

The Origins of the Near East Foundation's Iran Programmes, 1943-1950

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In October 1950, Edward C. Miller and Halsey B. Knapp, both finance officers for the philanthropic Near East Foundation (NEF), embarked on a three-month tour of the Middle East. Founded in 1915 as a direct response to the humanitarian crisis caused by the Armenian Genocide, Near East Relief (as it was then known) had gained an international reputation for its humanitarian and relief programmes. But by 1930, it transformed itself into the Near East Foundation from, in the words of Keith David Watenpaugh, “an ad hoc food relief organization to...a bureaucratized, multidisciplinary, nongovernmental ‘development’ organization.”¹ During their travels, Miller and Knapp examined the multitude of agricultural, education, and sanitation programmes operated by the NEF in Iran, Lebanon, Syria, and Greece. Their goal was to seek an answer to the question: “What is the present standing of the Near East Foundation?” In their report to the NEF Board of Directors, Miller and Knapp stated confidently:

This question is simply answered. The Foundation possesses the highest standing over the widest field of any voluntary agency in the Near East... Individuals in private and public capacities so testified again and again... The only regret that was ever voiced was that the Foundation was unable to do more.²

At the heart of the Near East Foundation’s reputation was its programme in Iran, which provided rural education, agricultural reform, and sanitation projects to dozens of villages in the countryside surrounding the capital, Tehran. By 1950, the Near East Foundation had earned a first-rate reputation in Washington, Tehran, and the wider Middle East. Moreover, for United States policymakers as well as for NEF officials, the foundation's work in Iran became a showcase of how philanthropy could contribute to wider US foreign policy goals during the Cold War.

Despite being invited by the Iranian government in late 1943 to conduct a survey regarding the possibility of setting up a rural education and agricultural

development project, the Near East Foundation's first encounters with Iran were not propitious. Upon his arrival, Dr. H.B. Allen, the NEF's educational director, observed that "Iranian officials did not know who I was or what I was there for."³ The unstable nature of the Iranian government during the war meant that there was a high turnover of ministers and officials. As Allen wrote in June 1944, "The Iranian government was and is seriously disorganized... Cabinets change frequently ... Other missions told me I might as well fold up and come home."⁴

Beyond the political problems, Allen identified numerous other obstacles to establishing an effective demonstration project that would satisfy the Iranian government. The rural conditions were, according to Allen, "tragic," with the vast majority of the Iranian population living as "tenants under a medieval feudal system... They work soil that does not belong to them under a feudal system that makes them virtually slaves." For Allen, while these obstacles made the prospects of a foundation programme challenging, to say the least, he was quick to point out that this was evidence of the "tremendous need, tragic need" for a rural education and agricultural reform programme.

Moreover, Allen observed, that "Unless the country puts its own house in order, it is very apt to have someone from the outside come in and do this for them."⁵ 1944 was, however, the right time for the foundation to consider embarking on such a demonstration project in Iran. As the war crawled towards its conclusion, the Near East Foundation and other similar agencies were beginning to shift their attention towards long-term reconstruction and development. The NEF's guiding principle of "helping needy people to help themselves" was being embraced by organisations such as the United Nations Relief and Rehabilitation Administration.⁶ The timing was further enhanced by an increasing tendency, according to Allen,

for national and international organizations as well as the public at large to attach more and more importance to the special contributions which can and will be made by experienced private agencies in helping to rebuild a shattered world.⁷

The man chosen by the Near East Foundation to put Iran's "house in order," was Dr. Lyle J. Hayden. A naval officer during the war, Hayden received his Ph.D. from Cornell University after twenty years working in rural education, both in an instructional and administrative capacity. Although Hayden had no experience in the Middle East or Iran, it was decided that the best way for him to learn was to leave him to figure things out on his own; or, as Allen put it, "to work out his own salvation."⁸

Hayden's appointment and the establishment of a Near East Foundation demonstration programme coincided with increasing instability inside Iran. Due to its strategic location, vital oil reserves, and the pro-German sympathies of former ruler Reza Shah, the country had been occupied during the war by American and British troops in the south and Soviet troops in the north. In the months following the end of the war, tensions between Washington and Moscow were amplified when Soviet troops refused to withdraw from the country, as had been agreed by the former allies. Instead, Soviet forces remained in order to prop up a separatist movement in the northern province of Azerbaijan, thereby providing an early test for the Truman administration's nascent strategy of containment. For the Near East Foundation, the Soviet incursion delayed the official signing by the Iranian government of the paperwork necessary to launch Hayden's demonstration programme.⁹ It also reinforced the Truman administration's support for non-governmental organisations, such as the NEF, which could help to bolster Iranian society against communist subversion.

As such, the American ambassador to Iran, Wallace Murray, happily declared that "the Near East Foundation has the type of program I have dreamed of for Iran."¹⁰ With support from both Washington and Tehran, the foundation's prospects in Iran looked good. Yet while Allen informed the NEF's Board of Directors that "the standing of NEF is so high...that your representatives are sometimes embarrassed by the compliments paid to the organization and by what the various governments seem to expect of us," he warned that "the need everywhere is tremendous. It is overwhelming."¹¹

Perhaps the biggest obstacle facing the Near East Foundation in Iran was

financial. As Miller noted in January 1947, the need was so great in Iran that he had received a request to extend the foundation's programmes. However, in Miller's words, "The opportunities for service far exceed the funds at our disposal."¹² Due to the NEF's tight financial restrictions, the budget requested by Hayden for the first half of 1947 was reduced from \$33,761.50 to \$22,750, one-third of which was to be provided by the Iranian government.¹³

The year 1948, however, marked a change in the Near East Foundation's funding prospects as two new potential revenue streams opened up. The first came from the United States government in the form of the Mundt Bill and the Fulbright Bill, with NEF officials being told by "Washington authorities... that we are a favoured organization for support." The second potential funding stream came from the American business community, which was, according to Miller, "showing a newly awakened interest in the opportunities of serving the peoples of the Middle East through American educational and philanthropic institutions." The foundation's president, Cleveland Dodge, hoped to arrange a meeting,

of a group not to exceed 50 corporation officers, business executives, United States Government officials, and educational and philanthropic executives, for the purpose of sitting down to try to do, in part, for the somewhat prosperous but backward Middle East what the Marshall Plan is intended to do for Europe.¹⁴

Both the Marshall Plan and the Truman Doctrine had shown that the US government was willing to provide economic relief and development in order to strengthen and stabilise allied societies in strategically important parts of the world. However, because of the sheer scale of these policies, some observers believed that the Truman administration had no need for philanthropic efforts such as those of the Near East Foundation. Recognising the experience and expertise that organisations like the NEF had in providing relief and educational development, US officials were keen to correct such misconceptions.

At a Near East Foundation luncheon in December 1947, Loy Henderson of the State Department reassured his audience that:

Never, perhaps, has there been a greater need than there is now for the continuance of the work of American philanthropic enterprises in the Near East. American governmental aid was not intended to supplant the work of existing private philanthropic agencies and could not do so.¹⁵

The fact was, according to Henderson, that the NEF and the US government shared “one important aim [in the region] – to help the peoples of the area to help themselves.”¹⁶

The truth of Henderson’s words were borne out in the Fulbright funding that the Near East Foundation received, which was set at an annual sum of \$68,000 for the next ten years to cover the cost of American and Iranian personnel.¹⁷ Considering the annual Fulbright budget for Iran as a whole was \$200,000 and that Hayden’s reduced budget for 1947 had included just \$10,600 for salaries, the new funds would allow for a dramatic expansion of the programme.¹⁸ In March 1948, the newly appointed ambassador, George Allen, played an instrumental role in persuading the Iranian government to also increase its funding for the NEF, from \$15,000 a year to \$30,000.¹⁹

Hayden and his staff repaid the faith placed in them by the American and Iranian governments by making much faster progress than anyone anticipated. Having set a target of establishing seven rural elementary schools in 1948, the Near East Foundation had actually opened twelve by April, which, in total, employed fifteen teachers and taught 476 children and 357 adult learners. Tied into both sets of students’ literacy classes were lessons on modern agriculture and sanitation. H.B. Allen reported that the adult students were using the Laubach method, whereby upon completing a set course using image-association to teach reading and writing skills, students had to “teach another illiterate as the price of promotion to the second series of lessons.”²⁰ This practice helped increase the impact of the NEF’s educational and development work beyond just those who attended the twelve new schools.

The following January, the US government explicitly sought to turn such development programmes into a key component of its strategy of containing

communism. Outlining what would become known as his Point Four Program, Truman declared in his 1949 inaugural address that the United States “must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas.”²¹ Almost immediately following the pronouncement of Point Four, Near East Foundation officials were approached by members of the Truman administration to discuss the possibility of appropriating funds for the NEF’s work “to help the underprivileged countries of the Near East.”²² In June 1949, H.B. Allen reported that in his meetings with State Department officials “the Foundation’s programs had been quoted frequently as typical of the activities around which “Point Four” should be developed.”²³ Indeed, the Near East Foundation was held in such high esteem by the US foreign policy establishment that in June 1950 Truman himself cited the NEF’s Iran project as an “example of what point 4 [sic] can mean.”²⁴

Despite, or perhaps because of, the enthusiasm that the Near East Foundation’s Iran programme received from US government officials, there was some frustration among NEF officials with the lack of progress in terms of concrete support. In April 1950, Allen reported that he had recently been: “called to Washington by the State Department and there one of the officials emphasized again that means must somehow be found not only to protect but to properly develop the Iranian project chiefly because of the good-will this work is generating and the credit it reflects on the United States government.” Allen responded, caustically,

that it would be easy to do this if our Government could somehow find a way to allocate a few thousand of the many millions of dollars that are being wasted in numerous surveys and grandiose schemes around the world... In the meantime... the program is slowly starving to death for the lack of adequate financial protection.²⁵

Allen’s persistence was rewarded the following month by yet further official enthusiasm, this time in a letter from the new ambassador to Iran, George C. McGhee. Explicitly framing the NEF’s work as a valuable component of the Truman administration’s broader Cold War strategy, McGhee described Iran as

“one of the most important links in the chain of free nations extended from Europe eastwards to India and beyond. It is desirable to bring to bear in Iran all possible influences which can keep alive the spirit of freedom and progress in that country.” McGhee concluded by stating that “The [State] Department welcomes, therefore the efforts of your group in Iran. We feel that they further an understanding of, and make a contribution to, the foreign policy objectives of our country.”²⁶

It is little wonder, then, that Miller and Knapp’s report at the end of the year was so glowing. The Iran programme had become a showcase for the Near East Foundation. It served to highlight how small-scale rural education and agricultural reform programmes could make both a significant contribution to Iranian development and further US foreign policy goals. The following year, the NEF’s efforts to secure the future of the Iran programme were given a huge boost when it was announced that it would finally receive Point Four funding. In May 1951, the Department of State and Technical Cooperation Administration, which administered Point Four funds, stated that “The purpose of the Foundation’s work is the same as that of the Point Four mission: to raise standards of living at the village level by a concerted effort to improve agriculture, health and education, and to train a body of Iranian experts to carry this work to other parts of the country.”²⁷

The Near East Foundation’s early experience in Iran, therefore, demonstrates how American philanthropic efforts to support and sustain local education and development programmes, intersected with the Truman administration’s broader foreign policy goals. While the NEF was primarily guided by its principle of ‘helping needy people to people help themselves,’ Washington was motivated by what it saw as the potential of small-scale development programmes to strengthen its strategy of containment. This intersection of United States philanthropy and foreign relations helped create an interdependent relationship between the Near East Foundation and the Truman administration, which would have implications – positive and negative - for the NEF in Iran in the decades to come.

¹ Keith David Watenpaugh, *Bread from Stones: The Middle East and the Making of Modern Humanitarianism* (Oakland: University of California Press, 2015), p. 93.

² Edward C. Miller and Halsey B. Knapp, A Report to the Directors of Near East Foundation covering a trip to the field and an examination of Foundation Activities in Lebanon, Syria, Iran, Greece, during the period Oct. 20 – Dec. 3, 1950. Box 46, Dockets, January 1951 to May 1951, Near East Foundation records, Accessions 2009:104, RG 1 (FA406), p. 2.

³ Dr. H.B. Allen's Report at Directors' Meeting, 15 June 1944, Box 5, 1944 Dockets of Board of Directors Meetings, Near East Foundation records, Accession 2010:002, RG 2 (FA1305), p. 3 (p. 83).

⁴ *Ibid.*, p. 4 (p. 84).

⁵ *Ibid.*, p. 7 (p. 87).

⁶ Annual Report of the Education Director Near East Foundation (Dr. H.B. Allen), 16 October 1944, Box 5, 1944 Dockets of Board of Directors Meetings, Near East Foundation records, Accession 2010:002, RG 2 (FA1305), p. 1 (p. 31).

⁷ *Ibid.*, p. 2 (p. 32).

⁸ Annual Report of the Educational Director (Dr. H.B. Allen), Box 5, 1945 Dockets of Board of Directors Meetings, 4 October 1945, Near East Foundation records, Accession 2010:002, RG 2 (FA1305), p. 28 (p. 60).

⁹ Dr. Allen's Report Delivered to Board of Directors of Near East Foundation, 1946-1947 Dockets of Board of Directors Meetings, 4 April 1946, pp. 2-4 (pp. 42-44).

¹⁰ Dr. Allen's Report Delivered to Board of Directors of Near East Foundation, 1946-1947 Dockets of Board of Directors Meetings, 4 April 1946, p. 3 (p. 43).

¹¹ Dr. Allen's Report Delivered to Board of Directors of Near East Foundation, 1946-1947 Dockets of Board of Directors Meetings, 4 April 1946, p. 1 (p. 1).

¹² Report of the Executive Secretary to the Board of Directors of the Near East Foundation, 24 January 1947, Box 45, Dockets, Oct 1946 – June 1947, Near East Foundation records, Accessions 2009:104, RG 1 (FA406), p. 2.

¹³ C.I. Crowther to Harold A. Hatch, 22 January 1947, Box 45, Dockets, Oct 1946 – June 1947, Near East Foundation records, Accessions 2009:104, RG 1 (FA406), p. 5.

¹⁴ Report of the Executive Secretary to the Board of Directors of the Near East Foundation, 12 April 1948, Box 46, Dockets, October 1947 to July 1948, Near East Foundation records, Accessions 2009:104, RG 1 (FA406), p. 3 (p. 4).

¹⁵ Speech by Mr. Loy Henderson of the State Department, Washington, DC, at a Near East Foundation luncheon of about 400 guests held at the Mayflower Hotel, Washington, DC, on 9 December 1947, Box 46, Dockets, October 1947 to July 1948, Near East Foundation records, Accessions 2009:104, RG 1 (FA406), p. 2 (p. 47).

¹⁶ *Ibid.*, p. 2 (p. 47).

¹⁷ Minutes of the Program Committee of the Near East Foundation, 11 September 1947, Box 46, Dockets, October 1947 to July 1948, Near East Foundation records, Accessions 2009:104, RG 1 (FA406), p. 3 (p. 46).

¹⁸ C.I. Crowther to Harold A. Hatch, 22 January 1947, Box 45, Dockets, Oct 1946 – June 1947, Near East Foundation records, Accessions 2009:104, RG 1 (FA406), p. 5.

¹⁹ Minutes of the Program Committee of the Near East Foundation, 22 March 1948, Box 46, Dockets, October 1947 to July 1948, Near East Foundation records, Accessions 2009:104, RG 1 (FA406), p. 2 (p. 35).

²⁰ Report of Educational Director, 12 April 1948, Box 46, Dockets, October 1947 to July 1948, Near East Foundation records, Accessions 2009:104, RG 1 (FA406), p. 3 (p. 12).

²¹ Harry S. Truman: "Inaugural Address," 20 January 1949. Online by Gerhard Peters and John T. Woolley, The American Presidency Project.

<https://www.presidency.ucsb.edu/node/229929> Accessed 9 September 2019.

²² Minutes of the Program Committee Meeting of Near East Foundation, 21 February 1949, Box 46, Dockets, October 1948 to June 1949, Near East Foundation records, Accessions 2009:104, RG 1 (FA406), p. 1 (p. 31).

²³ Minutes of the Program Committee Meeting of Near East Foundation, 1 June 1949, Box 46, Dockets, October 1948 to June 1949, Near East Foundation records, Accessions 2009:104, RG 1 (FA406), p. 2 (p. 37).

²⁴ Harry S. Truman: "Address Before the Annual Convention of the American Newspaper Guild," 28 June 1950. Online by Gerhard Peters and John T. Woolley, The American Presidency Project, <https://www.presidency.ucsb.edu/node/230867>
Accessed 9 September 2019.

²⁵ Report of Educational Director to the Board of Directors of Near East Foundation (Dr H.B. Allen), 10 April 1950, Box 46, Dockets, October 1949 to April 1950, Near East Foundation records, Accessions 2009:104, RG 1 (FA406), p. 8 (p. 14).

²⁶ George C. McGhee to Edward C. Miller, Box 46, Dockets, June 1950 to December 1950, 29 May 1950, Near East Foundation records, Accessions 2009:104, RG 1 (FA406), p. 25.

²⁷ Press Release: Point Four Agreements with Near East Foundation for Rural Programs in Iran and Syria, Technical Cooperation Administration, Department of State, Box 46, Dockets, January 1951 to May 1951, 3 May 1951, Near East Foundation records, Accessions 2009:104, RG 1 (FA406), p. 2 (p. 266).