundation's representative for Iran, argued for a second, economic advisory mission. What the country clearly lacked was technical expertise and know-how, and as a result suffered from an inefficient administrative culture. "Iran is a country ancient in its culture, but young in concepts of modern development and education," argued Iverson. Many government officials and politicians "do not really recognize the functions of economic planning." What was needed, he wrote, was a staff of Western-trained Iranian economists "responsible for preparing a sound economic development program...of the magnitude possible with oil revenues," which could be "back-stopped" by American advisors acting under the overall authority of the Plan Organization. Setting up a dedicated economic bureau would help to disseminate the proper administrative ideals,

“which may lead to a national planning concept,” more advanced than the Second Plan. The Foundations’ rural specialist Howard Bertsch recommended similar measures, noting that what Iran lacked was adequate “professional knowledge.” By fostering the right kind of management culture and professional practices, the entire psychology of the country and its attitude towards applied economics would be transformed, further girding Iranian society against the threat of communism.¹⁵

To assist with the establishment of an Economic Bureau staffed by Iranian and American economists, the Foundation turned to Dean Edward Mason of Harvard University. A prominent early exponent of “modernization theory” as a school of political economy and the founder of the school of industrial organization, Mason was intrigued by the Foundation’s efforts and agreed to assist them in hunting down promising Iranian economists, most of whom had stayed in the United States after completing their degrees. He recommended an administrator, Kenneth Hansen, to lead the American advisors. This team, drawn from the Harvard faculty, would be known as the Harvard Advisory Group (HAG), and were to provide expert guidance to the Economic Bureau, led by economist Khodadad Farmanfarmaian, at that time a professor of economics at Princeton University.¹⁶

Over the course of 1957 and 1958, the Economic Bureau developed into a group of unique talent within the Plan Organization.¹⁷ The Iranians who accompanied the HAG team were members of a growing technocratic elite. Some, like Farmanfarmaian, came from ancient aristocratic families, while others emerged from Iran’s professional middle-class. Politically most were closely tied to the Pahlavi regime; most would remain loyal to the shah and continue to work in government until the Islamic Revolution. They were all young, relatively inexperienced and, with the exception of Reza Moghadam, newly arrived in Iran after years spent in the United States. American officials, including the Foundation and the USOM/I, referred to them as Iran’s “bright young men,” and lauded their competence and commitment to their work. In the Iranian press they were usually referred to as the “American chickens,” and frequently criticized for their Westernized backgrounds and outlook. As Farmanfarmaian recalled years later:

“We were the Young Turks. We were newcomers...the Economic Bureau had a spirit of its own, it was like a Camelot.”¹⁸ Farmanfarmaian represented the paradox that would beguile the Foundation’s efforts. He had been out Iran for so long that outwardly he appeared thoroughly Westernized. To Foundation officials, this meant he could act as the perfect bridge between American economic expertise and Iranian culture.¹⁹ But Farmanfarmaian himself admitted that his Farsi was poor and his familiarity with Iranian cultural norms inadequate. Other Iranian staff members were in similar positions, while others (according to HAG reports) had difficulty writing and reporting in English.²⁰

The Ford Foundation provided a \$1.2 million grant to support the HAG for a three-year period. The funds were also meant to supplement the salaries of Iranians returning from the US, as the Iranian government, “which has not yet come to appreciate the necessity of employing expert economists,” would not provide financial backing for the Economic Bureau.²¹ Thus, the Ford Foundation found itself funding not only a foreign mission to Iran, but a division of the Plan Organization itself. The guidelines of the grant stipulated the HAG was to “train Iranians for positions on the Bureau, and advise on its operations.” The Americans were not to direct operations or lead projects, but were instead there to offer advice and training to their Iranian counterparts, in the hopes that a culture of administrative efficiency would percolate throughout the Plan Organization.²²

In August 1958, Hansen and Farmanfarmaian estimated that the Plan Organization had exceeded its original budget, while Iran’s state spending would overtake revenues by \$933 million by September 1962. The estimates, which the US Embassy considered optimistic, indicated a massive financial crisis once foreign exchange reserves became depleted, which Hansen felt would come in 1958 or 1959. Hansen admitted privately that the Plan Organization was dangerously over-committed, while the World Bank indicated “that until Iran’s financial house is put in order, no more Bank loans would be forthcoming.”²³ Shortly after the HAG and the Economic Bureau were established, the shah’s government found itself in

the middle of a major economic crisis, one which would have a significant impact on the country's fragile political stability.

Four years after its commencement, the Plan had become, in the words of the British ambassador, "the symbol of governmental wastefulness."²⁴ Hansen and Farmanfarmaian concluded that the Seven Year Plan, while achieving some small successes, had failed to satisfy rising expectations: they warned that further spending without commensurate increases in revenue would lead to spiraling inflation, drains on foreign exchange and a potential recession.²⁵ The shah had already been directing more financial resources towards his own private development projects, including his land distribution program and investment bank, out of his impatience with the Plan Organization.²⁶ The atmosphere of crisis and uncertainty setting in by late 1958 convinced him that Ebtehaj could no longer be relied upon. On 15 February, the Majlis voted on a bill proposing a transfer of all Plan projects from the Plan Organization to the office of the prime minister, an office effectively controlled by the shah. The Plan Organization director promptly offered his resignation, which the shah refused. But days later, Ebtehaj was removed on an entirely different pretext: his opposition to a fertilizer factory the shah supported in Shiraz, one which would directly compete with the KDS-sponsored plant in Ahwaz.²⁷

The Ford Foundation's effort at fostering better economic planning within the Plan Organization yielded mixed results. Ebtehaj's departure left more power in the hands of government ministries hostile to central planning, and the shah was increasingly distracted by military issues. After several years and \$505 million, it was difficult to measure what the Plan Organization had achieved, while the Economic Bureau was chiefly tasked with preparing applications for more foreign loans.²⁸ Harvard economist Gus Papanek, writing to Dean Mason in late 1959, observed that advice from the Economic Bureau was routinely ignored by the cabinet and the shah. While Hansen drove the Iranian staff "very hard and very effectively," in practice there was "relatively little participation" by non-Westerners in the completion of major reports. Some Iranians expressed dissatisfaction at the

“high-handed” attitude of the HAG team members. The Ford Foundation, conscious that the HAG team would need at least another year to help form the next stage of Iran’s development plan, provided a supplemental grant extending the team’s funding to September 1962, though the Foundation’s representative in Iran warned that future costs “will have to fall on the Government of Iran if they want this or a similar project continued.”²⁹

Following a bad harvest in 1959-1960, Iran faced a major balance of payments crisis and was forced to accept emergency financing from the International Monetary Fund. Austerity measures were put in place, state salaries were frozen and additional development projects scrapped. Rigged elections in 1960 and 1961 increased the amount of political unrest. For the first time since the Mossadeq era, Iran seemed on the verge of a major upheaval. Preparing to depart the country in early 1961, Hansen met with the shah and urged him to consider changes to the country’s economic policies. Hansen, speaking in blunt terms, said that inflation caused by un-checked development spending “was just as dangerous as having 5,000 disgruntled officers on the streets of Tehran,” and that “every penny spent on the Army meant a penny less for development.” Hansen essentially repeated Ebtehaj’s oft-used argument against placing oil revenues in the hands of the central state: the Ministries, he said, lacked financial competence to handle the country’s development program responsibly, and was prevented from carrying out such programs due to the “political vicissitudes” that dominated government.³⁰

The White Revolution and the Departure of HAG

Amidst the tumult of Iran’s fiscal crisis and the chaos within the Plan Organization, the staff of the Economic Bureau and the HAG team were hard at work on the next phase of Iran’s development: the Third Plan, scheduled to begin in September 1962. Unlike the “shopping list” approach of the rushed Second Plan, Hansen and Farmanfarmaian intended the Third Plan to be detailed, comprehensive and

embracing all aspects of the Iranian economy. The focus would be shifted away from *ad hoc* infrastructure and construction projects towards agricultural development and industrial growth, preferably with private capital.³¹ The goal was to average six percent growth national product (GNP) growth for five years, while attracting private investment into Iran's industrial sector, so that wealth from productivity could "trickle down to other levels." As Farmanfarmaian recalled later, "unless there is growth, there cannot be much to distribute...Growth played a very large role in our thinking." By promoting a comprehensive approach to planning, the Third Plan would create a climate "for the operation of initiative" in the private sector, allowing growth "with the least amount of government intervention."³²

Though the Harvard group was encouraged by the shah's appointment of reformer Ali Amini as prime minister in 1961, his government proved unable to resolve Iran's economic or political problems. After waging a losing battle with the shah over military spending in the budget, Amini resigned in June 1962. The shah and his new prime minister Asadollah Alam turned to land reform, which Amini had initiated in 1961 with support from the Minister of Agriculture Hassan Arsanjani, as part of a program known as the White Revolution. Land reform was a campaign by the shah to eliminate the political power of the landowning aristocracy and replace it with his own, building a power base in the countryside while providing a new "legitimizing myth" for his monarchy. The move was also designed to portray the shah and his regime as conscious reformers, thereby allaying American concerns. In that, they were successful: the U.S. ambassador praised the shah as a "revolutionary monarch," while President John F. Kennedy wrote to congratulate him on his reform campaign in February 1963. In June 1963, massive demonstrations roiled Tehran and Qom, as Iran's religious leadership, led by the fiery cleric Ayatollah Ruhollah Khomeini, protested the shah's reforms. The protests, put down by government forces, resulted in the deaths of hundreds of Iranians. The middle-class National Front failed to offer significant opposition, while the land-owning elite were largely co-opted by the shah's growing state bureaucracy.³³ The White Revolution symbolized the consolidation of the shah's

power over Iran's various political factions, including the landed aristocracy, National Front and religious leadership.

It was clear by the end of 1962 that the HAG team was no longer welcome, as the Iranian agencies to which they were affiliated, the Plan Organization and the Economic Division, had been widely disavowed amidst the shah's new agenda. Former HAG members like George Baldwin and J. Price Gittinger wrote monographs regarding Iran's economic development; while Gittinger believed exercises on the Third Plan model had substantial indirect effects, Baldwin was much less optimistic and felt that the country's lack of real political reform would limit the effectiveness of any future development plans. His warning was taken up by Hossein Mahdavy, former member of the Economic Bureau, who warned that the White Revolution would leave "the basic socio-economic problems of Iran are likely to remain unresolved as before."³⁴ The Ford Foundation decided to depart Iran in 1964 voluntarily, ending a decade-long development effort. The Foundation predicted the peace in the countryside would eventually turn once again to instability and discomfort, unless an "emerging group of responsible leaders" from Iran's educated middle-class took over from the shah and ended the reliance on authoritarianism..³⁵

Thomas McLeod, Hansen's replacement as head of HAG, wrote a scathing report to Harvard University which was harshly critical of his Iranian colleagues. The government, he wrote, "is continuously at war with itself," and the central bureaucracy was less "an organizational structure...[than] a series of political arrangements and accommodations." His most strident criticisms were directed towards the Western-educated staff of the Economic Bureau, who he declared were "too western" and distant from the conditions of their country. This weakness affected the entire HAG team, which lacked "any fundamental knowledge of the country itself—its history, its tradition, its culture, and particularly, its religion." McLeod ended his report by condemning the universalism behind the American development effort: "the traditional society (of which Iran is the epitome) must follow its own unique and probably tortuous path to development and

progress...there are few, if any, universal forces at work on which the development planner can readily or effectively capitalize.”³⁶ The experience in Iran had disproven one of the central theses of modernization theory: that Western-style modernity could be reproduced abroad. The lessons learned by the Harvard economist and Foundation in Iran would be re-learned by other organizations throughout the “decade of development,” with the precepts of modernization theory eventually discredited by consistent American support for authoritarianism and a global economic crisis driven, ironically enough, by the surge of oil-based economic nationalism in the 1970s.³⁷

The role of American development efforts, both those of the US government and of NGOs, had been to assist Iran in its development effort and the proper allocation of its oil resources. The concrete achievements of the decade-long effort to assist Iran’s economic development effort were small, yet the strategic goal had been achieved. Iran in 1963 appeared stable, the shah seemed secure and reliably pro-Western, and the White Revolution appeased the official American interest in promoting reforms within Iran. The U.S. government was content to leave control over the country’s economic development in the shah’s hands.³⁸ The Ford Foundation, meanwhile, ended its official presence in 1964, pronouncing the years-long effort to foster an economic planning ethos inside the Iranian government a failure.

Conclusion

During my time at the Rockefeller Archive Center (RAC), I was able to uncover a wealth of documentary evidence pertaining to the work of the HAG in Iran. In addition, I was able to comb through the records of the Ford and Near East Foundations concerning projects of land reform, rural education and improvement. It is my hope to integrate both topics together, in order to present a more complete picture of the work of American NGOs in Iran during the 1950s and early 1960s. The research conducted at the RAC has been used for my PhD dissertation project at Georgetown University, entitled “Mandarins, Paladins and

Pahlavis: the United States, the International Energy System, and the Dual Integration of Oil, 1925-1963.” I am anticipating at least one journal publication in 2017-2018 based on research conducted at the RAC.

¹ My time at the Rockefeller Archive Center (RAC) in Tarrytown, New York in June and July 2016 was spent researching the work of the Ford and Near East Foundations in Iran between 1948 and 1965. I specifically focused on the work of the Harvard Advisory Group (HAG), a team of economists who acted as advisors to the Iranian government between 1957 and 1964, and the ways in which Americans assisted the Iranian development project, the Second Seven Year Plan. This report presents some of my observations on the experiences of the HAG in Iran, as well as an attempt to place it in the context of general U.S. policy towards Iran during this period.

² R.K. Ramazani, *The United States and Iran: the Patterns of Influence* (New York, 1982), 22. For oil and the Pahlavi state, see Homa Katouzian, *The Political Economy of Modern Iran: Despotism and Pseudo-Modernism, 1926-1979* (New York, 1981), Kamran Mofid, *Development Planning in Iran: from Monarchy to Islamic Republic* (Oxford UK, 1987), Massoud Karshenas, *Oil, State and Industrialization in Iran* (New York, 1990), Jahangir Amuzegar and M. Ali Fekrat, *Iran: Economic Development Under Dualistic Conditions* (Chicago, 1971).

³ Mark Gasiorowski, *U.S. Foreign Policy and the Shah: Building a Client State in Iran* (Ithaca, 1991) 102-103, Mary-Ann Heiss, “The United States, Great Britain and the Creation of the Iranian Oil Consortium, 1953-1954,” *International History Review* 26:3 (Aug 1994): 410-660.

⁴ John F. Kennedy Presidential Library (JFKL), National Security File (NSF), Countries, Box 116, Folder “Iran 11/61-12/61, Memo for Rostow: Talk with Prof. T. Cuyler Young, 24 November 1961. For the contradictory nature of Iran’s development under the Pahlavi regime, see Katouzian, *The Political Economy of Modern Iran*, 107-122; Abrahamian, *Iran Between Two Revolutions*, 426-446; Leonard Binder, *Iran: Political Development in a Changing Society* (New York, 1962), 308-314.

⁵ See Burton I. Kaufman, *Trade and Aid: Eisenhower’s Foreign Economic Policy, 1953-61* (Baltimore, 1982) 58-73. For the role of the Plan Organization (later re-named the Plan and Budget Organization), see J. Bharier, *Economic Development of Iran, 1900-1970* (London, 1971), 42-61, F. Daftary, “Development Planning in Iran: a Historical Survey,” *Iranian Studies* 6 (1973): 176-228, Mofid, *Development Planning in Iran*, 90-95, Amuzegar and Fekrat, *Iran: Economic Development*, 41-56.

⁶ Michael Latham, “Introduction: Modernization, International History, and the Cold War World,” *Staging Growth: Modernization, Development, and the Global Cold War*, eds. D.C. Engerman, N. Gilman, M.H. Haeefe, and Michael E. Latham (Amherst, 2003), 12; quoted in Popp, “An Application of Modernization Theory,” 77.

⁷ Bill, *Eagle and the Lion*, 319-78; Rockefeller Archive Center (RAC), Ford Foundation Records, Project 62-465, R-0814, “Final Report on Iran: A Possible Basis for Re-Entry,” 11 July 1964; Ford Foundation Records, Unpublished Reports, No. 006417, Box 287, Thomas H. McLeod, “National Planning in Iran: A Report Based on the Experiences of the Harvard Advisory Group in Iran,” December 31, 1964.

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- ⁸ RG 59 888.00 SEVEN YEAR/4-1856, “Iran Second Seven-Year Development Plan,” 18 April 1956. See also Abol-hassan Ebtehaj, *Khaterat-e Abolhasan Ebtehaj*, Vol. 1 (London, 1991) 399, 403; Ford Foundation Grant 55-173 R-0811, Hill to Iverson, 23 May 1955. For a biography of Ebtehaj, see Frances Bostock and Geoffrey Jones, *Planning and Power in Iran: Ebtehaj and Economic Development Under the Shah* (London, 1989), Abbas Milani, *Eminent Persians: the Men and Women Who Made Modern Iran, 1941-1979*, Vol. 2 (New York, 2008) 735-743.
- ⁹ Ebtehaj, *Khaterat*, 297-308, 326; RG 59 891.50/5-3046, Memo of Discussion, Thornburg and Ebtehaj, 30 May 1946; Foundation for Iranian Studies Khuzestan Series (FISKS), *Barnâneh rizi-ye umrâni va tasmim giri-ye siyâsi [Ideology, Process and Politics in Iran's Development Planning]* (1999) Part 2, Interview with K. Farmanfarmaian, available on-line <http://fis-iran.org/fa/resources/development-series/planning> [Accessed 15 February 2017]; Bostock and Jones, *Planning and Power*, 92-93; Alexander Gerschenkron, *Economic Backwardness in Historical Perspective* (Cambridge MA, 1962), 5.
- ¹⁰ Ford Foundation Grant 55-173 R-0811, Ebtehaj to Egger, 12 September 1954.
- ¹¹ Edward H. Berman, *The Ideology of Philanthropy: The Influence of the Carnegie, Ford and Rockefeller Foundations on American Foreign Policy* (Albany NY, 1983).
- ¹² Ford Foundation Grant 62-465, R-0814, Hill to Ward, 24 April 1962. For Ford Foundation activities in Iran, see Victor Nemchenok, “‘That So Fair a Thing Should Be So Frail’: The Ford Foundation and the Failure of Rural Development in Iran, 1953-1964,” *Middle East Journal* 63, no. 2 (Spring 2009): 261–84. For an examination of the Foundation’s role in establishing the Economic Bureau in Iran, see Matthew K. Shannon, “American-Iranian Alliances: International Education, Modernization and Human Rights During the Pahlavi Era,” *Diplomatic History* 39 no. 4 (2015): 661-689.
- ¹³ Robert A. Packenham, *Liberal America and the Third World: Political Development Ideas in Foreign Aid and Social Science* (Princeton NJ, 1973), quoted in Berman, *Ideology of Philanthropy*, 4, 8-9.
- ¹⁴ Ford Foundation Grant 55-173 R-0811 Egger to Iverson, 22 June 1955, Parker to Iverson, 13 July 1955, Cracco-Sibbett to Gibson, 19 April 1956; R-0812, Report by Hill, 9 May 1956, Cracco to Foundation, 10 August 1956; FISKS, *Barnâneh rizi* (1999) Part 3, Interview with A.M. Majidji <http://fis-iran.org/fa/resources/development-series/planning/part3a> [Accessed 15 February 2017].
- ¹⁵ Ford Foundation Grant 55-173 R-0812, Iverson to Hill, 9 March 1957 and 23 May 1957; RG 469, Iran Branch, Subject Files 1952-1959, Box 2, Iran—Program Evaluation 1957, Interview with Howard Bertsch, 1 May 1957.
- ¹⁶ Ford Foundation Grant 55-173 R-0812, Wolf to Iverson, 6 December 1957, Mason to Iverson, 11 December 1957. See Shannon, “American-Iranian Alliances,” 665-671.
- ¹⁷ The Economic Bureau included, at various times, Cyrus Samii, Reza Moghadam, Manuchehr Gudarzi, Mostafa Elm, Bahman Abadian and Hossein Mahdavy.
- ¹⁸ Harvard Project, Interview Farmanfarmaian, Tape No. 2, Sequence 26.
- ¹⁹ Ford Foundation Grant 55-173 R-0812, Iverson to Hill, 3 September 1957, T. Cuyler Young to Hall, 19 October 1957. See Khodadad Farmanfarmaian, “An Analysis of the Role of the Oil Industry in the Economy of Iran” (PhD diss., University of Colorado, 1956) and Milani, *Eminent Persians*, Vol.2, 754-55.
- ²⁰ Ford Foundation Records, Unpublished Reports, Box 559, Report 012037, Khodadad Farmanfarmaian “Report on the Formation and Development of Economic Bureau, 1336-1342,” 16-17; Ford Foundation Grant 58-158 R-0812, Undated Report, Tehran to New York; Bertsch to Ward, 28 May 1959; “Report on the Plan Organization of Iran,” Gustav F. Papanek, 22 May 1959.

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- ²¹ Ford Foundation Grant 58-158 R-0812, Request for Allocation Action, 27 July 1957; Shannon, "American-Iranian Alliances," 610-611.
- ²² Ford Foundation Records, Unpublished Reports, Box 559, Report 012037, Khodadad Farmanfarmaian "Report on the Formation and Development of Economic Bureau, 1336-1342," 19-22; Ford Foundation Grant 58-158 R-0812, Request for Allocation Action, 27 July 1957.
- ²³ RG 59 888.00/10-2158, Economic Review, 21 October 1958; 888.00/1-659, Economic Review, 6 January 1959; 888.00/2-1756, Economic Assessment, 17 February 1959; Ford Foundation Grant 58-158 R-0812, Report on Economic Bureau (undated).
- ²⁴ Foreign Office (FO) 371/133023, J.W. Russell, UK Embassy, Tehran, to Foreign Office, 10 September 1958.
- ²⁵ *Review of the Second Seven Year Plan*, 1, 9, 17-18.
- ²⁶ FO 371/133022, Sir Roger Stevens (Amb.) UK Embassy, Tehran to Foreign Office, 7 August 1958.
- ²⁷ RG 59 788.00/1-2459, "The Trials of Abol Hassan Ebtehaj," 24 January 1959.
- ²⁸ RG 59 888.00/5-659, "Economic Assessment," 6 May 1959, 888.00/8-1059, "Assessment of Second Seven Year Development Program," 10 August 1959, 888.00 SEVEN YEAR/12-2259, "Proposed Revisions of the Iranian Development Program," 22 December 1959.
- ²⁹ Ford Foundation Grant 58-158 R-0813, Hansen to Mason, January 1961; R-0812, Report on Plan Organization, Gus Papanek, 22 May 1959, Hansen to Mason, 20 December 1959, Bertsch to Ward, 6 April and 28 May 1960, Mason to Ward, 4 May 1960.
- ³⁰ Ford Foundation Grant 58-158 R-0813, Hansen Interview with Shah, 15 February 1961; FO 371/157624, F.C. Mason, Minutes of Meeting with K. Hansen, 9 March 1961.
- ³¹ Ford Foundation Grant 58-158 R-081, Report by Paul Adler, 25 June 1957; RG 59 888.00 SEVEN YEAR/3-3158, Memo with Hansen, HAG Leader, 13 March 1958; 888.00-A/12-259, Economic Review, 31 December 1959; 888.00/1-2160, "Present Status and Outlook of the Iranian Economic Development Program," 21 January 1960; 888.00/2-1960, Discussion with K. Hedayat, K. Farmanfarmaian, 19 February 1960.
- ³² Harvard Project, Interview Farmanfarmaian, Tape No. 2, Sequence 22. Ford Foundation Grant 58-158 R-0813, Hansen Interview with Shah, 15 February 1961.
- ³³ Hossein Mahdavy, "The Coming Crisis in Iran," *Foreign Affairs* 44, no. 1 (1965): 134-146. See Eric Hooglund, *Land and Revolution in Iran* (Austin TX, 1982), Ali M. Ansari, "The Myth of the White Revolution: Mohammed Reza Shah, 'Modernization,' and the Consolidation of Power," *Middle Eastern Studies* 37, no. 3 (2001): 1-24, Goode, "Reforming Iran," 26-28, Popp, "Benign Intervention," 217-219.
- ³⁴ J. Price Gittinger, *Planning for Agricultural Development: the Iranian Experience* (Washington DC, 1965), Baldwin, *Planning and Development in Iran*. Ford Foundation Grant 62-465, R-0814, Hossein Mahdavy, "Iran's Land Reform: Its Problems and Prospects," Forwarded from Foundation Field Office, India, 12 January 1965.
- ³⁵ Ford Foundation Grant 62-465, R-0814, "Final Report on Iran: A Possible Basis for Re-Entry," 11 July 1964. See Nemchenok, "That So Fair a Thing Should Be So Frail," 282-283.
- ³⁶ Ford Foundation Records, No. 006417, Box 287, McLeod, "National Planning in Iran, Vol. 1," December 31, 1964, 76-80, 114-121.
- ³⁷ Bradley Simpson, *Economists with Guns: Authoritarian Development and US-Indonesian Relations, 1960-1968* (Stanford CA, 2008), Nils Gilman, *Mandarins of the Future: Modernization Theory in Cold War America* (Baltimore MD, 2003), 240-250, Latham, *Right Kind of Revolution*, 157-185.

³⁸ This view corresponds with recent revisions in scholarship, which have emphasized the U.S. interest in stability over reform. See Popp, “Benign Intervention,” 217-219, Nemchenok, “Search for Stability,” 360-363, and Castiglioni, “No Longer a Client,” 1-5.