Agent or Client: Who Instigated the White Revolution of the Shah and the People in Iran, 1963?

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Michael J. Willcocks

School of Arts, Languages and Cultures
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Abstract

The White Revolution was a set of six reform measures put to the Iranian people via referendum on 6 Bahman 1341 (26 January 1963), based on a plan for social justice linked with economic development, encased in the concept of a bloodless revolution from the top. This did not happen unexpectedly; it was the culmination of events spanning several years, which accelerated during the John F. Kennedy Presidency. Various plans and reforms paved the way for the White Revolution and certain events as well as political and economic developments encouraged reform. There were similarities between plans and some reforms influenced others, or were shaped to suit different agendas. All played a part in instigating the White Revolution. This included Prime Minister ‘Alī Amīnī’s 15-point plan, the Shah’s Royal Farmān, the Third Development Plan, and the six-points of the White Revolution itself. The question this thesis seeks to answer is to what extent the Kennedy administration was responsible for instigating the White Revolution by influencing the various steps that paved the way for the 6 Bahman referendum?

The United States had at its disposal various means by which it might apply pressure and influence development. This included, economic aid, military assistance, numerous advisers, agencies on the ground, plus support for the Shah and other Iranians. Given the Kennedy administration’s association with modernisation and development, the existing historiography has portrayed this period in US-Iranian relations as one of increased pressure on the Shah to reform with the White Revolution being the result of such pressure. This thesis makes an original contribution to knowledge by challenging this portrayal by providing the first detailed, analysis of the period 1961-63, utilising a vast array of newly released documents. This is not the first study to conclude agency on the part of Iran for the White Revolution, but is the first to do so though a detailed, balanced approach, which doesn’t ignore the significance of the US-Iranian relationship. Thus, this thesis is at the forefront of revisionist accounts of US-Iranian relations during the Cold War critiquing the portrayal of the Shah and others as mere tools of the US and reaching the conclusion that contrary to widely held beliefs it was Iranians rather than Americans who instigated the White Revolution by initiating and directing reform.
Declaration

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A final thank you to my family for supporting me throughout, especially Elaine and Arthur Roberts. I would not have been able to complete my PhD without your support.
Introduction

Literature Review: US-Iranian Relations and Reform in Iran 1961-63

All hope abandon ye who enter here

Richard Cottam wrote a commentary on US-Iranian relations shortly after the Shah’s fall from power in the 1978-79 Revolution. There is no bibliography or citations, just a guide by Cottam through the brief history of US-Iranian relations during the Cold War. Cottam describes how the Shah by ‘accepting continuing American aid in constructing a formidable internal security apparatus… had become the symbol of American domination of Iran.’ Cottam believes US control and influence to have been vastly overstated. He, therefore, sets key questions for scholars to answer during the following decades: ‘what was the basis for this perception of American control? [And] why has so little been done to counter that perception?’ When Cottam wrote his article, answering such questions with respect to the introduction of the White Revolution in the early 1960s, with only limited documentary evidence, proved difficult. However, over the course of the next thirty-five years some scholars would begin to redress this imbalance.

The following analysis on the historiography of US-Iranian relations and reform in Iran between 1961-63 places authors into the following groups according to the level of influence they assign to the US for the introduction of the White Revolution: Group (i) Little influence, to the extent that the US was no more than an

2 Richard Cottam, ‘Goodbye to America’s Shah’, Foreign Policy, No.34 (1979), 3-14 (p. 7).
3 Ibid., (p. 4).
indirect catalyst for change; Group (ii) Some influence\(^5\) in certain aspects of the White Revolution; Group (iii) Significant influence,\(^6\) tantamount to dictating the nature and timing of reforms; Group (iv) Viewing reforms as a result of internal developments,\(^7\) all but discounting US influence; And, Group (v) A reverse


influence, where authors don’t discount US influence, arguing that reforms were introduced partly because the US wished this, but conclude that Iranians managed US influence, introducing reforms that suited Iran. A summary of each group is below:

<table>
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<th>Group (i)</th>
<th>Little Influence:</th>
<th>US no more than a catalyst for change</th>
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<td>Group (ii)</td>
<td>Some Influence:</td>
<td>US Influencing specific aspects of reform</td>
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<tr>
<td>Group (iii)</td>
<td>Significant Influence:</td>
<td>US dictating nature and timing of reforms</td>
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<td>Group (iv)</td>
<td>Internal Developments:</td>
<td>Discounting or ignoring US influence</td>
</tr>
<tr>
<td>Group (v)</td>
<td>Reverse Influence:</td>
<td>Iranians managing US expectations</td>
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What is instantly noticeable is that Group (i) don’t take a strong position either way, but cannot rule out US influence given the perception of the US-Iranian relationship during this period. Groups (ii) and (iii) don’t accord much agency to Iran and view the US as having influenced events according to US intentions. Group (iv), either through availability of sources or through choice, generally ignore US influence altogether and focus on internal developments, thus giving greater agency to Iranians by default. Group (v) is a recent trend, which argues that the White Revolution was introduced partly due to pressure from the United States, but the end result was a reform programme along Iranian lines, against US expectations. There are overarching reasons for these divisions, which include publication date, nationality of the author and sources consulted. These will be discussed below, before looking at each group in turn.


Trends in the historiography can be divided into specific periods according to the publication date. Whilst a few sources for these groups lie outside these timespans, the graphic below illustrates the trends in the historiography according to when literature for each group is most prevalent.

The earliest groups, which also run in parallel, are Groups (i) and (iv). Group (iv) has the widest timespan, running from the early 1970s to the present, whereas Group (i) was most prominent up to the late-1980s. This was during a period when less evidence was available. Group (i) is then superseded by Group (ii) during a period when much documentary evidence from the early 1960s became available, resulting in several authors holding stronger opinions. For a while Group (iv) now ran in parallel with Group (ii). However, from the late-1990s there are three competing trends. Authors in Group (iv) follow the same line of argument, though some concede US influence on specific points, such as the appointment of ‘Alī Amīnī. These are joined by Groups (iii) and (v). The former supersede Group (ii) and go further still by concluding significant influence on the part of the US based on their interpretation of newly released documents. Group (v) originate with James Goode in the 1990s, but are more prominent from 2000 onwards, and also utilise newly released documents, but argue for a reverse influence in the US-Iranian relationship. As indicated, these trends must be considered alongside both the availability and utilisation of evidence.

Sources Consulted

The following is noticeable from authors who either have or have not made use of US archives, British archives, or available Iranian sources (oral histories, memoirs and newspapers). Firstly, no one who has made significant use of US and British archival
documents concludes that reform was solely a result of Iranian internal developments. Most in this category view US influence as meaningful or significant. However, a new trend is to interpret from newly released documents a reverse influence, i.e. the more that is released the more it appears that Iran held greater sway in the relationship. Secondly, authors who have made use of available Iranian sources also tend not to make substantial use of US and British archival documents and view internal developments as most significant. Very few authors make use of a wide range of sources. The exceptions are Goode, Milani and Abrahamian. These authors conclude there was at least some US influence in determining the course of events, though Goode places more agency on Iran in managing such influence. However, even these authors use such sources sparsely, don’t go into depth on the early 1960s; and, the texts themselves are wider studies on Iranian history or US-Iranian relations. In order to understand authors’ use of sources one must also consider nationality.

Nationality

Within the English language secondary literature there is a clear dividing line based on nationality. Those who view Iranian internal developments as more important and mostly ignore US influence are overwhelmingly Iranian. Exceptions are Hooglund and Keddie. Only a few Iranian authors view US influence as impactful (Abrahamian, Milani, and Parsa). This indicates that there is a pattern of conclusions based on nationality where authors fail to achieve a balanced approach. This is split into four categories, and authors sometimes crossover, but only within groups where their own nationality predominates. Americans who write apologetically about US influence and interference in Iranian affairs; Americans who view events in Iran and US policy as intrinsically linked, meaning events transpired according to US policy; Iranians

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10 Latham, *The right kind of Revolution*, p. 148. – Latham states that the Shah was ‘responding to the Kennedy administration’s focus on modernization.’; Little, ‘From Even-Handed to Empty-Handed,’ pp. 156-177 (p. 168.) – Little notes how US officials could ‘take pride’ in having steered Iran toward “a white revolution instead of a red one.”
who blame US influence for determining events through their support for the Shah; And, Iranians who refuse to accept, or even ignore, the possibility that the US influenced the course of events; seemingly imbued with the need to reclaim responsibility for Iran’s own actions. In order to fully appreciate these divisions Groups (i) to (v) must be examined individually.

Authors who are non-committal

Two authors who hover above the aforementioned groups by being intentionally non-committal are Afsaneh Najmabadi and Mark Gasiorowski. Najmabadi cannot discount US influence, but states that US documents remained sparse in 1987. Najmabadi points to an ‘international climate conducive to change’ where ‘reform or revolution’ was a fact of life in many developing countries. Gasiorowski is also coy in his analysis of US-Iranian relations during the reign of Muḥammad Riżā Shāh. Gasiorowski states that ‘it is impossible to determine the extent to which US pressure was responsible for these reforms.’ Gasiorowski bases his conclusions on many interviews he conducted with US, British and Iranian officials. However, while conducting a highly detailed analysis of US involvement in Iran, Gasiorowski fails to credit, or even recognise agency on the Iranian side, thereby implying significant US influence by default, despite being non-committal. The remaining authors fall within Groups (i) to (v).

Group (i): Little Influence

Group (i) is mainly American or European authors. Only Richard Cottam makes use of British archives, a few make extensive use of US archives available at the time, a

11 Abrahamian, *Iran Between Two Revolutions*, p. 422 – Abrahamian is forthright in his condemnation of the US for supporting and directing the Shah’s efforts; Saikal, p. xiv – Saikal’s argument is that Iran’s dependence and association with the US meant the latter allowed the Shah to rule as he did to the detriment of Iran.

12 Katouzian, ‘Problems of Political Development in Iran,’ 5-20 (pp. 7-8); Katouzian, *Iranian History and Politics*, p. 119 – Katouzian is keen to stress that Iran’s reforms and even its problems were its own; Afkhami, *The Life and Times of the Shah*, p. 221 – Afkhami states that the White Revolution was not ‘an act of obedience.’


couple use Iranian sources and most were published between the mid-1970s and late 1980s. None use a wide range of sources, either through choice or access to documents. Therefore, they do not get a clear picture of events from which they might reach a more significant conclusion. The lack of evidence and detail may indicate why authors fall into this group. However, most lean towards internal developments being more important, but without discounting US influence given the close relationship and policies of the Kennedy administration. These authors follow two lines of argument. The first is that US influence has been overstated and US policy mostly defensive (Barry Rubin, Henry W. Brands, Richard Cottam and Benson L. Grayson). The second is that ideas for reform were in the air and the Kennedy administration acted as a catalyst for change (James Goode, Rouhollah Ramazani, Houchang Chehabi and Peter Avery).

Richard Cottam, in two studies published eighteen years apart, stresses both the defensive and largely uninformed nature of US policy. Cottam states that US policy was ‘largely uninformed and almost totally lacking in long-term strategy,’ so ‘the impact on Iran… has been inadvertent.’\footnote{Cottam, ‘United States, Iran, and the Cold War,’ 2-22 (p. 4.); Cottam, Iran and the United States, p. 16.} In 1988 Cottam stated that he did ‘not accept the assumption of external manipulation of Iranian politics.’\footnote{Cottam, Iran and the United States, p. 16.} Grayson argues that any suggestions from the Kennedy administration to move to ‘greater democracy’ with a stronger emphasis on ‘economic development’ were ‘unwelcome to Iranian ears.’\footnote{Grayson, p. 139.} In this regard, both Rubin and Brands, without discounting US intentions, argue that it was the Shah who was in control. Brands notes that the US ‘encouraged’ Iran to devote more time to economic matters and ‘the shah accepted the advice, after a fashion… [but] intended to keep the pace and direction of reform firmly under his control.’\footnote{Brands, pp. 153-154.} Rubin also accepts that ‘Washington did make attempts to press for reforms’ but ‘the shah’s critics repeatedly overestimated American influence in Tehran.’\footnote{Rubin, p. 104.} Hence, when reform was introduced Rubin concludes that the Shah had simply ‘opened the door for the kind of political and economic progress that Americans had advocated for years.’\footnote{Ibid., p. 110.} This line of argument foreshadows Group (v)
but not as forthright as the latter that are able to reach more substantive conclusions based on newly released documents.

Peter Avery hints that the Shah may have been influenced ‘to some extent’ by the Kennedy administration’s approach to social and economic reform and Rouhollah Ramazani can’t discount US influence. The latter points to a set of circumstances, both ‘domestic and foreign,’ which aligned to encourage the Shah ‘to begin to give priority to the goal of socio-economic modernization.’ Without giving specific examples, Ramazani states that the ‘attitude of the Kennedy Administration,’ with its new approach to foreign aid and self-help efforts in recipient countries, was conducive to influencing Iran in the direction of reform. In 1975 Ramazani was a little more specific, linking the Kennedy administration’s ‘coolness’ on military aid and ‘refusal to provide further budgetary support,’ (the latter was untrue) as contributing to reform. Fifteen years later, Houchang Chehabi, without utilising archival sources, points to both the policies of the Kennedy administration and that ideas for reform were ‘in the air’ with Amīnī having ‘the advantage of a clear program.’ This group is bookended by James Goode who concluded in his 1991 article that ‘Americans had served as catalysts for change.’ This trend was superseded in the late 1980s by Group (ii) who argue for greater US influence, but not as significant or intrusive as Group (iii).

**Group (ii): Some Influence**

Group (ii) are mainly Americans or Europeans. None use more than a token few Persian language sources (oral histories and newspapers), nor do many use British archives, instead basing their conclusions primarily on US documents including the Foreign Relations of the United States (FRUS) series. Even those using US archival sources have an overreliance on FRUS and secondary sources. Several in this

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24 Chehabi, p. 152.
26 Nemchenok, 'In Search of Stability'; Alvandi, 'The Shah's détente with Khrushchev'.
group argue that the US chose stability over reform, which is why the Shah continued to rule. Therefore, the latter believe events to have been led by Washington, even if they place some agency on the Shah for managing US influence. The few Iranians in Group (ii), Abbas Milani and Ervand Abrahamian, utilise a wide range of sources. However, Abrahamian does not use much evidence to support his claims and repeats his 1982 conclusions in 2008, when the former could not, and did not, make use of archival sources. Milani’s 2011 text gets events muddled and like Abrahamian makes specific claims without supporting evidence. Ultimately, Milani leaves the extent of US influence open to interpretation, though alludes to it being important. For instance, Milani notes the Iranian public’s perception that the US had ‘ordered’ land reform, but also states that earlier in his reign the Shah had talked about the need for a peaceful ‘revolution from above.’

Authors in Group (ii) conclude greater agency on the part of the United States, but lack a detailed analysis with solid foundations. Some give specific examples without sufficient evidence (Abrahamian, Milani and Saikal), while others talk of US pressure without specific examples (Blake, Popp, Johns, Bill and Barrett). It is noteworthy that the former are Iranians (or an Afghan in the case of Saikal) who either have an anti-Shah bias (Saikal), wish to blame the US for the reforms (Abrahamian), or offer an unclear and often confusing account, such as Milani. For instance, both Abrahamian and Saikal point to specific quantities of economic aid, which came with conditions. Saikal stating that Washington used the ‘leverage of the Shah's dependence’ on the US to apply pressure, making the often-repeated claim of a $35 million grant on the condition that ‘Alī Amīnī be appointed as prime minister.’ Abrahamian cites US aid in the amount of $85 million, which the Kennedy administration offered in exchange for bringing ‘liberals into the [Iranian]

28 Castiglioni, 'Economic Development and Political Authoritarianism,' 183-194 (p. 188); Nemchenok, ‘That So Fair a Thing,’ 261-284 (p. 265); Summitt, John F. Kennedy and U.S.-Middle East relations, p. 113.
29 Abrahamian, A History of Modern Iran, p. 128 – Abrahamian reiterates his claim that ‘Alī Amīnī was forced on the Shah.
30 A. Milani, The Shah, p. 251. – Milani positions the creation of the Iran Task Force before Amīnī’s appointment.
31 Ibid., p. 243.
32 Saikal, p. 75.
33 Ibid., p. 76. – Saikal cites G. de Villiers et al., The Imperial Shah, pp. 235-36, and Kayhan International, 22 October 1977, for the first and second examples respectively.
cabinet’ and taking ‘meaningful steps to implement land reform.’\textsuperscript{34} Neither claim is supported with evidence. Abbas Milani is somewhat contradictory and inconclusive on the extent of US influence, but does claim that reforms introduced in the wake of the overthrow of the Iraqi coup of July 1958, were a result of pressure by a ‘concerned Eisenhower administration.’\textsuperscript{35} Others are forthright but don’t provide sufficient evidence.

Andrew Johns and James Bill argue that pressure from Washington played a key role in instigating reforms culminating in the White Revolution. Johns links the ‘moral and material assistance’ of the Kennedy administration to the Shah ‘embracing a “reformist agenda” and ‘promulgation of the White Revolution.’\textsuperscript{36} Bill symbolises the significance of US influence by stating: ‘In choosing to shift tactical gears of political control from repression to reform, the shah undoubtedly had the assistance of an American hand on the gearshift.’\textsuperscript{37} Both epitomise why agency for the reforms has been attached with such varying degrees to either side. This being the similarities in the intentions of the Kennedy administration with what was introduced in Iran. Johns himself states that it is ‘interesting to note that the White Revolution reforms closely resembled recommendations made by the U.S. State Department.’\textsuperscript{38} John’s observation is taken from Bill’s text, which displays a report by Iran Desk Officer John Bowling, which Bill implies may have been the ‘blueprint’ for the White Revolution. Bill states that ‘many of the reforms in fact adopted by the shah were identical to those recommended by the U.S. Department of State.’\textsuperscript{39} However, similarities themselves are not enough to place responsibility on the United States, making Bill’s implication inconclusive due to lack of supporting evidence.

Roland Popp, Kristen Blake and Roby Barrett don’t ascribe US influence to similarities, but still emphasise US influence without being specific. Barrett concludes that the Shah initiated early land reform and anti-corruption measures at the behest of the Eisenhower administration.\textsuperscript{40} Roland Popp states that ‘while the Kennedy administration had not inspired the White Revolution’ it was the ‘shah's

\textsuperscript{34} Abrahami, \textit{Iran Between Two Revolutions}, p. 422.
\textsuperscript{35} A. Milani, \textit{The Shah}, pp. 237+245.
\textsuperscript{36} Johns, 64–94 (p. 68).
\textsuperscript{37} Bill, \textit{The Eagle and the Lion}, p. 143.
\textsuperscript{39} Bill, \textit{The Eagle and the Lion}, pp. 149+134. – Taken from Bill’s personal copy of a report by John Bowling.
\textsuperscript{40} Barrett, p. 82. – Barrett offers no source for this.
decision to bow to US pressure,’ so in this sense ‘U.S. interference was decisive in pushing Iran towards reform.’

Kristen Blake, without being specific, concludes that US economic and military aid ‘induced the Shah to carry out a comprehensive reform program.’ Thus, authors in Group (ii) more willingly concede US influence, but use insufficient supporting evidence and leave their conclusions vague and open to interpretation. However, there are those who go further and ascribe significant US influence to the introduction of the White Revolution, with stronger claims.

Group (iii): Significant Influence

Group (iii) predominates from the 2000s onward, though some literature is scattered in previous decades. Authors in Group (iii) include David Collier, Helmut Richards, Douglas Little, Andrew Warne and Misagh Parsa. None use British Archives, only a couple make significant use of US archives and only Parsa utilises Iranian sources (oral histories and newspapers). However, Parsa uses no Western archival sources, and bases most of his conclusions on secondary literature, such as The Eagle and the Lion. Parsa’s text was published in 1994, during a period when more archival documents became available; even if Parsa chose not to use them. Collier and Warne make several claims, which don’t stand up under scrutiny. In addition, Douglas Little ties the conclusions of US officials in Washington too closely to events in Iran, interpreting US officials claiming credit for reform to mean significant influence.

The pattern of those attributing significant US influence to the introduction of the White Revolution is one of strong claims but little evidence. The most common explanation is the Shah’s wish to acquire more economic and military aid and US willingness to provide it as long as certain reforms and self help measures were initiated. All describe a reluctant Shah who was cajoled into implementing a reform programme against his will. Helmut Richards and Misagh Parsa argue that the Kennedy administration was ‘pushing the Shah in a "revolutionary" direction,’ and ‘the shah was obliged to proceed in new directions and, reluctantly, to initiate radical

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41 Popp, 'An application of modernization theory,' 76-98 (pp. 91-92). – Popp mentions the Shah’s concern that some of the New Frontiersmen wished to push him into the political background.


43 Blake, p. 137.
reforms. Little concludes that the Shah only ‘grudgingly agreed to trim his military spending in order to concentrate on… social reform and economic development.’ Collier, Warne and Little are also convinced that ‘Alī Amīnī was in league with the Americans and the reforms Amīnī introduced originated in the United States.

Collier is unequivocal, stating that the Kennedy administration sought to introduce reforms ‘through a policy of strident intervention and control of its [Iran’s] political process,’ via an ‘American sponsored government’ and an ‘American reform programme.’ However, there is little supporting evidence (or evidence full stop!). The same is true for Warne who claims that during his visit to Iran in August 1962, US Vice President Lyndon Johnson ‘brought with him a set of proposed reforms from the Iran Task Force, including land reform, an expanded court and educational system and literacy and health corps for rural Iran.’ With no evidence to support this, Warne is forced to resort to spurious connections between US assistance and the reforms initiated by ‘Alī Amīnī and the Shah, stating: ‘U.S. aid and personnel were pouring into Iran through programs like Food for Peace and the Peace Corps, helping the Amini government organize literacy, health, and other initiatives that the Shah eventually adopted for himself.’ Douglas Little also refers to Amīnī’s plan, claiming this ‘blueprint for change’ was ‘drafted by Amini and his American patrons.’

Authors in Group (iii) connect US aims with developments in Iran, but fall short of providing convincing evidence. Authors tie such grand claims with words like seems and suggest, stating ‘the distribution of crown lands seems to have been encouraged by the United States,’ and there is ‘evidence to suggest that the Shah… “delivered this [white] revolution to the people as an imported item”.’ It may turn out that Collier and others are correct, but they have produced insufficient evidence to support their claims. Either sufficient evidence does not exist, authors have misinterpreted the evidence, or they haven’t marshaled enough evidence to support their claims. However, just as those who claim significant influence on the part of the

44 Richards, 3-26 (p. 21); Parsa, pp. 135-159 (p. 140).
46 Collier, 456-475 (p. 456).
47 Warne, 396-422 (p. 412). – Warne cites the following: ‘Editorial Note’, undated, item 29, 72 in U.S. D.O.S., FRUS, 1961–1963: Volume XVIII, 72. When one examines this document there is no such plan of action offered by Johnson to the Shah.
49 Little, American Orientalism, p. 219. – Little offers no source for this.
50 Parsa, pp. 135-159 (p. 140); Richards, 3-26 (p. 21).
US give too much credit to the United States, the opposite can be said for those in Group (iv) who view developments and the impetus for reform through the lens of Iranian internal developments and external pressures, which all but exclude US influence.

**Group (iv): Internal Developments**

Authors in Group (iv) are overwhelmingly Iranians. Exceptions are Eric Hooglund (someone who spent several years in Iran for his study on land reform), Nikki Keddie (who bases her conclusions on secondary literature and has a clear anti-Shah bias) and Peter Avery. None utilise a full range of sources, with the majority basing their conclusions on Iranian sources (newspapers, oral histories and memoirs) and secondary literature. None make significant use of US archives. Only Afkhami makes meaningful use of the FRUS series and only Ansari and Afkhami use British documents. There appears a tendency to ignore US influence and pressure altogether, either through choice or by not taking the opportunity to consult US archives. Even if US influence has been overstated, just as authors in Group (iii) overestimate US influence, authors in Group (iv) run the risk of underestimating US influence, thereby not achieving a balanced approach. For instance, when Ansari mentions external pressure he refers to coups in neighboring countries rather than the significance of the US-Iranian relationship. The primary focus of these authors is on the shifting internal political and economic scene in Iran.

Farhad Kazemi, Vali Nasr, Hossein Bashiriyeh and Peter Avery all point to serious economic and political developments in Iran, which instigated discontent and opposition to the Iranian government and the Shah’s rule, facilitating the need for renewed progress in reforms. Kazemi, Nasr and Bashiriyeh note ‘the combination of economic problems,’ the ‘political challenges’ from opposition movements such as the reinvigorated National Front and overall ‘resurgence of large-scale political opposition and activism by the middle-class groups and parties in the early 1960s.’

This created a situation, which favored a considered approach to reform. Peter Avery, writing closer to the event, considers what may have been playing on the Shah’s mind twenty years after succeeding his father and eight years since the downfall of

51 Kazemi, pp. 217-240 (p. 224); Vali, 97-122 (p. 99); Bashiriyeh, p. 20.
Mūḥammad Muṣaddiq. Avery notes ‘the necessity to recover from the failure to achieve anything positive since Muṣaddiq's fall in 1953’ along with the deteriorating economic situation. Authors in Group (iv) argue that the situation in Iran eight years after the fall of Muṣaddiq created an atmosphere conducive to reform and it was the Iranian elite who devised the various facets of the White Revolution.

Ali Ansari personifies this line of argument, noting an ‘atmosphere of change’ brought about by ‘fractures emergent among the “ruling” class,’ which convinced the ‘political elite’ to formulate a ‘political programme’ to ‘sustain as much of the established relations of domination as realistically possible.’ Katouzian, Hooglund and Keddie view land reform (a key component of the White Revolution) as either the Shah’s initiative or associated with prominent Iranians. Katouzian argues that the economic and political changes in the early 1960s were ‘not the product of a foreign power’ and ‘land reform was of Iranians’ own making, even though America… may have indirectly encouraged it before, and directly welcomed it after, the event.’ Both Keddie and Hooglund also associate land reform with the Shah, as he had pursued it and was determined it happen. Afkhami puts the seal on both the concept and reforms by cloaking them in the person of the Shah, stating: ‘The White Revolution… was neither a leap of faith nor an act of obedience; it represented the shah’s idea of nationalism, geared in part to his concept of democracy, which he defined as an interaction of development, rights, and obligations.’

Authors in Group (iv) tend to ignore US pressure or mention it only as one of many factors the Shah and Iranian elite took into account when considering both the reforms and concept of a White Revolution. While Ansari’s 2001 article placed the ‘ideological construction of the White Revolution’ squarely in the hands of the Iranian political elite, his 2003 and 2006 texts hint at greater US responsibility but don’t go much further than the appointment of ‘Alī Amīnī and the implications of the approach to modernisation and development under Kennedy. Ansari claims that

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53 Ansari, ‘The Myth of the White revolution,’ 1-24 (pp. 2-4).
54 Katouzian, ‘Problems of Political Development in Iran,’ 5-20 (pp. 7-8).
55 Katouzian, ‘Problems of Political Development in Iran,’ 5-20 (pp. 7-8); Katouzian, *Iranian History and Politics*, p. 119.
57 Afkhami, *The Life and Times of the Shah*, p. 221.
Amīnī was ‘forced upon the Shah as Prime Minister by the Kennedy administration’ and ‘the United States impressed upon the Shah that the country's social structure required a fundamental change… [which] involved land reform.’ Both Hooglund and Katouzian point to US policy and support as something the Shah chose to consider rather than bow to. Hooglund notes that because US economic and military aid was important the Shah ‘could not be insensitive to the idea[s] being espoused by the newly inaugurated Kennedy administration’ regarding ‘economic and social programs.’ However, Keddie concludes that such pressures were ‘finessed by the shah,’ while Katouzian claims the Shah simply did what was required to ‘keep his American friends and patrons happy by showing that he was… a “progressive monarch”,’ while introducing reforms in his own image. Katouzian’s conclusions link somewhat to Group (v), but mostly ignore US evidence and influence, so his is not a balanced and considered study.

**Group (v): Reverse Influence**

There has been a new trend in recent years from American and European authors who do not discount US influence but place greater agency on Iran in managing the US-Iranian relationship. There is general acceptance in the literature that Iran’s relationship with the US shifted from the mid to late 1960s to a partner rather than client. However, the early 1960s is still viewed as a period when the Shah was more heavily reliant on the United States for support, therefore more amenable to US wishes. This new trend questions this perception. Such authors reach their conclusions based on newly released documents. In this respect, they are using the same material as Group (iii) but interpreting the evidence differently. Group (v) has its beginnings with James Goode in the 1990s, but takes-off in the 2000s and includes Roham Alvandi, April Summitt, Roby Barrett and C. D. Carr. Unlike Group (iv), these authors don’t discount or ignore US influence, but argue that the Shah managed

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58 Ansari, *Modern Iran*, p. 139. – Ansari offers no evidence for this claim.
59 Ansari, *Confronting Iran*, p. 46.
60 Hooglund, p. 47.
the situation to his advantage and introduced the reforms he wanted. Although unlike Group (iv), they don’t give much credit to the Shah and others for seriously pursuing reforms prior to the inauguration of President Kennedy.

A decade and a half from James Goode’s 1991 article, April Summitt sought to address the balance between scholars who ‘often ignore the actions of these clients, their collaboration with imperial powers, and the extent of their control over the relationship.’ Summitt argues that most scholars ‘measure actions going in one direction,’ rather than giving greater agency to the client. Carr bemoans the common perception of the Shah as ‘the dutiful pro-Western ally of the United States,’ a ‘puppet’ whose actions were controlled and dictated by Washington. Carr notes the importance of newly released Western archival documents, which indicate that the Shah ‘influenced and often controlled the US policy-making process.’ Kenneth Pollack states that US leverage over the Shah was not only limited, but ‘Washington feared that if it pressed him [Shah] too hard he may seek economic and military assistance elsewhere. This trend argues that even in the late 1950s and early 1960s the relationship was never quite as it appeared. Roham Alvandi’s recent article focuses on Iran-Soviet negotiations regarding a pledge not to base missiles on Iranian territory. It is an example of the trend, which Summitt and Carr personify, illustrating that even in the early 1960s the Shah was moving ‘away from Iran’s patron-client relationship.’ However, Alvandi doesn’t make extensive use of US archival sources (new or otherwise), relying heavily on British sources and the FRUS series.

Relating this new trend specifically to the White Revolution, Barrett, Castiglioni and Summitt, while not discounting US influence, point to the Shah managing US expectations by posing as a reformer. These authors argue that the Shah offered just enough evidence to keep the economic and military aid flowing. Neither author has much faith in the sincerity of the Shah’s motives. Both Summitt and Barrett conclude that the Shah ‘managed to pose as a reformer’ and introduced land reform and other measures as ‘good-faith efforts to modernize Iran.’

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65 Ibid.
66 Carr, pp. 57-84 (p. 57).
67 Ibid.
68 Pollack, p. 81 – Pollack is a former CIA Agent.
69 Summitt, ‘For a White Revolution,’ 560-575 (p. 561).
70 Barrett, p. 157.
focuses on the Shah’s political motives relating to US pressure and internal opposition, concluding that to reinforce his political position he had to ‘convey’\textsuperscript{71} to both the US and his Iranian compatriots his willingness to reform. In 1997 James Goode was clearly of the same opinion, namely that the Shah ‘convinced President Kennedy that he favored reform.’\textsuperscript{72} Roland Popp, one of the few to have focused solely on reform in Iran during the Kennedy administration, acknowledges Goode’s conclusion, stating: ‘As James Goode put it, the White Revolution had co-opted the New Frontier.’\textsuperscript{73} It is at the forefront of this new trend where I locate my thesis, but with a slight variation, which will be explained in my approach.

\textbf{Approach}

My approach is similar to the group of scholars mentioned last, but goes further on several counts. Firstly, this will be the most comprehensive study on this topic to date using a wide range of sources. Secondly, I bring the information on this topic up to date, not just with documents released in the years since the last publication, but also by the release of many hitherto unknown documents from several archives as a result of my freedom of information requests. Thirdly, I offer an extensive re-interpretation of existing evidence, which will show that there are many inconsistencies and instances where authors have misrepresented the evidence. Finally, I position my research at the forefront of Group (v), the new revisionist trend in the historiography, while focusing specifically on reform in Iran between 1961-63. However, my study is slightly more nuanced than a continuation of this new trend, as I also associate myself with some authors in Group (iv). Indeed, my study aims to bridge the gap between Group (iv) and Group (v), as a dialectical synthesis of the approaches of James Goode and Homa Katouzian. While Goode and those after him in Group (v) do give more agency to the Shah, he and others still tend to view developments in Iran as moving according to US policy, even if such influence was cleverly managed by the Shah. Katouzian’s many texts and articles, sections of which focus on my topic, are closest to my hypothesis but from a narrower perspective. Katouzian doesn’t give

\textsuperscript{71} Castiglioni, ‘Economic Development and Political Authoritarianism,’ 189-200 (pp. 194-195).
\textsuperscript{72} Goode, \textit{In the Shadow of Musaddiq}, p. 167.
\textsuperscript{73} Popp, ‘Benign Intervention,’ pp. 187-219 (p. 217).
much credence to US influence, instead focusing on internal developments in Iran. I attempt to plug the gaps in both approaches, as illustrated below.

**Bridging the Gap Between Groups (v) and (iv)**

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<td>Greater agency on</td>
<td>Focus on Iranian internal developments, crediting</td>
<td>Greater agency on Iranians in rebuffing US influence and managing the US-Iranian relationship</td>
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<td>Fail to credit</td>
<td>Ignore or fail to credit US influence as a factor, purposefully or through lack of research</td>
<td>Iranians responsible for instigating and seriously pursuing reforms regardless of US intentions</td>
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My study is at the forefront of Group (v), which offers a revisionist account of the US-Iranian relationship during the Cold War, by interpreting newly released documents as signifying greater agency on Iranians in managing US pressure. However, unlike Group (v), I give greater credence to Iranian internal developments and the intentions of the Shah and others in instigating reform, rather than Iranians responding to US pressure by managing it to their advantage. Therefore, I bridge the gap with Group (iv) who focus primarily on Iranian internal developments, but disagree that US influence was inconsequential. This leads to the conclusion that US influence did exist in a number of guises, was cleverly managed by the Shah and others, but does not preclude agency on the part of Iranians for instigating and directing reforms, rather than simply reacting to US pressure by introducing reforms in their own image. Therefore, this study will be the most detailed, balanced analysis of US-Iranian relations between 1961-63, which doesn’t ignore, either willingly or through lack of evidence, possible agency on either side. Admittedly, a study that gives greater agency to Iranians is not new, but one that does so though a detailed, objective study, which doesn’t ignore the significance of the US-Iranian relationship, is. I hope that my attempt to bridge the gap between Groups (v) and (vi) will lead to new discussion and debate on the nature of US-Iranian relations during the Cold War.
**Contribution to Knowledge**

This thesis makes an original contribution to knowledge by being the first detailed analysis of US-Iranian relations during the period 1961-63. The literature on US-Iranian relations during the John F. Kennedy administration and the introduction of the White Revolution is limited. Authors have yet to go beyond either an article or a chapter in a book, which on most occasions deals with the broader issues of Kennedy and the Middle East or the reign of Muḥammad Riżā Shāh. This thesis, by its very magnitude and narrow focus, advances well beyond any previous study. I also utilise a vast array of newly released documents from a variety of locations, as well as a thorough critique of the use of existing evidence by previous authors. In addition, my thesis is located at the forefront of revisionist accounts of US-Iranian relations during the Cold War, but also seeks to bridge the gap between American and Iranian authors who fail to achieve a balanced approach. Gazing more widely, such a study has direct relevance to contemporary events. Achieving a greater understanding of the relationship between the United States and Iran during the Cold War adds important context to their relationship in the present. It is also relevant to how the West approaches reform and development in the developing world in line with their interests. My research will make a significant contribution to knowledge in this area by looking at the example of reform in Iran between 1961-63.

**Research Questions**

I will seek to answer the following research questions during the ensuing chapters: What was US policy towards Iran during the John F. Kennedy administration? How much ability, if any, did the US actually have to effectively pressure Iran to implement various measures and reforms? Was the United States responsible for specific reforms that were introduced in Iran between 1961-63? And, to what extent can the White Revolution in all its various facets be attributable to US influence?

**Hypothesis**

I hypothesise US influence in Iran during the Kennedy administration to have been overstated. Certainly, recent studies from Collier and Warne place significant agency.
on the United States for the introduction of reforms. It may also be the case that those who think otherwise have not completed thorough enough studies, mis-represented the evidence, or failed to consider newly released documents. However, having examined the secondary literature in great detail I realise that there are greater inconsistencies in the studies of Collier and Warne than in those of Summitt, Barrett and Popp. Therefore, I base my hypothesis on the new trend, which assigns greater agency to Iran in the US-Iranian relationship, and thus sees less US influence in the launch of the White Revolution. I anticipate that a thorough study of my topic, incorporating a wide range of sources and newly released documents under scrupulous analysis will show that the US, despite economic aid, military assistance, advisers and support for Amīnī’s Government actually had less of an impact on reform than is widely perceived. In the end the White Revolution was of Iran’s own instigation and design. The following chapters will assess the strength of this hypothesis.

**Methodology & Sources**

Having reviewed the secondary literature, described my approach, outlined my hypothesis and defined specific research questions, the following will describe how I intend to carry out my research. The purpose of this thesis is to investigate to what extent the United States was responsible for the White Revolution of 26 January 1963. Solving this problem will entail looking at a vast array of US documentary evidence available in a number of locations in the United States and online. Taking into account the sources others have used, this will mean compiling both a wide range and up to date collection of documents to justify my attempt to make a significant contribution to knowledge. The following describes how I will use techniques others have employed to compile evidence on this topic and take this further rather than attempt a radically new methodology. In addition, my work is very much a diplomatic history, looking at how key players shaped events. However, records of the Ford Foundation and other agencies, along with newspapers, both English and Iranian, will give the study further depth.

My evidence consists of Western archival documents, personal papers, oral histories, memoirs, newspapers and secondary literature. I also have the opportunity
to conduct several personal interviews with officials present at the time. My study entails visiting archives in the United States and Britain, collating digital copies of documents and spending several months reviewing them. I also make use of online collections such as the Digital National Security Archive (DNSA) and the Foreign Relations of the United States (FRUS) series. This puts me in the same bracket as other scholars, but with key distinctions. Firstly, I have identified a wide range of locations for collecting archival evidence. Locations include the John F. Kennedy Library, Boston, the US National Archives, Maryland, the Rockefeller Archive Center, New York and the British National Archives, London. A full list of locations and records is listed in the bibliography. I have funding from the John F. Kennedy Library ($2,500), the Rockefeller Archive Center ($4,000), the Iran Heritage Foundation (£1,000) and the British Institute of Persian Studies (£500), which enables me to make three separate trips to the United States as well as several trips to the British archives. Secondly, I will bring the research on this topic up to date not only by including documents released since the last publication, but by submitting freedom of information requests with US and British archives. Wherever I cite a new document that has been released as a result of my requests I will use the acronym FOIA (Freedom of Information Act) at the end of the full citation. I would like to thank Malcolm Byrne and Mary Curry at the National Security Archive in Washington D.C. for submitting various FOIA requests to the CIA on my behalf.

Thirdly, I will make use of archival documents thus far underutilised. This includes, records of the Near East Foundation, Ford Foundation and British Petroleum. Finally, although the strength of this thesis comes from Western archival sources, I will include a selection of key Persian language sources. These consist of newspapers, oral histories, memoirs and some secondary literature. Whilst Iranian archival sources remain inaccessible for my period of study, I accept there are other newspapers and Persian language secondary literature that I will not consult. Even so, of those who have written on my topic, very few make use of the full range of possible Persian language sources, and certainly not alongside a thorough analysis of Western archival documents. In addition, I include several newly released texts, such

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74 All documents of British Petroleum (BP) and the Iranian Oil Participants (IOP) cited in this thesis have been reproduced from the British Petroleum (BP) Archive (BP Archive, © BP Plc, University of Warwick, Coventry, CV4 7AL, UK).
as *Bar Bāl-i Buhrān*, and underutilised publications like *Khāndanīhā*, which add fascinating insight. This puts me at the forefront of research on this topic.

**Thesis Structure**

This thesis looks in depth at a narrow period in US-Iranian relations. Therefore, it is necessary to explain how the main body of this thesis is structured and how it caters for readers who may not have knowledge of US-Iranian relations and Iranian history more generally. With this in mind, the main chapters are bookended by Chapter 1 and the Epilogue, which provide important context to the period of study; the former by detailing US-Iranian relations and the political and economic situation in Iran from the start of the Cold War up to 1961. The latter by describing the impact of the introduction and implementation of the White Revolution leading up to and including the 1978-79 Revolution. Both parts enable the reader to approach the nucleus of the thesis without being overawed by the detail. The remaining chapters then constitute the core analysis and, whilst each chapter has its own introduction, the following is a brief explanation of how each chapter is situated within the thesis as a whole.

Chapters 2 to 6 explore events within the timeframe of the John F. Kennedy Presidency, 1961-63. These chapters are in chronological order, though sections within each chapter cover a wider timespan when necessary. For instance, when discussing land reform, although the law and its amendments were enacted in the early 1960s, it is necessary to detail developments leading up to this period, such as the distribution of crown and public domain lands in the 1950s. Chapters 2 to 6 also address key events and issues, a breakdown of which is as follows: Chapter 2 is centered on the appointment of ‘Alī Amīnī and his government’s reform programme; Chapter 3 on the Shah’s Royal Farmān; Chapter 4 on the nature of US influence and policy towards Iran during the Kennedy administration; Chapter 5 on the Shah’s state visit to Washington D.C. and ‘Alī Amīnī’s resignation; And, Chapter 6 on the proclamation of the White Revolution of 26 January 1963 (6 Bahman 1341). I then conclude by reviewing my methodology and the answers to my research questions. In addition, a helpful timeline of key events from 1958-64 is given in Appendix K.
Transliteration

Given that this thesis includes several Persian language sources, it will utilise the well-established International Journal of Middle Eastern Studies (IJMES) transliteration guide, which is applicable for Persian. The following will apply: (i) All Persian language terms and phrases will be transliterated, except widely known terms, such as Iran and Shah; (ii) All newspaper, book and article titles will be transliterated; (iii) Diacritical remarks are used according to the IJMES Transliteration Chart, which include the long vowels ā, ū and ī. However, one way in which I diverge from the IJMES transliteration guide is by keeping the diacritical remarks for names and places rather than applying them for terms and phrases only. The names of Iranian authors who have published English language secondary literature are given as they appear in the text (not transliterated).

75 [http://ijmes.chass.ncsu.edu/IJMES_Translation_and_Transliteration_Guide.htm](http://ijmes.chass.ncsu.edu/IJMES_Translation_and_Transliteration_Guide.htm)
Chapter 1

Iran and the United States 1945-61

We stand today on the edge of a new frontier - the frontier of the 1960s, a frontier of unknown opportunities and paths.\textsuperscript{76}

John F. Kennedy

This thesis is predicated on delving into great detail concerning a very short period of time. Therefore, this chapter will act as an important context setting section from which the reader may then enter the detailed analysis that follows. This is divided into two sections. Section 1.1 gives an overview of key events and notable points in US-Iranian relations 1946-61. Section 1.2 gives an overview of the economic and political situation in Iran 1953-61.

1.1 US-Iranian Relations 1946-61

The Cold War for Iran began in 1946 in what became known as the Āzarbājān Crisis.\textsuperscript{77} This event marked the transition from WWII to the Cold War, whereby the Soviet Union, having signed the 1942 Tripartite Treaty, failed to withdraw its troops from Iran at the end of the war. The Soviet Union sought both an oil concession and an increase in its sphere of influence via support for Kurdish and Azeri separatist movements in northern Iran. Louise Fawcett concludes that due to ‘a variety of pressures,’\textsuperscript{78} including from the Iranian Government, but in particular US support at the UN Security Council, Iran was able to resist Soviet pressure, wrest back control of the North and vote down the proposed joint Soviet-Iranian company in the Majlis. This episode was significant, not only in the context of the Cold War, but also in terms of the US-Iranian relationship. Roham Alvandi states that 1946 marked ‘the


\textsuperscript{78} Louise Fawcett, 'Revisiting the Iran Crisis of 1946: How much more do we know?,' \textit{Iranian Studies}, 47:3 (2014), 379-399 (p. 385).
origins of the alliance between the United States and Iran.\textsuperscript{79} This is viewed as a key moment in terms of both the start of the Cold War, US-Iranian relations and US policy more generally. George Lenczowski describes this crisis as a ‘catalyst’ for the ‘radical reorientation of United States foreign policy and strategy.’\textsuperscript{80} The US proved its willingness to stand up to the Soviet Union to protect Iran’s territorial integrity, and from hereon in showed a keen interest in maintaining it.

In the immediate aftermath of WWII, President Harry Truman’s focus was on rebuilding war-torn Europe with US aid through the Marshall Plan. However, it wasn’t long before attention turned to the developing world, especially those countries on the periphery of the Soviet Union. In his inaugural address of 20 January 1949, President Truman made several points on foreign policy. Truman’s fourth point spoke of assisting the underdeveloped areas, not with significant economic aid, but with technical assistance, making use of American knowledge and expertise. In fact, Iran was to be the site of the very first Point IV mission (named after Truman’s fourth point in his speech) established in October 1950, headed by Director William Warne. US experts were to assist with economic, agricultural and educational programmes alongside their Iranian counterparts. As Barry Rubin points out, this was very much a ‘technical assistance program,’ operating within limited resources, not a large-scale aid operation, at a time when US goals in Iran remained ‘limited.’\textsuperscript{81} The Point IV program was supplemented by other agencies on the ground, including the Near East Foundation that had been already active since 1946, and the Ford Foundation from 1953. Mark Gasiorowski notes that the US also increased its presence in other ways, including the number of US Embassy and CIA personnel stationed in Iran.\textsuperscript{82} However, it was after August 1953 when US involvement in Iran increased significantly.

Iranian Majlis representative Mūḥammad Muṣaddiq, was a strong proponent of nationalism and played an important role in opposing a Soviet oil concession during the Āzarbāyjān crisis. Riding a wave of nationalist sentiment and as leader of

\textsuperscript{79} Roham Alvandi, 'Guest Editor's Introduction: Iran and the Cold War,' \textit{Iranian Studies}, 47:3 (2014) 373-378 (p. 373).

\textsuperscript{80} George Lenczowski, ‘United States’ Support for Iran’s Independence and Integrity, 1945-1959,’ \textit{Annals of the American Academy of Political and Social Science}, Vol. 401, America and the Middle East (1972), 45-55 (p. 46).

\textsuperscript{81} Rubin, p. 55.

the National Front, Muṣaddiq was appointed Prime Minister by the Shah on 28 April 1951. A few days later he implemented the bill that had been already passed by parliament on 20 March to nationalise the Iranian oil industry, previously under the control of the British owned Anglo Iranian Oil Company (AIOC), forming the National Iranian Oil Company (NIOC). Britain subsequently instituted measures to restrict the sale of Iranian oil and sought US support in its confrontation with Muṣaddiq. There also ensued a power struggle between the Shah and Muṣaddiq whereby the latter took greater powers than had been given previous prime ministers. In October 1952, diplomatic relations between Britain and Iran were officially severed and soon after plans were in motion to work towards the removal of Muṣaddiq. The new Eisenhower administration was more amenable to intervention, with British Prime Minister, Winston Churchill, playing on US fears of communist influence. The CIA and MI6 implemented TP-Ajax, an operation to bring down Muṣaddiq, which failed in its initial attempt on 15 August 1953, but through improvisation and the actions of the Iranian Army, religious leaders and others, Muṣaddiq was removed on 28 Murdād 1332 (19 August 1953). The extent to which the CIA and MI6 were responsible or whether there was a degree of Iranian agency in the actions is hotly debated, however, in the long-term the impact on US-Iranian relations was profound.

It would be fair to say that the long-term impact of CIA intervention in Muṣaddiq’s downfall was greater in Iran than in the United States. Ali Ansari states that for Iranians this was ‘a watershed moment’ as regardless of what had come before, the 28 Murdād for many ‘marks the beginning of US-Iran relations.’ The Iranians, who had a long history of dealing with both the British and Russians as possible hidden-hands in Iranian affairs, could now add the Americans. Ervand Abrahamian explains the impact of 28 Murdād on ‘collective memory’ whereby future changes in Iranian politics and other matters might now be ascribed to US intervention. This was propounded by the fact that after 28 Murdād the Americans

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83 A broad coalition of nationalists from different associations.
84 Darioush Bayandor, Iran and the CIA: the fall of Mosaddeq revisited (Basingstoke, Hampshire: Palgrave Macmillan, 2010) – Bayandor challenges the dominant narrative, which places greater agency on the CIA and (possibly) MI6 for Mūṣaddiq’s ouster on 19 August 1953, by accentuating the role of domestic actors independent of outside influence.
85 Ansari, Confronting Iran, p. 36.
played a much greater role in Iran than they had previously, aligning themselves fully with the Shah. Mohsen Milani argues that as a result the Shah became further illegitimated in the minds of his people, was ‘tainted as the U.S. Shah’ and the events of 1953 left a mark whereby the Shah now had a ‘psychological dependence on Washington.’ The latter is debatable, but 1953 certainly altered the US-Iranian relationship for good and in the following years President Eisenhower supported the Shah as a beacon of stability against communist influence in a key part of the world.

Prime Minister Gen. Fażl Allāh Zāhīdī, a key participant in the events of 28 Murdād, led the post-Muṣaddiq Government. On 26 August, a week after the event, Zāhīdī wrote to President Eisenhower requesting ‘immediate financial aid,’ which was duly given in the amount of $23.4 million for the technical assistance programme and a $45 million grant for the Iranian budget. A year later, in October 1954, negotiations were concluded for the formation of a consortium of oil companies through a holding company known as the Iranian Oil Participants (IOP). The NIOC remained in control of the nationalised oil industry (oil and facilities), but the IOP would ‘operate and manage the industry, buy the oil output, and market it through various companies' outlets.’ Of the IOP, British Petroleum (formerly AIOC) held a 40 percent interest, Royal Dutch Shell 14 percent, Gulf 8 percent, Compagnie Francaise des Petroles 6 percent, and American companies, including Standard Oil of New Jersey, shared the remaining 36 percent between them. Following the formation of the consortium, the Eisenhower administration provided further economic assistance in the amount of $127.3 million in loans and grants. The United States was now heavily invested in Iran, which meant economic and military aid was now added to technical assistance in support of the Shah’s regime.

John Miglietta points out that between 1953-57, the Eisenhower administration provided economic aid in the form of grants and loans in the amount of $366.8 million. However, for both the United States and the Shah, economic aid in itself was not enough; it ought to be accompanied by military assistance and the

88 Blake, pp. 95-96; Lenczowski, 45-55 (p. 53).
90 Blake, p. 99.
bolstering of internal security. In 1943 the United States established a Military Mission to the Iranian Gendarmerie (GENMISH) and in 1947 reached a bilateral agreement with Iran for a United States Army Mission Headquarters (ARMISH). As with Point IV, the purpose was to provide technical and advisory assistance. Then, in 1950, a Military Assistance Advisory Group (MAAG) was established to oversee US military assistance grants to Iran. After 28 Mordâd 1332, military assistance was increased to support the Shah’s regime. Although up to 1958 military grants were not on par with economic assistance, this still included ‘equipment for 12 infantry divisions… [and] aircraft for four air squadrons and six ships.’ In addition, in 1957, the CIA and Mossad helped establish the Organisation for Information and National Security (SAVAK), which surveyed, suppressed and dismantled the Shah’s opposition, including the Tudeh (Communist) Party and Nationalists. Between 1953-1957, the Shah’s regime was strengthened with US support. However, it was in 1958 when Iran became even more important and US military assistance overtook economic aid.

1958 actually began with an incident in which US support for the Shah was in question. In February 1958, Gen. Valî Allâh Qaranî, Commander of the Iranian Army’s intelligence staff (G-2), was implicated in a plot to oust the current Iranian Government and move the Shah into a ceremonial role. SAVAK uncovered the plot, however it was suggested that the United States might have been involved somehow. Whatever the truth, the Eisenhower administration continued to support the Shah, especially after the impact of the Iraqi coup of 14 July 1958. On 19 July President Eisenhower sent a personal message to the Shah stating that the US recognises the need to bring Iran’s military up to operational strength. This was known as Plan Counterbalance, which aimed to ‘expand the military capabilities of Iran to the maximum extent in the shortest possible time.’ As a result, US military assistance

92 Goode, In the Shadow of Musaddiq, p. 159.
93 Amir Taheri, Nest of Spies: America’s journey to disaster in Iran (London: Hutchinson 1988), p. 44.
95 A group of officers led by Brigadier Qasim overthrew the Hashemite monarchy in Iraq.
97 ‘ARMISH-MAAG Narrative Statement Iran’, Secret, July 23, 1959, National Archives College Park Maryland (cited in future as NACPM), Record Group (cited in future as RG) 59, Office of Near East and South Asian Affairs (cited in future as NEA Iran Desk) S8-63, Box 1.
increased substantially in comparison to previous years, whereas economic assistance, which was substantial in the years after 28 Murdād, was more modest. The US was also keen to establish the true extent of opposition to the Shah to try and prevent an occurrence of 14 July in Iran.

Mark Gasiorowski states that after July 1958, US Embassy and CIA officers began to closely monitor opposition groups and key figures for signs of unrest. Newly released CIA documents reveal that the Eisenhower administration felt totally unprepared in this respect. The CIA was castigated for its failure to foresee the upheaval in Iraq. One US Representative, Emanuel Celler, stated: ‘While this coup d’état was being formulated in Iraq, what was the Central Intelligence Agency doing?’ A detailed report, Special National Intelligence Estimate (SNIE) 34-58, was produced in the months after the coup to determine the stability of the Shah’s regime. However, the CIA freely acknowledged that preparation of the report was handicapped by ‘lack of information’ on opposition groups, especially with respect to both senior and junior military officers. It was requested that steps be taken to ‘remedy the above weaknesses in intelligence coverage.’ In the meantime, another incident was brewing in the US-Iranian relationship as the Shah sought a more solid US commitment to his regime after the failure of the Baghdad Pact (see Appendix L, point 1) to protect the Hashemite regime in Iraq and that country’s subsequent withdrawal from the pact. In February 1959, after ‘flirting’ with the Soviet Union regarding a possible non-aggression treaty, Iran signed a bilateral defense agreement with United States. Iran was now even more firmly in the Western camp and the Eisenhower administration continued to offer military assistance in support of the Shah.

In 1960, as the Eisenhower Presidency entered its final year, it was clear from the words of Democratic Presidential hopeful, John F. Kennedy, that the US-Iranian relationship may be entering a new phase, one where US contact with opposition

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99 ‘Representative Emanuel Celler Speaks his Mind’, August 3, 1958, CIA Records Search Tool (cited in future as CREST), National Archives and Records Administration (cited in future as NARA), CIA-RDP 75-00149R000100730001-3.
102 Taheri, p. 47.
leaders might not be to anticipate unrest, but to court potential alternatives to the Shah. Revolution became the watchword of the day. During his acceptance speech as the Democratic nominee at the Memorial Coliseum in Los Angeles, California, Kennedy spoke repeatedly of the various revolutions in technology, population and human rights and the creation of new nations abroad. Like the pioneers of yore, Americans must break with the past and embrace the New Frontier of the 1960s. In terms of the Cold War, journalist Walter Lippmann warned of the dangers of US support for the ‘status-quo’ when Soviet leader, Nikita Khrushchev, believed developing countries were in ‘the process of revolutionary change.’ The question is, what implications would this have for the US-Iranian relationship?

Before looking in detail at US-Iranian relations between 1961-1963 and the introduction of the White Revolution, it is necessary to give an overview of the political and economic situation in Iran up to the beginning of 1961.

### 1.2 Iranian Situation 1953-61

The Shah’s late father, Rižā Shāh (1878-1944), had to lay the foundations of a state in the years after WWI. During his decade and a half as Shah, the latter did much to modernise Iran, including establishing an army, a working bureaucracy, as well as building schools, hospitals and infrastructure such as the Trans-Iranian Railway. Rižā Shāh also introduced the unveiling of women. However, at the end of his rule Iran was still very much a developing country, with much more needing to be done in education, industry and elsewhere. Land reform had also not been tackled. Under Rižā Shāh Iran was effectively a dictatorship with the Shah relying on the landowners for support. Nikki Keddie, like many others, argues that this type of rule was probably ‘unavoidable’ in order to modernise a divided and weakened country. However, Rižā Shāh was forced to abdicate in 1941 when Allied forces occupied Iran in order to supply the Soviet Union during WWII, leaving his son to continue the path of development. In the immediate post-war years, suppression and centralisation gave way to greater political pluralism and nationalism. Ali Ansari calls this a ‘dynamic

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103 Schlesinger, p. 59.
period of political activity," one that would end with downfall of Premier Mūḥammad Muṣaddiq. The years after would witness not only the consolidation of power by the Shah, but also the continuation of modernisation and development.

28 Murdād 1332, was an important moment, not simply in terms of US-Iranian relations, but with regard Iran’s modern political history. Unsurprisingly, this event draws emotive language in the historiography. Jonathan Kerman states that many believe 28 Murdād ‘did more damage to Iran than any singular event in its long history.’107 This event altered the political landscape. Ansari states that gone was the ‘political pluralism and social dynamism’ of the post-war period, which although not necessarily stable (Iran had 21 prime ministers between 1941-53), had ‘left its mark on the political consciousness of the nation.’108 Although Muḥammad Rizā Shāh would suppress opposition to his rule in the years after 28 Murdād, it wasn’t long before the impact of this period, along with further modernisation and development, led to increased opposition and pressure on the Shah in the late 1950s and early 1960s. However, between 1953 and 1960 the Shah was transformed, as Mohsen Milani puts it, ‘from a powerless monarch… to a powerful autocrat.’109 The Shah’s path to his consolidation of power lay through the suppression of all opposition and strengthening his base of support.

After 28 Murdād the Shah began the retrenchment from the post-war years of relative pluralism. The Iranian press was censored; Freedom of assembly curtailed; political parties and associations restricted; Trade Union activity checked; there were efforts made to neutralise the Iranian Bazaar guilds; and, the Tudeh and National Front were targeted with the Military Governor of Tehran, Gen. Tiymūr Bakhtīyār, playing a leading role.110 The latter became head of SAVAK after its formation in 1957. Along with the Iranian Army and SAVAK, the state bureaucracy was one of the key ‘pillars’111 of the Shah’s strength. There were two official political parties, the Mardum (People’s) Party and Millīyūn (Nationalist) Party, the latter being the ruling

106 Ansari, Modern Iran, p. 75
108 Ansari, Modern Iran, p. 125.
109 M. Milani, p. 43.
party. These were artificial creations; playing the role the Shah wished them to play. The Shah’s consolidation of power reached its zenith under Prime Minister Manūchihr Iqbāl (1957-1960). Ministers not only circumvented the Prime Minister, reporting directly to the Monarch, but Iqbāl himself admitted that ‘he was the servant of the Shah.’\(^{112}\) The Shah also allied himself with the conservative elite motivated to maintaining the status quo.

The Shah relied on what Massoud Karshenas terms a ‘conservative coalition,’\(^ {113}\) which included high-ranking clergy, landlords, merchant aristocracy of the bazaar, high-ranking tribal leaders and court circles. Fatemeh Moghadam points out that when the distribution of private estates occurred as part of land reform in the early 1960s, this was ‘a decisive blow’\(^ {114}\) to this alliance of conservative elements. However, for now the Shah relied on this group for support, and by the end of the decade had significant control over the political process. James Bill explains how the Shah appointed both the Prime Minister and other cabinet officials, called elections, which were rigged, and the Majlis and Senate were comprised of members of this conservative coalition.\(^ {115}\) By March 1959, US National Intelligence Estimate (NIE) 34-59, concluded that the Shah had ‘established nearly dictatorial power in Iran… [taking] control of day-to-day operations of the government.’\(^ {116}\) However, during the same period, significant sums were channeled into development and the demands of the ‘politically conscious,’\(^ {117}\) were increasing.

During the 1950s Iranian society was changing and development continued at a pace. The first attempt at systematic planning was curtailed by the oil nationalisation under Mūḥammad Muṣaddiq, but as oil revenues and foreign aid returned systematic planning ‘gained force.’\(^ {118}\) A Second Development Plan was implemented (1955-1962) focusing on such areas as infrastructure, dams, highways


\(^{113}\) Karshenas, p. 88.


\(^{117}\) Ansari, *Modern Iran*, p. 127.

and ports. Cyrus Schayegh’s article on emerging mass consumerism in Iran during the 1950s explains how the ‘social class basis for mass consumerism… crystallize[d]… [during] the 1950s… [when] Tehran’s middle classes, in particular, grew more quickly.’\footnote{119} Those living in the cities demanded ‘better goods and higher living standards.’\footnote{120} While the Shah was consolidating his position, Iran was undergoing changes, partly instigated by the Shah’s wish for rapid development. As Ansari explains, this was a period during which tradition and modernity integrated and clashed, where boundaries and loyalties were fluid, and where ‘the professional educated classes’\footnote{121} increased, along with their demands. The consequences would be felt during the late 1950s when events abroad prompted the Shah and others to consider change and reform.

Between 1958-1961, the domestic scene became fluid once again as international incidents, the economy, a potential shift in US policy and the Shah’s response to these developments led to an increase in opposition activity. This became more turbulent until it reached a crescendo in May 1961. Īraj Amīnī states that there was ‘change and transformation’ in the air in the late 1950s and early 1960s, whereby changes in the international scene involving Iraq, Pakistan, Turkey and the United States, along with the deteriorating economic situation and the expectations of the professionally educated middle class made change in Iran almost inevitable.\footnote{122} Despite economic development, the lack of political participation and a sense of social injustice led to increased tension between the government and the people.\footnote{123} Upheaval in Iraq, Pakistan, Turkey and even Cuba, combined with the message of presidential hopeful, John F. Kennedy, provided the catalyst for increased opposition to the Shah and faster movement towards reforms and social justice. The period 1958-61 witnessed the beginning of serious change in Iran.

Arguably, the pivotal moment was 14 July 1958, when a group of officers led by Brigadier Qasim overthrew the Hashemite monarchy in Iraq. This event sent shockwaves throughout the Middle East and the British Ambassador, Sir Roger

\footnote{119} Cyrus Schayegh, 'Iran’s Karaj Dam Affair: Emerging Mass Consumerism, the Politics of Promise, and the Cold War in the Third World,' \textit{Comparative Studies in Society and History}, 54:3 (2012), 612–643 (pp. 613-614).
\footnote{120} Ibid., p. 623.
\footnote{121} Ansari, \textit{Modern Iran}, p. 127.
\footnote{123} Bill, \textit{The Eagle and the Lion}, p. 104.
Stevens, called it ‘a watershed in Iranian thinking about their own future.’\textsuperscript{124} Then, in October 1958, General Ayub Khan, Commander-in-Chief of the Pakistani army, led a coup against President Iskander Mirza, intending to promote modernisation and prevent autocracy and ‘political “confusion”’.\textsuperscript{125} Later, in May 1960, the Republic of Turkey encountered its first coup d’état since its founding in 1923. A group of officers led by General Cemal Gursel ousted Democratic Party Prime Minister Adnan Menderes. Turkey’s economy had worsened in the late 1950s to the extent that it had to introduce an International Monetary Fund (IMF) stabilisation programme and there was increasing criticism of the government. Responding to increasingly repressive measures and suppression of opposition activity, the army conspirators acted and arrested Menderes and other Democratic Party Ministers.\textsuperscript{126} All members of the Baghdad Pact had suffered coups or revolutions in the space of a few years; the question was, would Iran be next?

In the late 1950s and early 1960s Iran was suffering from an economic recession, with high inflation, depleting foreign exchange reserves and outstanding loan repayments, owing in part to a sharp increase in public expenditure.\textsuperscript{127} This combined with dramatic events in neighboring countries and the repressive measures of the Shah’s regime to increase discontent in the cities. The Iranian opposition seized on the coup in Turkey and the Shah’s decision to hold free elections for the 20\textsuperscript{th} Majlis in August 1960, to resurrect themselves seven years after the fall of Mūṣaddiq. Robert Amory, Deputy Director of the CIA, concluded that the Turkish coup ‘was having significant repercussions in Iran’ as an increase in opposition activity made the Shah’s position increasingly ‘fragile.’\textsuperscript{128} The Shah, concerned that time was not on his side and worried that he might be next, opened the door for the opposition. The latter were also encouraged by the potential shift in US policy towards Iran.

Deputy Director of SAVAK, Gen. Ḥasan ‘Alavī-Kiyā, stated that when the Democrats entered office in the United States people would say the domestic scene in

\begin{itemize}
\item \textsuperscript{127} ‘Outline of the Third Plan (1341-1346),’ July, 1961, TNA, FO 371/157625, EP 1102/27.
\end{itemize}
Iran would become ‘shaky.’ The speeches and platform of presidential hopeful John F. Kennedy resonated with the Nationalist opposition. Coups and revolutions in neighboring countries, the economic situation and the Shah’s suppression of political activity had increased the level of tension in the country. However, the opposition, rightly or wrongly, interpreted any thaw and relaxation of pressure as resulting from US influence; a consequence of 28 Murdād 1332. The politically conscious now felt emboldened to organise and demonstrate, and used the August 1960 elections as a rallying point. As Ghulâm-Riżā Afkhamī writes, the ideas of the New Frontiersmen led by the young and energetic John F. Kennedy resonated with the Nationalists and other opposition who saw an opportunity to capitalize on this.

The National Front coalition was reconstituted, the university students became more active, the loyal opposition of independents known as Munfaridīn saw an opportunity, and other smaller associations such as Muẓaffār Baqā’ī’s socialist Toilers Party, Khalīl Malīkī’s Socialist League of the Popular Movement of Iran and Mahdī Bāzargān’s Freedom Movement saw an opportunity in the political thaw. The opposition anticipated the elections would be free, but the Shah backtracked. Muẓaffār Baqā’ī and the leader of Munfaridīn, ‘Alī Amīnī, were vocal in their displeasure. The Shah was forced into a u-turn and the newly elected Majlis representatives were forced to resign along with Prime Minister Manūchīr Iqbāl. In September 1960, the Shah appointed Sharīf-Imāmī to replace Iqbāl and the elections were rerun in January 1961. Although the results stood, the Iranian publication, Khāndanīhā, wrote that the 20th Majlis was named ‘the shortest and most unfortunate period of Majlis.’ Tension increased inside the Majlis after a few of the Munfaridīn were elected, including prominent National Front member, Allāhyār

131 Chehabi, pp. 140+142.
134 Ansari, Modern Iran, p. 146.
135 Khāndanīhā, 23 Urduʿbihisht 1340 [13 May 1961].
Ṣāliḥ. Outside, student and teacher demonstrations became more frequent. The Government reacted by closing down the National Front headquarters and locking members inside the senate building. Students at the University of Tehran caused trouble by threatening Manūchīhr Ḥaqībāl and setting his car alight. The University was subsequently closed until April 1961. Unrest increased, culminating in a demonstration in early May, which brought an end to the Sharīf-Imāmī Government and the short-lived 20th Majlis. In the meantime, the Shah and the Iranian Government faced a new Democratic administration in the United States, with possible consequences for the US-Iranian relationship.

The Shah sent Head of SAVAK, Gen. Tiymūr Bakhṭīyār, as his personal emissary to Washington D.C. to speak to key officials in the new administration, including President Kennedy. Bakhṭīyār sought answers on America’s commitment to Iran and the matter of military assistance. Bakhṭīyār was given no commitment vis-à-vis military aid as the US was still reformulating its aid policy, which applied to all recipients of US aid. However, Secretary of State, Dean Rusk, assured Bakhṭīyār that the United States would support the territorial integrity of Iran in the face of Communist attack. No confirmation of economic and military support was given for several months. The political and economic situation in Iran eventually forced the US to reformulate policy. Future chapters also explain that the Shah was considering political changes and a new plan for economic development linked with social justice, but events overtook such plans as a new personality came to the fore; ‘Alī Amīnī.

Having set the scene for a detailed look at the relationship between Iran and the United States during the Kennedy administration, the remaining chapters will seek to answer the overarching research question, namely to what extent the White Revolution was a result of US pressure and influence? This will begin in Chapter 2 by looking at the Government of ‘Alī Amīnī and his programme of reform. The impact of his government on the eventual emergence of the White Revolution is

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137 James A. Bill, The Politics of Iran: groups, classes and modernization, Merrill Political Science series (Columbus, Ohio: Merrill, 1972), p. 139.
138 Chehabi, p. 151.
undoubtedly very significant. The question is, what was the Kennedy administration’s part in these developments?
Chapter 2

ʻAlī Amīnī: The Last Chance?

*Labore ad astra*

The White Revolution did not arise via a preordained set of events according to a precise plan. The reforms themselves have a longer history than 1961-63, but the specific path to the White Revolution began principally with the events surrounding the ascension to power of ʻAlī Amīnī. This is not to say that the White Revolution was of ʻAlī Amīnī and his Cabinet’s making, but his premiership (5 May 1961 – 18 July 1962) significantly contributed to the outcome. The following chapter will focus on the controversy surrounding Amīnī’s appointment, his plan and team, the US response, including their policy recommendations and support for Amīnī, and the introduction of various measures and reforms. With this in mind, the ensuing sections will answer the following questions: To what extent was the United States responsible for the downfall of the Sharīf-Imāmī Government and the appointment of ʻAlī Amīnī? How did US policy towards Iran change as a result of Amīnī’s appointment? To what extent did the Kennedy administration support Amīnī? And, how was momentum created that helped give rise to the White Revolution?

2.1 The Appointment of ʻAlī Amīnī

The appointment of ʻAlī Amīnī as Prime Minister on 5 May 1961 is an important moment in modern Iranian history because it signaled the beginning of a shift in the momentum of social and economic reform in Iran. It is also the subject of much controversy. Given that Amīnī brought with him a 15-point plan, much of which mirrored what the new Kennedy administration hoped for, and that the purpose of this thesis is to establish who instigated the White Revolution, a detailed look at the events and discussions surrounding his appointment is necessary to help establish where the agency for the reforms that were introduced was actually located.
2.1.1 The Man

The consensus in the secondary literature is that ʻAlī Amīnī was ‘pro-Western,‘\textsuperscript{140} or rather ‘pro-American,‘\textsuperscript{141} the person favoured by the United States to introduce necessary reforms. Amīnī is also viewed as having significantly more leeway than previous prime ministers (except Mūḥammad Muṣaddiq) to act independently of the Shah. In the words of Ali Ansari, Amīnī was ‘the swansong of the Constitutional Era… the last prime minister who sought to govern while the Shah reigned.’\textsuperscript{142} The reality was slightly different. Amīnī’s platform was pro-Western because he positioned himself as such, as he knew that taking such a position would endear him to the Kennedy administration. Although uncertain how events would unfold, by saying the things the Americans wanted to hear in the expectancy that the new administration may be more forceful in pressing for change, he positioned himself as a viable candidate should the Shah be in a position to require someone with the platform and credentials Amīnī embodied.

Once elected, the Kennedy administration did indeed pin their hopes on Amīnī, regarding him as their man and last opportunity for orderly change. However, US support was also Amīnī’s defense against his enemies. Without a strong domestic base of support Amīnī played the US-card to his advantage, which in part explains him lashing out in frustration in July 1962 when no further budgetary support was forthcoming and he resigned. Amīnī did have more leverage to govern while the Shah reigned, and made an attempt to govern constitutionally, but this has been exaggerated. Amīnī had a period of grace while the Shah recovered from the events of May 1961, which had genuinely disturbed him. However, after a few months Amīnī was reliant on the Shah’s support, even as the latter had to consider US aid and support for his rule. Amīnī also saw the necessity of refraining from elections once the Majlis was dissolved, which was unconstitutional. This is not to discount Amīnī’s achievements, the difficulties he faced, or that he appeared genuine in his wish to govern for the people and institute reforms, but it must be understood as him looking

\textsuperscript{140} Chehabi, p. 155.
\textsuperscript{141} Alvandi, ‘The Shah's détente with Khrushchev,’ 423-444 (p. 438).
for an opportunity to both acquire and retain power. The Kennedy administration’s chosen instrument also chose the US as his instrument.

Born in 1905 to a prominent political family, Amīnī was connected by bloodline to the Qājār monarchy.\textsuperscript{143} Amīnī received his law education in Paris, was a landowner and also a career civil servant having served previously as Minister of Finance (1953-55), Minister of Justice (1955) and Ambassador to the United States (1956-58). Amīnī’s ambition was to first be a Minister then Prime Minister, but he was keen to stress that he was not an opportunist, simply very ambitious.\textsuperscript{144} This was not an ambition Amīnī hid from view as he had been attempting to ‘openly arrive at this position’ for several years, and in interview with \textit{Khāndanihā} stated that ‘I have announced that I am ready for accepting this responsibility many times depending on what the policy of the country would ask for.’\textsuperscript{145} The same publication had the headline ‘the man who has come for a change (transformation),’\textsuperscript{146} which was based on the type of person he professed to be and the type of government he wished to lead.

The \textit{New York Times} described Amīnī as a ‘Persian aristocrat’ who, according to his political associates, was ‘an able, energetic administrator who is always “itching to get things done”.’\textsuperscript{147} Amīnī portrayed himself in the press as opposed to corruption and against dictatorship. Amīnī stated that society today must be based on ‘respect for human values, opinions and beliefs,’\textsuperscript{148} and there should be an evolution from the top as ‘the people would like to see more worthy and capable personalities at the head of our affairs’ along with improved administration.

\begin{footnotes}
\footnote{\textit{Dunyā}, 19th Issue, 1342}
\footnote{\textit{Khāndanihā}, 19 Urdu'bihisht 1340 [9 May 1961].}
\footnote{Ibid.}
\footnote{Īraj Amīnī, p. 183.}
\end{footnotes}
and ‘a healthily prepared programme.’\textsuperscript{149} Amēnī recalled that persons surrounding the Shah, such as Prime Ministers Manūchīhr Iqālī and Jaʿfar Sharīf-Imāmī were not good for the Shah.\textsuperscript{150} However, Amēnī professed not to be anti-monarchy as he ‘believed that the Shah was essential for the country,’\textsuperscript{151} but he must reign not rule. In this vein Amēnī wished to ‘establish a principle of democracy’ in Iran ‘with the participation of the people.’\textsuperscript{152} Khāndanīhā reported that the domestic and international press were happy at the turn of events and referred to this as a ‘White Coup’ with Amēnī ‘the last chance’ for saving Iran from chaos and revolution.\textsuperscript{153} This was certainly the view of many in Washington. Therefore, it is no surprise that his appointment is a point of controversy with many, including the Shah, blaming the United States for his imposition.

\subsection*{2.1.2 The Controversy}

\begin{center}
\textit{Ta naşashed češec kī, merd m[n]gīnd češec hā ??}
\end{center}

The perception that the United States imposed ‘Alī Amēnī on the Shah persists in part due to comments of the Shah himself. Even in his final days he maintained that the United States pressured him to the extent that he had little choice but to comply.

At the time Prime Minister Emami took the brunt of the animus, as was his legal responsibility. The U.S. wanted him out and its own man in as Prime Minister. This

\textsuperscript{152} Ibid., p. 129.
\textsuperscript{153} Khāndanīhā, 26 Urdībihišt 1340 [16 May 1961]. – The caption below the picture reads: ‘Last Chance’
\textsuperscript{154} Majīd Mīhrān, review of ‘Īrāj Amīnī, Bar Bāl-i Buḥrān: Zindigī-yi Siyāsī-yi ‘Alī Amīnī [On the Wing of Crisis: The Political Life of Ali Amini], (Tīrān: Nashr-i Māhī, 1388 [2009])’, Majmūʿī-yi Maqālāt, Nashrīyyiy-i Dākhīlī, No. 61, Mūrād 1388 [2009], pp. 70-72 (p. 72.) – According to the author, this is a famous Iranian saying. The literal translation is: ‘If there isn’t a little thing, people do not say things,’ meaning there must be something in order to get people talking.
man was Ali Amini, and in time the pressure became too strong for me to resist, especially after John F. Kennedy was elected president.\textsuperscript{155} Those who believe Amīnī was not imposed on the Shah by the US include Barry Rubin, April Summitt, and Richard Cottam. All admit to the US liking Amīnī and welcoming his appointment but do not believe he was appointed by way of US pressure.\textsuperscript{156} However, all use language so as to not rule out the possibility completely. Several authors conclude that the Shah was forced to appoint Amīnī because of domestic opposition and the impact his appointment would have on opinion in Washington. Homa Katouzian, Roham Alvandi and Andrew Warne believe the Shah, forced into a corner, chose Amīnī as his appointment would appease the domestic opposition without having to appoint a member of the National Front, and also please US officials whom the Shah knew were fond of Amīnī.\textsuperscript{157} However, many believe the Shah appointed Amīnī under direct pressure from the US, without having the option to decide for himself. Claudia Castiglioni avoids specifics, stating that the Shah faced pressure from a ‘mounting crisis and by American pleas for a new direction.’\textsuperscript{158} However, several authors are more specific and believe US aid was key.

Ervand Abrahamian, James Bill and Misagh Parsa conclude that Amīnī’s appointment was attached to a specific quantity of US aid. Most of the controversy centres on the comments of former US Ambassador to Iran Armin Meyer (1965-69). Bill cites Meyer’s comments that $35 million was given to Iran on the understanding that the US could voice ‘a suggestion as to the prime ministerial candidate we considered best qualified to administer the proposed reforms.’\textsuperscript{159} Parsa echoes Bill’s conclusion.\textsuperscript{160} Abrahamian also concludes that the US forced Amīnī and his cabinet on the Shah, using economic aid in the amount of $85 million.\textsuperscript{161} Abrahamian concludes there was US pressure to ensure various reforms were enacted, as part of a

\begin{flushright}
\textsuperscript{157} Katouzian, \textit{Political Economy}, p. 214; Alvandi, ‘The Shah’s détente with Khrushchev,’ 423-444 (p. 437); Warne, 396-422 (p. 400).
\textsuperscript{158} Claudia Castiglioni, ‘No longer a client, not yet a partner: the US–Iranian alliance in the Johnson years,’ \textit{Cold War History}, Vol. 15 (March 2015), 1-19 (p. 5).
\textsuperscript{159} Bill, \textit{The Eagle and the Lion}, p. 143.
\textsuperscript{160} Parsa, pp. 135-159 (p. 140).
\textsuperscript{161} Abrahamian, \textit{Iran Between Two Revolutions}, p. 422. – No evidence is given.
\end{flushright}
range of measures deemed necessary to prevent a communist revolution.\textsuperscript{162} This implies that forcing Amīnī on the Shah was not simply because he was their preferred candidate, but that he would enact a US plan for a controlled revolution.

Ali Ansari and David Collier both conclude that Amīnī was forced on the Shah to implement a US reform programme. Ansari is explicit, stating that both Amīnī and Ḥasan Arsanjānī were forced on the Shah, the latter ‘charged with implementing land reform.’\textsuperscript{163} However, it is David Collier who is most out-spoken on the question, concluding that Kennedy had a well-orchestrated policy of ‘strident intervention and control of its [Iran’s] political process,’ whereby an ‘American sponsored government’ would be brought to power to instigate an ‘American reform programme.’ Collier states that during the disturbances in early May, the Kennedy administration ‘acted quickly… [and] ensured the appointment of [an] American ally and reformer.’\textsuperscript{164} However, there is a distinct lack of evidence, while perception is declared to be reality and assumptions taken as facts develop a life of their own. The result is that authors like Victor Nemchenok claim without a second thought that ‘Amini had been foisted on the shah by the pleas of US officials.’\textsuperscript{165} This thesis aims to assess these claims by reaching a more comprehensive understanding of the appointment of Amīnī. The following sections will look at events leading to Amīnī’s appointment, followed by a detailed explanation critiquing previous conclusions. This will utilise newly released documents, memoirs and personal interviews to evaluate an important moment on the road to the White Revolution.

\subsection*{2.1.3 Events}

\textit{Shāh māt shud}

Although Amīnī harbored an ambition to be prime minister, it was in 1958, after his Ambassadorship to the United States, when he began positioning himself as a serious candidate. In April 1959, Sīrūs Ghanī, Legal Advisor to the Iranian Plan Organisation, mentioned the ‘outright politicking being done by Ali Amini these

\begin{itemize}
\item}\textsuperscript{162} Abrahamian, \textit{A History of Modern Iran}, p. 128.
\item}\textsuperscript{163} Ansari, \textit{Modern Iran}, p. 139. – No evidence is given.
\item}\textsuperscript{164} Collier, pp. 456+460-461.
\item}\textsuperscript{165} Nemchenok, ‘In Search of Stability,’ 341-269 (p. 357) – No evidence is given.
\end{itemize}
days, who is attending wakes and weddings at every opportunity,’ described as ‘a most popular and seldom made gesture in Iran.’ Along with personal appearances, Amīnī was publicising himself in the press for both domestic and foreign consumption. In August 1959, the weekly newspaper *Tihrān Mošavvar* published an interview with Amīnī entitled ‘If I were to become Prime Minister,’ in which he promised to fight corruption, enact fiscal reform and fight for the interests of the working class. There then came the opportunity to support words with action as Iran prepared for elections to the 20th Majlis in August 1960.

Amīnī spent weeks campaigning for the elections and ‘came to the fore as spokesman for the independent candidates,’ known as Munfaridīn. Īraj Amīnī, the son of ‘Ali Amīnī, notes that the Munfaridīn were the ‘victors of the changes’ occurring in Iran at this point, and his father had grown from ‘an experienced technocrat’ to earning himself a reputation as a key political figure. The US Embassy in Tehran described Amīnī as someone the Shah could turn to should the situation deteriorate so as to encourage him to ‘bend to the will of the regime’s opponents.’ Amīnī was mentioned alongside ‘Abd Allāh Intīzām, Chairman of the National Iranian Oil Company, and ‘Abū al-Ḥasan Iḥtīḥāj, former Head of the Plan Organisation. The US Embassy concluded that Amīnī could rely on the support of ‘“rightist” officer movements intending to keep the situation from reaching the chaotic stage.’ Before the Shah appointed Sharīf-Imāmī (after dismissing Manūchīhr Iqtābāl) there was speculation that he might turn to Amīnī as his platform suited the problems of the day. However, the Shah both disliked and feared Amīnī and did not want him as prime minister (see Chapter 6). It appeared the opportunity would never present itself, but with the advent of the Kennedy administration Amīnī had renewed impetus.

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166 Owen T. Jones, 'Views of Prominent Iranian on Effectiveness of Soviet Propaganda Campaign', Limited Official Use, April 30, 1959, NACPM, RG 59, NEA Iran Desk 58-63, Box 1. – FOIA


168 Wilber, p. 130.

169 Īraj Amīnī, p. 192.

170 Robert R. Schott, Tehran to Department of State, Washington D.C., Confidential, June 11, 1960, NACPM, RG 59, Central Decimal Files (cited in future as CDF) 60-63, Box 2089, 788.00/6-1160.

171 Stuart Rockwell, 'Possible Leaders in a Coup d-état Government', Secret, July 20, 1960, NACPM, RG 59, CDF 60-63, Box 2089, 788.00/7-2060.

172 Īraj Amīnī, pp. 189-190.
Amīnī came to the fore as a key personality in the politics of the day and made many statements on domestic and foreign affairs. *Khāndanihā* reported the following statement made by Amīnī after the inauguration of John F. Kennedy: ‘There is no doubt that we are witnessing an evolution in U.S. policy… more favourable to world democracy… [so] we must follow up our internal reforms which will favourably assist the U.S. to define its attitude to Iran.’ A few weeks later Amīnī voiced his concerns over the re-run of the elections for the 20th Majlis, which took place in February 1961. *Piyghām-i Imrūz* reported that Amīnī had sent a letter to the Government stating that ‘there was no difference between the election which was declared void last year and the present one’ and that he wished to safeguard the constitution. Another reason Amīnī’s campaign may have gained traction is the support of his friends who had a personal interest in seeing the end of the Sharīf-Imāmī Government.

Shāhrukh Fīrūz, the son of ‘Alī Amīnī’s second cousin, in his recently released memoir tells of the collaboration between Munfaridīn and other Iranians near the end of 1960. According to Fīrūz, with the coming to power of John F. Kennedy and the current situation in Iran, Amīnī believed the Government of Sharīf-Imāmī was only temporary and with a little more pressure could be pushed over. Fīrūz recalls a meeting in early 1961 in ‘Alī Amīnī’s house in Amīn al-Dawlah Park, during which Muḥammad Dirakhshish, Ḩasan Arsanjānī and Arsalān Khal’atbarī aligned themselves towards bringing down the 20th Majlis. According to Fīrūz, other collaborators included Sayyid Ja’far Bihbahānī and agreements were reached with ‘Abd al-Ḥusayn Bihniyā to become Finance Minister and Nūr al-Dīn Alamūṭī to become Justice Minister. Fīrūz explains how activities from then on, which included the Munfaridīn, Bazaaris, clergymen and teachers, were a power aligned in the shadows against Sharīf-Imāmī’s Government. How much of this is true remains to be seen, though Amīnī mentioned in *Dunyā* that a year prior to his appointment one of his friends (unnamed) in a weekly gathering tried to persuade him to take a

176 Ibid., pp. 565.
177 Ibid., pp. 569.
different route to becoming prime minister, which Amīnī says he declined as he did not want to ‘become prime minister at any price.’

Regardless of whether Fīrūz’s recollections are correct, there was certainly increasing economic and political pressure on Sharīf-Imāmī’s Government and it appears the Shah saw the need to take action to remedy the situation, which may have involved Amīnī.

On 7 January Istakhr reported that the Shah received Amīnī after the latter’s return from Europe. Amīnī informed the Shah that he would not be standing as a candidate in the re-run of the elections to the 20th Majlis. Both Helmut Richards and Prof. T. Cuyler Young note that this led to speculation that Amīnī had struck ‘a deal with the Shah.’ Istakhr wrote that ‘it is believed that the Shah proposes to offer Dr. Amini an executive post… after the elections.’ As the showdown between the government and the people approached it was reported in Mihr-i Īrān that Amīnī was ‘received in audience for an hour’ with the Shah on 29 April. This led to more speculation. Amīnī did not give much information to the press until an exclusive interview with Khāndanīhā on 3 May, which was published on 9 May. Amīnī stated that he had voiced his opinions comprehensively to the shah on the current political and economic situation of the country. Amīnī’s meetings appear to indicate that the Shah saw a role for Amīnī. Given the current climate the Shah may have both sought Amīnī’s views and seen a role for him in helping to create a better impression with the Kennedy administration and leverage aid from the United States for which Amīnī had precedent. Whatever the reasons, Amīnī was well placed to capitalise on the disturbances that took place during the following days.

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178 Dunyā, 19th Issue, 1342.
179 Martin Herz, ‘Memorandum for Mr. Thacher and all POL Officers: “Last Will and Testament” concerning my contacts’, Secret, September 9, 1967, Documents of the US Espionage Den (cited in future as DUSED), Vol. 17, pp. 1-89 (p. 5) – A profile of Shāhrukh Fīrūz states that ‘this man should be kept at arm's length, for he is an amateurish dabbler in politics.’ However, Hugh Arbuthnott, Third Secretary in the Chancery in Iran 1961-64, mentioned to the author that Fīrūz was ‘very pro-British’ and approached the British, including himself, on many occasions. Fīrūz apparently said ‘you must not give way to the Americans.’ – Hugh Arbuthnott interview with Author, London, 12 August, 2015 (cited in future as Hugh Arbuthnott interview).
182 Khāndanīhā, 19 Urdf'bihtisht 1340 [9 May 1961].
183 Blake, pp. 105-106 – in 1957 Amīnī intervened with the US Export-Import Bank resulting in the Bank waiving a specific article in their agreement on a previous loan, thus enabling Iran to obtain a loan of $75 million from the World Bank.
On Sunday 30 April, Minister of Culture Jahānshāh Šāliḥ, presented a Bill for a new salary scale for teachers. However, this wasn’t enough to placate them and in anticipation of a nationwide strike by secondary school teachers the Government arrested Muhammad Dirakshish, Head of the Mihrīgān Club (Teachers Society). This resulted in around 2,000 teachers and students marching on the Ministry of Education on 1 May carrying placards demanding the release of Dirakshish, salary increases above those presented by Šāliḥ and the resignation of the Sharīf-Imāmī Government. On 2 May in Bahāristān Square a crowd of several thousand, including striking primary and secondary school teachers, were protesting peacefully. However, there were some disturbances and police opened fire injuring a few teachers, one of them fatally, namely Dr ‘Abd al-Ḥusayn Khān‘alī. This was a key moment in the demonstrations. The British made two crucial points: Would the National Front throw its support behind the striking teachers? And, would the army fire on the demonstrators if tested? The latter was especially important in maintaining the Shah’s prestige. The situation reached a critical point on the 4 May when demonstrations in Tehran were ‘the largest since Mossadegh’s day.’

Castiglioni, Warne and Cottam all state that the Shah dismissed Sharīf-Imāmī on 4 May. In actual fact, Sharīf-Imāmī himself submitted his resignation to the Shah via Court Minister, Ḫusayn ‘Alā, and was summoned to the Royal Palace soon after. Abbas Milani cites a personal interview with Deputy Director of SAVAK Gen. Ḥasan ‘Alavī-Kiyā, recalling the heated exchange between Sharīf-Imāmī and the Shah. The former was annoyed that he had been humiliated in the Majlis, and the Shah, ‘tired... anxious and angry,’ tried to persuade Sharīf-Imāmī to stay for at least a

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186 Edward T. Wailes, Tehran to Secretary of State, Washington D.C., Confidential, May 2, 1961, NACPM, RG 59, CDF 60-63, Box 2089, 788.00/5-261.
187 *Kayhān*, 12 Urḍībihisht 1340 [2 May 1961].
188 *Iftīlā‘ūt*, 13 Urḍībihisht 1340 [3 May 1961].
190 NIE 34-2-61, ‘Short-Term Outlook for Iran’, Secret, May 29, 1961, National Security Archive (cited in future as NSA), Record No. 48684, FOIA Request 20131012CIA144. – FOIA
192 Īraj Āmīnī, p. 257.
few more days. Gen. ‘Alavī-Kiyā stated that he heard the heated discussion as he was listening outside the door to the room. Sharīf-Imāmī declined to stay on, which left the Shah contemplating his next move. At some point on either on 3 or 4 May Gen. Tiymūr Bakhtīyār was ‘closeted for several hours with the Shah,’ and it is possible he was offered the position of prime minister, though he was apparently ‘reluctant to accept the post.’ Late in the evening of 4 May 1961, the Shah was reportedly ‘extremely upset’ at which point Gen. Ḥasan ‘Alavī-Kiyā intervened, conferring with the Shah ‘for three hours’ and ‘is supposed to have pressed for the appointment of Ali Amini’, which reportedly meant that ‘the Shah offered Amini the Prime Minister’s post late that night.’ It was at this juncture that the United States became alarmed and the situation was escalated to the White House.

Soon after the Shah had been privately conferring with Gen. ‘Alavī-Kiyā and seemed to have decided to offer the Premiership to Amīnī, Admiral Arleigh A. Burke, Chief of Naval Operations, contacted the Joint Chiefs of Staff (JCS) Duty Officer in Washington via ‘back channels’ at around 10pm EST (5:30am in Tehran), to get an urgent message to the President regarding the situation in Iran. Brigadier General Chester V. Clifton, President Kennedy’s Military Aide, stated that he read the message and at 10:50pm saw that President Kennedy had retired for the evening. Gen. Clifton then called Admiral Burke at around 11pm. The latter stated that President Kennedy ‘had been worried that things had been happening that he isn’t informed about,’ however suggested not to wake the President to show him the message unless ‘additional vital news from Iran came in during the night.’ There is no further information to indicate that the President was awoken during the night, so would have woken on the morning of 5 May to receive the message.

The message sent by Admiral Burke, with information supplied by Gen. Fath Allāh Mīnābshīyān, detailed the seriousness of the situation. It is worth noting that

198 A. Milani, The Shah, p. 251. – Milani states that Admiral Arleigh Burke’s report arrived at 5am with the President waking at 9am to receive the news, which is wrong. Gen. Clifton received the news around 10pm EST (5:30am in Iran)
Gen. Mīnbāshīyān, who attended the Infantry School at Fort Benning U.S.A., commanded ‘one of the three important formations located in Tehran’ and was regarded as one of the Shah’s ‘main props in the capital.’ He was also reported by the British as appearing ‘very friendly, especially to [the] U.S.A.’

Mīnbāshīyān’s comments illustrate the seriousness of the Shah’s predicament. It appeared that a situation, which the CIA feared, had arrived whereby further demonstrations and the beginning of defections from the government to the demonstrators may ‘start a chain reaction with undetermined results.’ Gen. Mīnbāshīyān confirmed what the US Military Attaché in Iran had heard, that both the Court and Mīnbāshīyān believed that, with the ‘exception of his brigade’ in which Mīnbāshīyān had ‘restricted confidence… owing to his indoctrination of his officers as to their responsibilities to the Government,’ the rest of the Army would not fire if ordered to.

Mīnbāshīyān’s conclusion, which forced the Shah to make a decision, and so concerned the US Military Attaché, was that Mīnbāshīyān ‘considered possible spread of dissatisfaction among the troops to be extremely serious’ and should the combined threat of major demonstrations with the participation of the National Front occur and the security forces refuse to fire, ‘the outcome may gravely threaten the Shah’s regime.’ The CIA also reported that various employees of government ministries along with communist sympathisers, particularly ‘strong in the Ministry of Education,’ were ‘considering joining the demonstration.’

It was this situation, which forced the Shah to accede to Gen. ‘Alavī-Kiyā’s suggestion to appoint ‘Alī Amīnī. The Shah sent for him on the morning of 5 May, so by the time President Kennedy woke Sharīf-Imāmī had gone and the Shah had already taken the decision to appointment Amīnī.

There was still concern in Tehran as the teachers remained on strike, despite considering the resignation of the Sharīf-Imāmī Government a great victory, and a confidential British source stated that there was the potential for the population of the town to ‘climb on the bandwagon’ and join demonstrations planned for the northern

201 Ibid.
203 Ittilā'ūt, 16 Urdu/bihisht 1340 [6 May 1961].
In what was expected to be a potential spark for increased tensions, the National Front turned out at the grave of Mūḥammad Muṣaddiq’s Finance Minister, Maḥmūd Narīmān, on the 40th day after his death. One of the National Front members, Kishāvarz-Ṣadr, announced that the National Front are ‘obedient followers of the constitution… [and] we want to create a white transformation based on human rights… [and the] constitution.’\textsuperscript{205} Amīnī’s appointment was designed to be a concession to the Nationalists, and the US reported that the National Front, scheduled to join demonstrations on 5 May, cancelled such plans once they received confirmation that Amīnī had been appointed.\textsuperscript{206} The opposition also welcomed the dissolution of the 20th Majlis, which was a condition of Amīnī accepting the position.\textsuperscript{207} Amīnī met twice more with the Shah, on the evening of 5 May and the morning of 6 May when he received the official order to form a government.\textsuperscript{208}

On the morning of 5 May in Washington D.C. President Kennedy responded by raising the issue of the formation of a special Task Force on Iran at the 483rd meeting of the National Security Council (NSC).\textsuperscript{209} For the United States the question now was how to react to the new political situation amidst an economic crisis? This will be covered later. For now, having looked at the controversy in the secondary literature, and detailed events leading to Amīnī’s appointment, this section will close by assessing to what extent the US was responsible for both the downfall of Sharīf-Imāmī’s Government and the appointment of ‘Alī Amīnī in what was a critical moment on the road to the White Revolution?

### 2.1.4 Explanation

To conclude this section on US influence in Amīnī’s appointment, there are several points to address. Firstly, whether the US instructed the Shah to appoint Amīnī prime

\begin{footnotesize}
\begin{enumerate}
\item[205] Kayhān, 16 Urdu’bībihisht 1340 [6 May 1961].
\item[207] FISOHA Musāḥīḥīb bā Amīr Ašlān Afsār-Qāsimīlū [Interview with Amir Ašlan Afsār-Qasemīlū], interviewed by Mrs. Mahnaz Afkhami, September 11-12, 1988, Nice, France, pp. 1-63 (p. 8).
\item[208] Khāndanīhā, 19 Urdu’bībihisht 1340 [9 May 1961].
\item[209] ‘Record of Action by the NSC at its 483rd Meeting,’ Top Secret, May 5, 1961, JFKL, NSF, Box 313.
\end{enumerate}
\end{footnotesize}
minister? David Collier concludes this was the case and cites two examples. The first is an interview with William G. Miller, a US official in Iran between 1959-63. Collier selectively quotes Miller, stating: “There was certainly… pressure’ from the United States to appoint Amîni.”\textsuperscript{210} Miller’s full statement reads: ‘There was certainly \textit{that kind of} pressure [emphasis added].’\textsuperscript{211} Miller illustrates how, through previous actions and press coverage, some of it ‘self-promotive,’ Amîni was characterised as someone who ‘had a grip on economic matters… [and] international finance.’ Therefore, US officials viewed Amîni as a potentially ‘good prime minister.’ Miller also states that ‘the Shah was told by the Americans… [that] someone \textit{like that} [emphasis added] seemed to make sense at that time,’ though he does not state that Amîni’s name was mentioned specifically.\textsuperscript{212} In a personal interview Miller recalled that one way in which the Shah knew the US liked Amîni was because the contact between ‘the Americans and the Court was extensive.’ Miller himself used to play tennis with members of the Royal Family who talked to one another, so the Shah would have been aware of US views.\textsuperscript{213}

Collier’s second source is an interview with former CIA Station Chief, Col. Gratian Yatsevitch. Collier states that ‘in a meeting with the Shah, the [US] ambassador, Edward T. Wailes, stated “by name” that Amîni should be appointed prime minister, whilst a senior CIA official confirmed that the American position was “made clear”.’\textsuperscript{214} As with Miller, this is not as clear-cut as Collier implies. Yatsevitch answers ‘yes’ to the question of whether it would have been Edward T. Wailes who suggested Amîni ‘by name’ to the Shah, having first stated it was ‘not me’ (followed by laughter).\textsuperscript{215} However, upon examining the recollections of other US officials, none claim that Amîni was suggested to the Shah by name. Secretary of State, Dean Rusk, stated: ‘I’d be surprised to learn that we had tried to advise or to push the Shah to name one rather than another as prime minister… [and] such things as the actual

\begin{footnotes}
\item[210] Collier, p. 462.
\item[212] Ibid.
\item[214] Collier, p. 462.
\end{footnotes}
choice of prime minister would be simply beyond our reach."²¹⁶ Assistant Secretary of State for Near East and South Asian Affairs (NEA), Phillips Talbot, states: ‘I certainly don’t remember that we were ever crass enough to say to him, “look, this is the man for you to put in’."²¹⁷ The most significant comment may be from NSC staff member, Robert Komer, who stated: ‘Let me simply say that I do not recall the U.S. having much role in the original [emphasis added] appointment of Ali Amini.’²¹⁸ This is telling because Komer may be implying that another actor or actors intervened to ensure Amīnī’s appointment in May 1961.

The second point of contention is whether there was any covert action on the part of the CIA or others to ensure a change of government? Although one must consider the history of the CIA in Iran from the early 1950s, there is no evidence to suggest that the strike and demonstrations in early May were a result of US intervention. Insofar as their main priority was to prevent Iran falling under Soviet influence, one can only make a case for covert action if (i) there was a real threat that the Shah may turn to the Soviets and make political concessions in return for economic assistance, (ii) Soviet subversion in Iran had reached dangerous levels, (iii) the internal situation was such that Iran was on the verge of collapse, or (iv) the CIA concluded that any operation had a high chance of success. As it stands there is no evidence this was the case and the risk of covert action to replace a government that was already tied to the West with one more amenable to economic development would have been too big. However, in reaction to Amīnī’s appointment contingency plans were discussed. In addition, between 1961 and 1963, the United States, in support of both Amīnī and the Shah, worked to prevent several coup attempts.

The US took steps to discourage Gen. Tiymūr Bakhtīyār from initiating action against Amīnī’s Government only a few weeks after his appointment. During the same period Gen. Ḥājjī-‘Alī Kiyā approached the US Embassy through an intermediary stating his willingness to initiate a coup with US support or give full support to a US instigated coup, but was equally rebuffed.²¹⁹ Although keeping their

²¹⁶ FISOHA, interview with Dean Rusk, by William Burr, Athens Georgia, 23 May 1986, pp. 1-46 (pp. 11-12).
options open, the US turned down a proposed coup by former G-2 Commander, General Valī Allāh Qaranī.\textsuperscript{220} In early January 1962, the US Army Attaché in Tehran reported on a conversation with General Qaranī (known as ‘Iran 918’) who reported that his group’s military and civilian support was increasing. However, the estimated personnel losses at this point were between 25 and 35 per cent, which was too high. Qaranī stated that ‘when the group is able to estimate a percentage loss to be less than 10%, they (group) will be in [a] favorable position to act.’\textsuperscript{221} The US chose not to act. Lastly, one CIA official was instructed to monitor the activities of Ayatollah Khumaynī in 1962 and it was discovered that he approached the National Front in 1963 to join him in a coup against the Shah. The National Front turned down Khumaynī, but the smaller National Resistance Movement, led by Mahdī Bāzargān went along with him. The US, again, prevented this coup attempt.\textsuperscript{222}

The third point of contention is whether an amount of money was offered, or aid held back, on the proviso that Amīnī be appointed? Abrahamian, Bill, Parsa and Collier make such a claim. Collier claims that the new Kennedy administration ‘made it known that future American aid to Iran depended upon the appointment,’\textsuperscript{223} This claim has its roots in oft-quoted comments that were made in an 1985 oral history interview by US official in 1961 and later US ambassador in Iran Armin Meyer, who in response to the question of whether the Shah may have been offered money as an inducement stated: ‘Aid money… the amount of aid, the 30 million or whatever it was, was conditional on certain things. One of them—whether it was explicit or implicit—was that Amini be prime minister.’\textsuperscript{224} The conclusion of this thesis is that Meyer’s statement has in actual fact nothing to do whatsoever with the original appointment of Amini in May 1961. Rather, Meyer referred to a moment in November 1961 when there was indeed US pressure on the Shah to retain Amīnī in office. The ‘30 million or whatever it was’ that Meyer refers to corresponds neatly to $35 million in assistance given to Amīnī’s Government in November along with advice from both the US and British Ambassadors telling the Shah firmly that his

\textsuperscript{220} Retired CIA Officer interview with Author, Washington D.C., June, 2014. (cited as CIA Officer Interview in future)
\textsuperscript{221} Col. Carl M. Poston, Tehran to Assistant Chief of Staff for Intelligence, Washington D.C., ‘Iran 918 Group (Qarani)’, Secret, January 3, 1962, NACPM, RG 59, NEA Iran Desk 58-63, Box 7. – FOIA
\textsuperscript{222} CIA Officer interview.
\textsuperscript{223} Collier, p. 462.
interests lay in retaining Amīnī for the time being. This will be discussed in detail in chapter 3. With regards the claim made by James Bill, Misagh Parsa, Homa Katouzian, James Goode and Ervand Abrahamian\textsuperscript{225} of the US using aid as leverage and delaying such assistance to Iran, section 2.3.1 Economic Assistance describes how such assistance was delayed for a number of reasons that can be explained without reference to US efforts to pressure the Shah.

In sum, there is no evidence to support the claim that it was direct US intervention, which led to Amīnī’s appointment. However, there are still unknowns and there may have been a foreign hand involved, just not the obvious one. Could the proverbial ‘hidden hand of the British’ have been involved?

The Shah remains the most important piece on the board. If he falls, the game is over.\textsuperscript{226}

As demonstrations gathered pace it was reported that if the internal situation makes the Shah more anxious to turn to the Russians, British Ambassador Geoffrey Harrison was instructed to act along agreed lines without prompting.\textsuperscript{227} On 5 May, at a meeting in the British Embassy in Tehran, Harrison reported that ‘it was believed, though not confirmed, that the Shah had… called upon Dr. Ali Amini to form a new Government.’\textsuperscript{228} However it is the points Harrison is trying to clarify, which make for interesting reading. Harrison wished to clarify whether there were ‘issues on which there might be some slight difference between the Foreign Office and the Embassy.’\textsuperscript{229} Harrison asked whether the British Government would ‘mind if Iran slipped into neutrality?’ R. Stewart Crawford, Assistant Under-Secretary for the Middle East and Africa region, emphasised the importance of Middle Eastern oil supplies and the fact that this was currently ‘protected by CENTO in the north and by

\textsuperscript{225} Bill, \textit{The Eagle and the Lion}, p. 143; Parsa, pp. 135-159 (p. 140); Katouzian, \textit{Political Economy}, p. 318 – Katouzian states that the United States ‘made the extension of further support… conditional on political and economic reforms’; Goode, ‘Reforming Iran,’ 13-29 (p. 16) – Goode claims that President Kennedy chose to ‘delay aid to Iran’; Abrahamian, \textit{Iran Between Two Revolutions}, p. 422 – Abrahamian states that the Kennedy administration offered $85 million ‘on condition that the shah brought liberals into the cabinet and took meaningful steps to implement land reform.’


\textsuperscript{229} Ibid.
the barrier of antiquity in the West (i.e. Saudi Arabia)... [and] must be maintained.'

Harrison welcomed this statement. Harrison also wanted official confirmation on whether Britain 'should play a more active role in advising the Shah on internal affairs.' A few weeks later, Crawford wrote that 'this has of course been overlaid by consideration of recent events but the Ambassador still would like a reply from us on the point of principle regarding interventions.' An interpretation of these comments could be that by insisting on clarifying whether a more active role in advising the Shah was something the Foreign Office wished to see, Ambassador Harrison was seeking retroactive approval for actions already taken, i.e. advising the Shah.

A file released in 2007 shows a conversation on 9 January 1961, between Arthur Kellas, Counsellor at the British Embassy in Tehran, and Engineer Manūchīhīr Bayglarlī regarding the latters’ views on the machinations of the Iran Party. Kellas found Bayglarlī’s reports ‘circumstantial,’ believing he was possibly ‘slightly off his head.’ However, it is not the details of Bayglarlī’s claims, which make for interesting reading but one unrelated point, which happens to come up in their conversation regarding Gen. Ḥājjī-‘Alī Kiyā. Bayglarlī informs Kellas that he was in contact with Gen. Ḥājjī-‘Alavī-Kiyā over his investigations into the Iran Party and the pursuit of a job in the NIOC, to which Kellas’s reply was that he hopes Mr. Bayglarlī does not persuade Gen. Ḥāvāvī-Kiyā that he is in regular contact with Mr Kellas. With this in mind, a British file released in 2013 gives personality reports for key military figures, including Gen. Ḥājjī-‘Alī Kiyā, Gen. Nādir Bātmānqīlīch, Gen. Tiymūr Bākhfrīyār, and others. A notable absentee is Gen. Ḥājjī-‘Alavī-Kiyā. One must be careful to speculate with inconclusive evidence, but when asked directly why it was specifically Gen. Ḥāvāvī-Kiyā who in the crucial hours of the night of 4 to 5 May 1961 pressed the Shah to appoint Amīnī, one ex-CIA official present in Iran at the time replied to the author of this thesis, ‘well, if he did it was at the instructions of

230 Ibid.


232 Minute by Arthur R. H. Kellas, 'Mr. Manuchehr Beiglar', Confidential, January 9, 1961, TNA, FO 248/1581, No. 1014/61. – Released in 2007

233 Ibid.

the British.' This is merely one source, which cannot be corroborated at the moment. However, other newly released files also shed new light on British support for Amīnī.

Homa Katouzian speculated in 1981 that in all likelihood ‘Britain was not sympathetic to Amin,’ citing the potential impact of land reform in eliminating the landed class (notoriously pro-British) and threatening the Shah’s position. In fact, the British analysed Amīnī’s appointment at the time ‘as being a good thing’ as illustrated in newly released reports. Hours after the Shah chose Amīnī, George F. Hiller, Head of the Eastern Department in the British Foreign Office, wrote in reply to the comments of Denis Speares at the British Embassy in Washington that in his opinion Iran Desk Officer John Bowling, was ‘a bit complacent’ regarding the current disturbances in Iran. Hill wrote that: ‘The danger is not so much the strength of the Radical Nationalists as the widespread discontent to which they can appeal… [but] Amini may however be able to reduce the latter.’ Newly released files also shed light on the lengths Britain went to support Amīnī. John B. Ure, an officer with an unconfirmed post at the British Foreign Office, described the Shah-Amīnī combination as ‘our best prospect’ of holding the situation and sought to utilise British, Iranian and other media to promote Amīnī’s Government, illustrate the advantages of CENTO and the dangers of neutralism. News Department was to stress to the British press, including The Times, the ‘more constructive aspects of Dr. Amini’s programme’; B.B.C. Persian would be strengthened and the B.B.C. itself briefed on the best lines to take while avoiding quoting criticism of the Iranian regime; and, articles were to be placed in the foreign press, which would be picked-up and re-printed in the Iranian press.

In conclusion, regarding agency for the appointment of Amīnī, the sources that are available at the time of writing suggest that the Americans were not directly responsible for it, even though they had a high opinion of Amīnī and were more than

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235 CIA Officer interview – It must be noted that the officer stated: ‘I would suspect, at very senior levels in both Governments, it was agreed upon to press for ‘Alī Amīnī as Prime Minister.’

236 Katouzian, Political Economy, p. 314.

237 Hugh Arbuthnott interview – Hugh held the position of Third Secretary in the Chancery in Tehran between 1961-64.


239 John B. Ure, ‘Publicity Work Connected with Iran’, Secret, June 1, 1961, TNA, FO 953/2026, P 1344/3/G. – FOIA

240 Ibid.
happy seeing him ascending to the Premiership. Thus it appears that the decision to appoint Amînî was the Shah’s, all be it due to the duress of a crisis situation. Yet, what still needs to be explored further if and when more primary sources become available is the question of British involvement in Amînî’s appointment.

2.2 Amînî’s Plan and Team

Once Amînî had entered office the momentum shifted as reform began to take hold and the Kennedy administration reacted by reformulating their policy towards the new government. Before looking at US policy towards Iran after Amînî’s appointment we must firstly look at what government the US would be supporting. In helping to determine agency for the reforms introduced by Amînî’s Government the following sections will look at Amînî’s plan and team. This will centre on the following questions. Did Amînî enter office with a detailed plan of reforms, and if so what were they? How did Amînî constitute his team? How did key members of Amînî’s Cabinet impact on his and US hopes for the direction of reform? And, how does the nature of Amînî’s Government reflect the strength of his position and limits of US influence?

2.2.1 Amînî’s Plan

Ambassador Holmes stated that the appointment had ‘caught him [Amînî] unprepared for the job both as regards having a programme and a nucleus of capable individuals.’ Amînî had ‘prepared no specific programme in advance… [and] sought to gain time by the promise of reforms amounting to a ”White Revolution”.’ In fact, Amînî did have a plan, though it was more a blueprint than a detailed programme. Amînî outlined a broad plan to the Iranian press in August 1960, presenting what his son calls more ‘a plan for a candidate for prime minister than for a member of parliament.’

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243 Īraj Amînî, p. 183.
written a manifesto during the election campaign containing a general outline for social, economic, and political development.\textsuperscript{244} Details of this were printed in Kayhān and included various points under seven headings: ‘Fundamental Rights; Culture; Agriculture and Land; Economy, Industry and Foreign Trade; Financial Reforms and Budget; Judicial Security and Independence of the Judiciary System; And Social Reforms.’\textsuperscript{245} Amīnī had a blueprint rather than a detailed plan. As part of Amīnī’s campaign to promote himself as a future prime minister, Shāhrukh Fīrūz supposedly used his connections to advertise Amīnī’s plan for ‘political, economic, and social reforms amongst people’ in the bazaar, Qum, Mashhad and elsewhere.\textsuperscript{246} Amīnī’s ideas were, thus, well known.

Amīnī’s sudden ascent to power meant he needed time to work out the finer details, but still needed to present his government’s platform to the people. Amīnī announced his 15-point plan on 11 May and initial reports indicated it mirrored many US recommendations, including tax reform, control of inflation and some type of land reform.\textsuperscript{247} Details of the plan were transmitted from the US Embassy in Tehran to Washington D.C. and elsewhere on 15 May and are displayed in Appendix A. For realising his programme Amīnī required a dynamic team willing to pursue reform with vigor.

\subsection*{2.2.2 Amīnī’s Cabinet}

In his first press conference Amīnī stated that ‘he needs time and studying for choosing… [a] strong cabinet, and the introduction of the new cabinet would take one week.’\textsuperscript{248} A CIA bulletin a few days after Amīnī’s appointment quoted him as saying that the current government is ‘packed with incompetents’ and ‘ineffective’ to the point where ‘major reorganization is required practically everywhere.’ The bulletin concluded that Amīnī’s primary concern was to ‘assemble a capable group to put the

\begin{footnotesize}
\begin{enumerate}
\item \textsuperscript{244} Lājivardi, p. 101.
\item \textsuperscript{245} Kayhān, 12\textsuperscript{th} Murdād 1339 [3 August 1960] – Quoted in Īraj Amīnī pp. 184-185.
\item \textsuperscript{246} Fīrūz, p. 551.
\item \textsuperscript{247} CIA Bulletin, 'Iran', May 12, 1961, CREST, NARA, CIA-RDP 79T00975A005700150001-2.
\item \textsuperscript{248} Khāndanihā, 19 Urdī'bihisht 1340 [9 May 1961].
\end{enumerate}
\end{footnotesize}
ministries on a proper working basis without losing the Shah’s confidence [emphasis added].”249 With a few exceptions, Amīnī named his Cabinet on 9 May 1961.

Amīnī asked Muḥammad Dirakhshish to be Minister of Education, but the latter was slow to take up the position and in his memoirs writes that he was not ready for the job but Amīnī insisted.252 Later, ‘Abd al-Ḥusayn Bihniyāḥ was appointed Minister of Finance and Ṣafī Asfiyāḥ was named Director of the Plan Organisation. Interestingly, most of the key persons whom Fīrūz names as Amīnī’s co-conspirators were named in his cabinet,253 or were persons associated with Amīnī in previous years. However, there were some exceptions, which appear to have been made as a compromise with the Shah. Firstly, Gen. Naqdī and Gen. Amīr ‘Azīzī retained their positions as Minister of War and Minister of Interior respectively. In addition, Amīnī accepted the will of the Shah and retained Ḫūsayn Quds-Nakha’ī as Minister of Foreign Affairs. Amīnī was also conscious of the need to retain the support of the clergy as Abū al-Ḥasan Bihniyāḥ (brother of Amīnī’s Finance Minister) recalls that Amīnī had a religious adviser, Abū al-Ḥasan Sharīf Ul‘Ulamā Khurāsānī. Amīnī would visit mosques, have contact with various mullahs,254 and even went on a pilgrimage to Mecca during his premiership. In the main, those closely associated with Amīnī were given positions in his cabinet. One consequence was to make enemies of Ja’far

250 Ṭaba in fact turned down the Ministry of Health and it was given to ʿIbrāhīm Rūyāḥī.
251 In June 1961, Pūrhumāyūn was replaced as Minister of Commerce by Jahāngīr Amūzgār.
252 ḨOHP Musāḥibih bā Muḥammad Dirakhshish [Interview with Mohammad Derakhshesh], interviewed by Zia Sedghi, Chevy Chase, 29 June 1983, Tape 2, pp. 1-26, (pp. 23-24).
253 Fīrūz, pp. 550-552+564-565.
254 ḨOHP Musāḥibih bā ʿAbū al-Ḥasan Bihniyāḥ [Interview with Abolhassan Behnia], interviewed by Zia Sedghi, June 15, 1984, Nice, France, Tape 1, pp. 1-24 (pp. 17-18).
Bihbahānī and others who were not given positions. The other was to sacrifice ability for loyalty.

Amīnī has been criticised for appointing ʻAtā Allāh Khusravānī as Minister of Labour, instead of retaining his predecessor, Aḥmad-ʻAlī Bahrāmī. The latter was known to have a good academic and administrative background, whereas Khusravānī apparently failed his high school diploma exams six times. Dirakhshish has also been accused of not being worthy of the Ministry of Culture, and the comments of some of his Ministers and representatives of the Near East and Ford Foundation support this view. ‘Abd al-Ḥusayn Bihniyā was also viewed as a questionable appointment. A US report noted that Bihniyā had acquired a ‘rather substantial reputation for dishonesty’ and many American educated Plan Organisation officials expressed criticism at ‘the appointment of someone with a tainted reputation to so crucial a ministry as finance [sic].’ Without a political base of support Amīnī selected from a close circle of compatriots, including friends, family and his collaborators in Munfaridīn. Despite this, some of his most controversial appointments were also the most dynamic.

Arsanjānī, Alamūṭī, and Dirakhshish, held the Ministries of Agriculture, Justice, and Culture respectively; three pillars of Amīnī’s reform programme. In July 1961, the British Military Attaché in Tehran reported that given the strong approach to tackling corruption, especially in the army, it may be necessary ‘to placate the various

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255 Mihrān, pp. 70-72 (pp. 71-72).
256 Ibid., p. 71.
offended groups\textsuperscript{259} by the dismissal of one of the more extremist members of Amīnī’s Cabinet, naming these three ministers in particular. However, the same report stated that Amīnī’s ‘continued survival as Prime Minister could be significantly affected by his choice of their replacements.’\textsuperscript{260} It was unfortunate that, with respect to reform, Amīnī’s greatest assets were also his biggest liability. However, these three ministers played a key role in pushing reforms that helped give rise to the White Revolution.

\textbf{2.2.2.1 Ḥasan Arsanjānī}

Homa Katouzian describes Arsanjānī as a ‘lawyer… journalist, and a former Tudeh sympathizer.’\textsuperscript{261} However, although both parties wanted the Shah gone from power, Arsanjānī is supposed to have said to one of his friends that while the Tudeh Party ‘want to assassinate the Shah… I want to cut the head of the Shah with cotton wool,’\textsuperscript{262} meaning gently remove him. This is perhaps why a CIA report described Arsanjānī as a socialist not a communist, and unlike other members of Amīnī’s cabinet saw no ties between Arsanjānī and the Tudeh Party.\textsuperscript{263} However, he certainly held similar views about the evils of feudalism. Arsanjānī had been writing as such since the 1940s\textsuperscript{264} and in October 1962, the Tehran Journal quoted him as saying that feudalism ‘had been the basis of all the ills of the country… citing the example of India under foreign rule.’\textsuperscript{265} Khāndanīhā noted that the domestic and foreign press named Arsanjānī ‘the only revolutionary member of Dr. Amini’s Government’; someone who will play a key role in the implementation of the ‘revolutionary plans of assigning the limitations of ownership and division of land.’\textsuperscript{266} Arsanjānī certainly lived up to this mantle.

\begin{thebibliography}{99}
\bibitem{260} Ibid.
\bibitem{261} Katouzian, \textit{Political Economy}, p. 215.
\bibitem{262} Mihrān, pp. 70-72 (p. 72).
\bibitem{263} CIA Weekly Summary, ‘Political Implications of Iranian Land Reform’, March 8, 1963, JFKL, NSF, Box 424. – FOIA
\bibitem{264} A. Milani, \textit{Eminent Persians}, p. 88.
\bibitem{266} Khāndanīhā, 23 Urdu‘bihisht 1340 [13 May 1961].
\end{thebibliography}
USAID official Kenneth B. Platt reports that Arsanjānī ‘made speed of movement… a major stratagem of his offensive’ against the largest landowners.\textsuperscript{267} To this end, he was a key member of Amīnī’s Cabinet. However, his particular approach caused problems. According to several accounts Arsanjānī preferred to work independently and was more likely than most to put his own interests above that of the government. Shāhrukh Fīrūz describes him as someone who ‘wouldn’t interfere with other peoples work and would not allow others to interfere in his work.’\textsuperscript{268} This was not simply an approach he took to dealing with his colleagues, it was also embodied in his views of foreign, particularly US assistance. Rey Hill, the Ford Foundation’s representative in Tehran, states that Arsanjānī was happy to receive advisers, but only as sounding boards to argue points with. Arsanjānī spoke with ‘contempt and bafflement of the quality of American technicians’\textsuperscript{269} and singled-out those in the Plan Organisation. Arsanjānī included not only US advisers, but also US-trained Iranians in this group, and said that ‘he does not want or need help from the outside.’\textsuperscript{270} Despite his drive and determination, such traits made Arsanjānī a concern for Amīnī and the United States.

It wasn’t just Amīnī who had grand political ambitions, other members of his cabinet sought power on the basis of some type of popular support. In the case of Arsanjānī this would be through peasant farmers and workers. Ahmad Ashraf states that Arsanjānī’s ‘lifelong ambition and dream was to mobilize and lead a peasant movement… as a power base from which to seize leadership of the state.’\textsuperscript{271} It was clear from the position Arsanjānī took at the vanguard of land reform that he was seeking a radical change. It was even reported that during his time as Minister of Agriculture he was one of only a handful of Ministers since the constitutional period who did not draw their salary. Arsanjānī sent his monthly salary of 25,000 rials to the Marāghih Co-operative Society.\textsuperscript{272} Such ambition made Arsanjānī both an asset and a


\textsuperscript{268} Fīrūz, p. 552.

\textsuperscript{269} Rey M. Hill, Tehran to F. Champion Ward, New York, May 9, 1962, RAC, FFR, Reel C1443, Gen Corr 1962: Iran.

\textsuperscript{270} Ibid.


liability. Kenneth Platt writes that in his single-minded approach ‘the budget of the Ministry of Agriculture was commandeered to the cause almost as a matter of course.’\textsuperscript{273} The impact on Amīnī’s plans for a balanced budget and successful launch of the Third Plan was significant. Ambassador Holmes reported after Amīnī’s resignation that Arsanjānī ‘ran away with the credit’\textsuperscript{274} in pursuit of his aims. In a similar vein, both Alamūṭī and Dirakhshish had their own motives, which clashed with Amīnī’s plans and US hopes.

### 2.2.2.2 Nūr al-Dīn Alamūṭī

Those critical of Alamūṭī’s appointment as Minister of Justice, such as Gen. ‘Abd al-Ḥusayn Ḥijāzī, described him as ‘a communist in disguise.’\textsuperscript{275} Whilst his critics might have had selfish reasons to slight Alamūṭī, this is not too far from the truth. Alamūṭī joined the Tudeh Party after Rīżā Shāh was forced to abdicate in 1941 but left them after the Āzarbāyjān crisis of 1946. Alamūṭī was then a colleague of Amīnī’s in the Justice Ministry before being selected by Amīnī for his cabinet.\textsuperscript{276} ‘Abd al-Karīm Lāhījī, a political activist and former member of the National Front, states that Alamūṭī, ‘an old communist,’ was a ‘very approved judge’ who invited into the Ministry some of the best judges, which sounded a ‘bell of danger for the thieves and looters.’\textsuperscript{277} Indeed, Alamūṭī appeared determined to launch a crusade against corruption, which bode well for the aims of Amīnī’s semi-revolutionary government. However, Alamūṭī did not discriminate, and sought justice not only among the Army and ruling class, but also in the other ministries and Plan Organisation.

It appeared the Justice Ministry under Alamūṭī was now going to be the champion of the underdog for those who could not afford justice, taking it out of the hands of the ruling elite. It was rumoured that 121 people or more had been ‘put on a blacklist’ to be tracked and arrested, and there would be a new judiciary structure.

\textsuperscript{273} Platt, pp. 71-72.
\textsuperscript{274} Julius Holmes, Tehran to Department of State, Washington D.C., July 25, 1962, JFKL, NSF, Box 424.
\textsuperscript{276} Firūz, p. 566.
\textsuperscript{277} FISOHA Lāhījī, pp. 1-75 (p. 14).
with a ‘revolutionary court.’ Alamūtī would indeed act with vigor and arrest many high-ranking generals and other individuals giving Amīnī’s reform programme real momentum. However, Alamūtī’s pull-no-punches approach meant no one was immune and Amīnī, unable to control his Justice Minister, saw the impact of cases being brought against members of the Plan Organisation, which were having a crippling effect on morale and preparations for the Third Plan. Ambassador Holmes expressed concern that numerous investigations had ‘slowed up [the] decision-making process and contributed to [the] discouragement of planners.’ Amīnī did take steps to counter this, but not before the resignation of Ṣafī Asfīyā and Khudādād Farmānfarāyān, Director and Assistant Director of the Plan Organisation respectively. One cannot discount Alamūtī’s impact, but like Arsanjānī his agenda hurt the Amīnī Government as well as US hopes.

2.2.2.3 Muḥammad Dirakhshish

After the Muṣaddiq Premiership, Dirakhshish became a representative from Tehran in the 18th Majlis, established the Mihrigān Club (Teachers Society), and from 1338 led the teachers’ movement of Iran. Abrahamian states that Dirakhshish also ‘drew support from the Tudeh and the National Front.’ Along with his connection to Munfaridīn and Amīnī, Dirakhshish was the appropriate choice for Minister of Culture and appeared determined to use this opportunity. Dirakhshish pursued reforms in primary and vocational education and when he was replaced in July 1962 the new Minister, Parvīz Nāṭil-Khānlarī, utilised certain aspects to form the Literacy Corps. However, his ability was in question, and his reliance on the teachers as a base of support acted as a pressure group with regard wages and positions.

Baker K. Wright, a Near East Foundation adviser working with the Ministry of Education, was not impressed with Dirakhshish whom he believed was there simply to placate the teachers and was ‘not the educator that his predecessor was.’

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278 Khāndanīhā, 26 Urdībhisht 1340 [16 May 1961].
280 Fīrūz, p. 565.
281 Abrahamian, Iran Between Two Revolutions, p. 423.
282 Baker K. Wright, Iran to Lyle J. Hayden, New York, June 14, 1961, RAC, Records of the Near East Foundation (cited in future as NEF), FA406, Box 63.
There were several instances in which Dirakhshish put the wishes of the teachers and his own position ahead of the government. In June 1961, Arthur J. Lewis, a Ford Foundation Program Specialist in Education, reported the concerns of Karīm Fāṭimī, Under Secretary for General Instructions at the Ministry of Education. Dirakhshish had dismissed Dr Qurbān, the Chancellor of Shīrāz University because of the complaints of three former professors opposed to the establishment of Pahlavī University with the three re-instated as a result; Dr. Mashāyikhī, Director General for Instruction at the Ministry, was fired because ‘The teachers don’t like him’\textsuperscript{283}, And, USOM grants and fellowships provided to the Ministry were being ‘allocated… on the basis of patronage.’\textsuperscript{284} Dr Mashāyikhī and Dr Qurbān were later re-instated, the latter due to pressure from the Court, but Rey Hill reported in December that the Ministry was in a poor state.

In the Ministry all provincial education directors are being replaced, it is reported, by members of the Minister’s political party. Their technical competence is not yet known. Key department heads in Tehran have either departed or have been dismissed. Now vacant are the offices of the Permanent Undersecretary, the Undersecretary for Instruction, [and] the General and Parliamentary Undersecretary.\textsuperscript{285}

As a result of instability within the Ministry many Ford Foundation funded projects were abandoned. When Dirakhshish accepted the post as Minister of Culture he did not describe it as an opportunity given to him, rather, he says his Teacher’s Society ‘seized the Culture Ministry’ as a result of their actions in May.\textsuperscript{286} Individual ambition took precedence over the aims of Amīnī’s Government and just as Arsanjānī ran away with the credit so did Dirakhshish. Having increased the teachers’ salaries upon entering office, Dirakhshish resisted Amīnī’s attempt to implement a 15 percent cut in the Ministry’s budget as he had ‘committed himself unequivocally to a rise in teachers' pay.’\textsuperscript{287} Dirakhshish’s concern was that ‘his 80,000-strong power base

\textsuperscript{283} Arthur J. Lewis, Tehran to F. Champion Ward, New York, June 8, 1961, RAC, FFR, Reel R-0814, Grant File: PA 60-240.
\textsuperscript{285} Rey M. Hill, Tehran to F. Champion Ward, New York, December 9, 1961, RAC, FFR, Reel R-0814, Grant File: PA 60-240.
\textsuperscript{286} HIOHP \textit{Dirakhshish}, Tape 2, pp. 1-26, (pp. 24-25).
within the education sector would be severely curtailed\textsuperscript{288} along with his political
ambitions. Dirakhshish, Alamūṭī and Arsanjānī, put their own interests above the
group, which is perhaps no surprise given that they joined (or collaborated) as
independents rather than under a party basis.

\subsection*{2.2.3 A Divided Government}

David Collier argues that Amīnī and his Ministers were forced on Iran along with
Amīnī’s reform programme.\textsuperscript{289} There is no evidence for this. However, if this were
ture the results were not as hoped. Amīnī’s Government was dogged by inter-
ministerial conflict, antagonism between ministries and the Plan Organisation and
Amīnī’s inability to exert control over his government; an indication of the strength
of his position. Amīnī commented that there was a ‘lack of collaboration’ with
employees lacking discipline and pursuing self-interest thereby increasing his
workload.\textsuperscript{290} The impact on Amīnī’s aims and the hopes of the New Frontiersmen
was significant. The reality of Amīnī’s situation and hope for a dynamic but divided
government is another reason why US influence was less than perceived. Ṭāhir
Ziyāʾī, Minister of Industries and Mines under Prime Minister Sharīf-Imāmī, was
sorry to say as a friend of Amīnī that his downfall was due in part to his poor choice
of ministers.\textsuperscript{291} This appears to have been the price for accepting the position at short
notice and possibly part of the deal to bring him to power. This was a collection of
individuals, not a unified team, and their actions demonstrated as such.

While Amīnī and Arsanjānī shared a friendship, their working relationship
was quite different. Both differed on the best approach to land distribution and Amīnī
was faced with a determined Minister with a strong personality. In his single-minded
approach Arsanjānī would neither seek assistance, nor compromise, and near the end
of Amīnī’s tenure the US reported that ‘relations between Amini and Arsanjani are
close to breaking point’ with Arsanjānī regularly skipping meetings of the High
Economic Council and Cabinet. By May 1962, Arsanjānī had become ‘openly

\begin{itemize}
\item \textsuperscript{289} Collier, 456-475 (p. 463).
\item \textsuperscript{290} \textit{Dunyā}, 19\textsuperscript{th} Issue, 1342.
\item \textsuperscript{291} FISOHA \textit{Musāhib ābā Ṭāhir Ziyāʾī} [Interview with Taher Ziya’ī], interviewed by Mahnaz
\end{itemize}
contemptuous of Amini’ and would ‘brook no interference from him or anyone else in land reform or agricultural affairs.’ Dirakhshish also spoke of his time as Minister of Culture as ‘hellish’ with ‘conflict with the Court’ and Amīnī over the ‘work of the Culture Ministry.’ Amīnī also admitted that Minister of Finance Bihniyā had hindered his plans to ‘modernize governmental operations’ including a plan for a consolidated budget and the creation of an independent budget bureau. The reason Bihniyā gave for his resignation was the introduction of the January 1962 Land Reform Law, a measure that others also opposed.

On 9 January 1962, Bihniyā, Alamūṭī, Gen. Naqdī, and Gen. Amīr ‘Azīzī all refused to sign their approval of the new law, meaning it ‘lacked the committed support of the four politically most critical ministries.’ Bihniyā’s brother states that the Minister disagreed and fought with Arsanjānī on this issue, expressing the view that this would harm the country economically. Ambassador Harrison reported another reason for Bihniyā’s resignation was the latter’s objection to ‘the increased scope of the Plan Organization’s activities in overhauling the development budgeting system.’ Manūchihr Gūdarzī, Deputy Director of the Plan Organisation, states that Bihniyā’s objection to the Plan Organisations’ activities meant that he simply did not want to work with him, Farmānfarmāiyān, or Asfiyā. On this both Bihniyā and Arsanjānī were aligned. Bāmsḥād reported lively disagreements between Arsanjānī and the Plan Organisation, with Arsanjānī voicing ‘accusations of inefficiency against the Plan Organisation… shared by many of his Cabinet colleagues, especially Mr. Alamuti.’ Given the importance of the Third Plan for Amīnī and the United States, this was certainly not what was desired, but illustrates the reality of Amīnī’s position and his inability to control his government.

293 HIOHP Dirakhshish, Tape 2, pp. 1-26, (pp. 25-26).
294 Julius Holmes, Tehran to Secretary of State, Washington D.C., Confidential, January 16, 1962, NACPM, RG 59, CDF 60-63, Box 2094, 788.13/1-1762.
295 Platt, p. 71.
296 HIOHP Bihniyā, Tape 1, pp. 1-24 (p. 19).
298 FISOHA Musāḥibih bā Manūchihr Gūdarzī [Interview with Dr. Manuchehr Gudarzī], interviewed by Behrouz Nikzat, July, 1983, Washington D.C., United States, pp. 1-147 (p. 44).
As his premiership progressed it became clear that Amīnī’s position was not as strong or independent as has been supposed. Edward Mason, Dean of the Graduate School of Public Administration at Harvard University, who visited Iran in June 1962, presented a damning verdict on Amīnī’s position. Mason reported Amīnī’s ‘complete failure to assert control over the Government, particularly over the regular spending ministries.’ Mason reported that Amīnī was now ‘practically ostracized by his own officials.’ Geoffrey Wilson, Vice President of the World Bank, who attended several meetings, noticed that ‘members of the Cabinet rather ostentatiously disassociated themselves from Amini.’ It also appears that the Shah, who wanted Amīnī gone, was turning ministers against him, which included a form of ‘courtly humiliation.’ In sum, Amīnī’s position was not as strong as he would have liked, or the US hoped, and the price to pay for achieving his lifelong ambition was a cabinet of individuals, some with strong personal ambitions, who would do what they could to further their own aims at the expense of the government.

The nature of Amīnī’s Cabinet goes to the heart of his promise as the last chance, along with the limits of US influence. Arsanjānī, Alamūṭī and others were key drivers of reform in their respective areas, but Amīnī was unable to exert enough control to direct their efforts. Nonetheless, progress was made and reforms enacted, but to do so Amīnī was reliant on not just the belief, but tangible evidence of US support. For a while, at least, the Kennedy administration was willing to offer this.

### 2.3 The White House Reacts

For fifteen years we’ve pursued an essentially reactive policy. We’ve rushed into the breach whenever a clear threat reminded us of Iran’s crucial position (as in the 1946–47 Azerbaijan crisis, the Mossadegh period, the Shah’s 1958 flirtation with the Soviets, or the May 1961 crisis). But as each was over, we relapsed into an essentially passive acceptance of things.

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300 Edward S. Mason, Massachusetts to F. Champion Ward, New York, June 8, 1962, RAC, FFR, Reel R-0813, Grant File: PA 58-158.
302 William Green Miller interview with Author, Washington D.C., 4 June, 2014 (cited in future as William Green Miller interview); CIA Officer interview.
Warren Bass agrees with NSC official Robert Komer, that the Kennedy administration, in general, ‘reacted to events rather than shaping them.’ This is no surprise given Kennedy’s list of priorities. Except for individuals such as John Bowling and Kenneth Hansen, Iran was not high on the agenda. In Terry Golway and Les Krantz’s chronicle of Kennedy’s thousand days, which details events on every day, while expanding on important developments, Iran is not mentioned once! Israel, Iraq, Morocco even, but not Iran. Benson Grayson lists Kennedy’s priorities upon entering office as Fidel Castro’s Cuba, East Germany, China and Laos, with Iran ‘pushed further to the background.’ Collier is wrong to imply that Iran was high on the agenda with immediate action considered prior to May 1961. It was only after Walter Lipmann reported on his Black Sea meeting with Soviet Premier, Nikita Khrushchev, on 10 April 1961, that Iran was grouped with Laos and Cuba, in the words of Khrushchev, as ‘a worldwide and historic revolutionary movement… destined to bring the old colonial countries into the Communist orbit.’ Kennedy’s focus remained elsewhere until the crisis in May drew his attention.

In the context of the turn of events in May 1961, section 2.3.1 will look at US economic assistance to Iran in the months before and after Amīnī’s appointment. This is in relation to the transformation in US economic and technical assistance under Kennedy and the reaction to Amīnī’s appointment. Section 2.3.2 will look at the reorientation of US policy in support of Amīnī’s reformist government and support for Amīnī personally as an alternate centre of power.

2.3.1 Economic Assistance

Iran faced an economic crisis in spring 1961, which the Iran Task Force named the ‘June crisis.’ This was a result of both an overheating economy and the delay in anticipated financial aid from the United States. Between October and December

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306 Grayson, p. 139.
307 Collier, 456-475 (p. 460).
308 Lippmann, p. 15.
309 ‘Status of Specific Recommendations as Approved by the President’, Secret, August 2, 1961, NACPM, RG 59, NEA Iran Desk 58-63, Box 3.
1960, the Eisenhower administration had approved various forms of economic assistance in anticipation of the new Iranian Financial Year beginning March 1961. This included $50 million to be made available by the International Monetary Fund (IMF), an approved loan of $26.2 million from the Development Loan Fund (DLF), the lending arm of the International Cooperation Administration (ICA), an Export-Import (Ex-Im) Bank loan of $15 million, and $22 million in Defence Support for the military budget. Making a total of $63.2 million in loans and grants plus up to $50 million made available by the IMF in accordance with the terms of the stabilisation agreement currently in place. The loans from the DLF and EX-IM Bank were to be made available by February or March 1961, ‘subject to the current financial difficulties in the lending agencies.’ However, this aid did not arrive until after Amīnī’s appointment, leading to speculation that this was the price for US assistance.

Section 2.1.1 noted several authors, including James Bill and Ervand Abrahamian, who believe US aid was conditional on Amīnī’s appointment and the introduction of reforms. All seem to have been mistaken. As far as the available sources suggest, no such conditions were attached to US aid. Certainly, aid was to fund specific projects for the Second Development plan, but this was not against the wishes of the Iranian Government, nor did the US purposefully withhold aid to put pressure on the Shah as Katouzian and Goode suggest. The latter also gets his dates mixed up as the Task Force was created after Amīnī’s appointment. The reality, as always, is more complicated. There were many reasons for both the delay in aid and the deteriorating economic situation, which can be attributed to faults and changes on both sides. With this in mind, the sections below will answer the following questions. For what reasons was the aid promised to Iran delayed? How did changes to US aid activities affect Iran? How did Amīnī’s appointment alter US lending to Iran in the short-term? And, did the US seek any assurances for the extraordinary measures it took to support Amīnī’s Government?

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311 Kenneth R. Hansen to David Bell, October 18, 1960, Hoover Institution Archives (cited in the future as HIA), Kenneth Hansen Personal Papers (cited in future as KHPP), Box 56.
2.3.1.1 Transition to the Decade of Development

The late 1950s and early 1960s saw the US economy having difficulties. In August 1957, an ‘economic slump’ hit the US along with a decrease in tax revenues which meant a forecast ‘$500 million [budget] deficit.’\footnote{George Brown Tindall and David Emory Shi, America: A Narrative History, Vol. 2, Fifth Edition (London: W. W. Norton & Co., 1999), p. 1485.} The situation worsened and at the beginning of his presidency Kennedy blamed the current recession along with mistakes in his predecessors ‘budget estimates,’ and ‘urgent defense needs for a likely $2.2 billion federal deficit.’\footnote{Golway, p. 29.} This created a negative climate in which to promote foreign aid. Walt Rostow notes how a ‘sharp rise in unemployment to 6.8 percent… anxiety about the U.S. balance of payments,’ along with the budget deficit created a ‘chronic dissidence about foreign aid.’\footnote{Walt W. Rostow, Concept & Controversy: sixty years of taking ideas to market (Austin TX: University of Texas Press, 2003), p. 229.} Kennedy’s Secretary of State, Dean Rusk, recalls that attempts to ‘win congressional approval of our foreign aid requests… were like pulling teeth.’\footnote{Dean Rusk, As I Saw it, First edition (New York, Penguin Books, 1991), p. 402.} This is the situation Kennedy faced when seeking to revitalise US aid.

On 22 March 1961, President Kennedy gave what became known as his ‘Decade of Development’ speech, which set out his plan for transforming foreign aid. Kennedy established his vision for the future, one ‘based on long-range plans instead of short-run crises’\footnote{President John F. Kennedy, 'Special Message on Foreign Aid to Congress', March 22, 1961, Library of Congress (cited in future as LOC), Averell Harriman Personal Papers (cited in future as AHPP), Box 479.} including the consolidation of current foreign aid organisations into a new agency. Kennedy appealed for long-term planning and financing from Congress ‘with borrowing authority… over five years to commit and make dollar repayable loans.’\footnote{Ibid.} Couching it in terms of the benefit to the US taxpayer, Kennedy stated that long-term loans were ‘preferable to outright grants, or “soft loans” repayable in local currencies.’\footnote{Ibid.} Kennedy stated that in a situation where ‘80% of our industrial capacity is now in use, and nearly seven percent of our labor force is unemployed’\footnote{Ibid.} we must not lose markets abroad, which included ‘the procurement
of goods and services of United States origin.\footnote{Ibid.} This was a radical departure from his predecessor as ideas of ‘self help’ and ‘long-term development planning’ was cast in the context of existing organizations such as the ICA and DLF, with a focus on rejuvenating US economic and technical assistance.\footnote{‘Foreign Assistance Act of 1961: Report of the Committee on Foreign Relations', July 24, 1961, CREST, NARA, CIA-RDP 66B00403R000400010003-2.}

Congressional debate on these changes took place during 1961, culminating in the US Foreign Assistance Act of 4 September 1961, which gave Kennedy the ‘five years of treasury-borrowing authority’\footnote{James M. Hagen and Vernon W. Ruttan, ‘Development Policy under Eisenhower and Kennedy,’ The Journal of Developing Areas, 23:1 (1988), 1-30 (pp. 9-10).} he sought, and was endorsed by Nelson A. Rockefeller among others. On 3 November 1961, The United States Agency for International Development (USAID) was created as part of the Foreign Assistance Act, consolidating existing organisations such as the DLF and ICA into one agency. The centrepiece of this new approach was the Alliance for Progress, which provided $20 billion over the next decade to Latin American countries with their commitment to undertake reforms.\footnote{John L. Gaddis, Strategies of Containment: a Critical Appraisal of Postwar American National Security Policy (New York: Oxford University Press 1982), p. 224.} In addition, Kennedy sought to ‘give vigor, purpose, and new direction to the foreign aid programme’ by re-thinking the United States Operation Mission (Point IV), where technical cooperation programmes would continue, but ‘within the framework of a new category, development grants, which will emphasize the development of human resources and the institutions necessary for social and economic development.’\footnote{‘Foreign Assistance Act of 1961: Report of the Committee on Foreign Relations', July 24, 1961, CREST, NARA, CIA-RDP 66B00403R000400010003-2.} The question is, what impact did all this have on Iran in the short term?

The transition to the decade of development arrived at the wrong time for Iran when, ironically, Iran was a prime example for the need for better coordination and administration of development lending. President Kennedy’s Ambassador to India, John Kenneth Galbraith, stated that ‘the present aid organization is diffuse, bureaucratic, [and] too heavily preoccupied with individual projects.’\footnote{John Kenneth Galbraith, Ambassador’s Journal: A personal Account of the Kennedy Years (Boston: Houghton Mifflin, 1969), p. 37.} This was no more evident that in the case of Iran. Foreign aid was a mark of Republican criticism in the 1950s and Iran received significant quantities. This made Iran a prime target for...
attack when a congressional enquiry ‘charged that FOA [Foreign Operations Administration] operations worldwide were often grandiose and wasteful.’ The US General Accounting Office (GAO) subsequently launched an investigation into US aid to Iran, and a report published in June 1961 gave a damning verdict on the economic and technical assistance programme between 1956 and 60. The report concluded that ‘ICA and Iran had continued cumbersome and costly administrative arrangements’ and the programme needed simplifying, including better coordination and cooperation between ICA, DLF and the EX-IM Bank. The frustrations were obvious to those seeking aid and goods from the United States.

During his final months as Head of the Harvard Advisory Group to the Plan Organisation, Kenneth Hansen wrote several scathing reports on current US lending procedures. Hansen remained ‘unimpressed as ever with the general caliber of the staff work being done on the Washington end on the Iranian situation and on the quality of the people who must deal with the nuts and bolts of any particular loan.’

Hansen mentioned the stringent criteria for borrowing under the stabilisation programme, which meant that the last seven applications had been disapproved. Hansen also complained of the need to import US goods as a condition for loans, stating that even the DLF loan of $26 million called for ‘documented imports from the U.S.,’ which put it in the category of an Ex-Im Bank loan. Lastly, Hansen complained that the procedures involved were ‘cumbersome… [and] the additional paperwork and delays inhibit importers attempting to secure goods of a non-luxury nature from the U.S.’ In addition, economic assistance had to be linked to specific projects, which met the lending agencies’ criteria. Therefore, US Foreign Service Officer Jack Miklos acknowledged that the US bore part of the responsibility for the delay in economic assistance.

In our judgment, part of Iran’s current problem is our own doing. We have insisted on a stabilization program and yet our aid has not arrived in time to ease the inevitable strains. We have encouraged Iran to believe it would receive military assistance… far in excess of the amount we have actually provided. We have encouraged it to submit

326 Schayegh, 612–643 (p. 636).
328 Kenneth R. Hansen to David Bell, October 18, 1960, HIA, KHPP, Box 56.
330 Ibid.
projects (which require a vast amount of work and expense to prepare) and then turned them down.\footnote{Jack C. Miklos, ‘Memorandum for Mr. Kerr’, Secret, March 31, 1961, RG 59, NACPM, CDF 60-63, Box 2095, 788.5-MSP/3-3161.}

Iran was a prime example of why Kennedy sought a reorganisation of foreign aid. Unfortunately this was the right answer at the wrong time. Even before the events of May 1961, Iran had the appearance of being a special case in the transition to the Decade of Development. In February 1961, when Secretary of State Dean Rusk spoke to the Shah’s special envoy, Gen. Tiymūr Bakhtiyār, he mentioned the current transition and the ‘unfortunate timing whereby these factors induced uncertainty and inconvenience in Iranian budgetary actions.’\footnote{'Call by General Teimur Bakhtiar on Dean Rusk', Secret, February 21, 1961, FRUS, 1961-1962, Vol. XVII, pp. 33-34} The British reported that Iran Desk Officer John Bowling was ‘dismayed by the implications for Iran of the President's recent statement on foreign aid,’\footnote{D. J. Speares, Washington D.C. to George F. Hiller, London, Secret, March 30, 1961, TNA, FO 371/157636, EP 113145/4.} citing the example of teachers’ salaries, which would not qualify for aid under the new approach. This situation remained after the start of the new Iranian year in March and at the end of April Jack Miklos stated that the current revision in US aid activities meant no assistance could be confirmed under the new arrangements and ‘hoped the Iranians would understand the position.’\footnote{D. J. Speares, Washington D.C. to George F. Hiller, London, Secret, April 21, 1961, TNA, FO 371/157636, EP 113145/5.}

However, part of the blame must be placed with the Iranian Government.

Shortly before he returned to Washington to take up his position as Assistant Director of the Bureau of the Budget, Kenneth Hansen turned his ire on the Iranian Government. Hansen was highly critical of the actions of Minister of Finance Gen. ‘Alī- Akbar Zarghām accusing him of violating the IMF stabilisation agreement and over-allocating ministerial budgets. Gen. Zarghām had not met the Government’s debt reduction targets, or made effective use of an advance in oil revenues or P.L. 480 proceeds, which were to have been given to the Plan Organisation to finance Second Development Plan projects.\footnote{Kenneth R. Hansen, Tehran to Edward S. Mason, Massachusetts, January 17, 1961, RAC, FFR, Reel R-0813, Grant File: PA 58-158.} Iran had obligations under the stabilisation agreement as a requirement for IMF drawing rights and by March 1961, had achieved a debt reduction of only ‘$3-4 million against a goal of $26.7 million,’ in addition to falling...
$2 million short of transferring $10 million to the development budget. It was now deemed ‘impossible for the GOI [Government of Iran] to recover lost ground and ultimately achieve its overall debt reduction goals.’\(^{336}\) The result was a visit by the IMF Middle East Chief, John Gunter, between 21 April and 1 May, who set the Sharīf-Imāmī Government a three-week deadline to provide a programme ‘for emergency coverage [of the] Plan Organization cash shortage problem, overall public sector financial plan, and concrete credit limitation plan for [the] current year.’\(^ {337}\) However, events took hold and it was left to Amīnī to pick up the pieces.

Had events in early May not unfolded as they did there is no indication that US lending agencies would not have worked out a solution with the Iranian Government. However, by 5 May the Kennedy administration had to react not only to the economic crisis but also to a new and highly fluid political situation. Iran could not wait for the transition to the decade of development as it was in a crisis situation and needed to be treated as such.

### 2.3.1.2 Reacting to the Crisis in Iran

Houchang Chehabi states that ‘the new Kennedy administration made further U.S. aid contingent on the enactment of bold reforms.’\(^ {338}\) This was certainly the emphasis of the new approach, however there were provisions to help strategically important countries. President Kennedy did not rule out grant assistance in case of emergency, stating ‘it will be necessary… to provide grant assistance to those nations that are hard pressed by external or internal pressure… [to] maintain their independence.’\(^ {339}\) Iran was in need of emergency assistance, specifically that, which was promised at the end of the Eisenhower administration. Jack Miklos pointed to $85 million in US aid for FY 1339 that, because of a combination of ‘bureaucratic red tape, Congressional and/or parliamentary restrictions, and inefficiency on both sides,’\(^ {340}\) had not found its way into the Iranian Government treasury. This total was a

\(^{336}\) Jack C. Miklos, 'Memorandum for Mr. Kerr', Secret, March 31, 1961, NACPM, RG 59, CDF 60-63, Box 2095, 788.5-MSP/3-3161.

\(^{337}\) SANA, Tehran to DA, Washington D.C., Secret, May 6, 1961, NACPM, RG 59, CDF 60-63, Box 2091, 788.00(W)/5-461.

\(^{338}\) Chehabi, p. 152.

\(^{339}\) President John F. Kennedy, 'Special Message on Foreign Aid to Congress', March 22, 1961, LOC, AHPP, Box 479.

\(^{340}\) Jack C. Miklos, 'Memorandum for Mr. Kerr', Secret, March 31, 1961, RG 59, NACPM, CDF 60-63, Box 2095, 788.5-MSP/3-3161.
combination of the $60.2 million in loans and grants mentioned earlier, plus an additional $12 million loan for the development of a port at Bandar 'Abbās, $13.1 million in PL 480 assistance and a slight adjustment in Defence Support for FY 1339, bringing this up to $21.8 million; giving a grand total of $88.1 million.\footnote{Ibid.}

On 9 May Amīnī remarked to Ambassador Wailes that he ‘would certainly need aid in the near future’ and hoped that the US could provide some sort of ‘emergency fund’ with ‘prompt payments’ to the new government. Wailes’ response was that he was ‘certainly in no position to make any promises.’\footnote{Edward T. Wailes, Tehran to Secretary of State, Washington D.C., May 9, 1961, JFKL, NSF, Box 115a.} The new Task Force had been established in response to Amīnī’s appointment and had not yet produced its report to the NSC (due on 15 May), nor received presidential authorisation on agreed action. In the meantime Iran’s financial situation was deteriorating further with foreign exchange depleting at an estimated $2 million per day and the US Embassy stating that ‘holdings could be exhausted in less than three weeks.’\footnote{Edward T. Wailes, Tehran to Secretary of State, Washington D.C., May 27, 1961, JFKL, NSF, Box 115a.} This situation was compounded by the inability of the Iranian Government to call upon IMF drawing rights, as the events since the visit of IMF Middle East Chief John Gunter had delayed the requirement of putting together a programme of action to deal with the economic crisis. At the end of May Amīnī made a ‘specific request for $40 million in cash’ for Second Plan projects.\footnote{Edward T. Wailes, Tehran to Secretary of State, Washington D.C., May 25, 1961, JFKL, NSF, Box 115a.}

After the Task Force completed its report and met with the NSC on 19 May, the State Department informed the US Embassy that they would authorise a cash grant of $15 million for FY 1340 defense support, and ‘modify US executive procedures to ensure timely flow of development funds’ previously held-up for many months.\footnote{Dean Rusk, Washington D.C. to US Embassy, Tehran, May 25, 1961, JFKL, NSF, Box 115a.} By mid-June the crisis had been averted, the result of emergency measures to push through $25 million from the DLF, a $15 million Ex-Im Bank loan,\footnote{Harold F. Linder, ‘Ex-Im Bank: Report to the Congress for the Period July-December, 1961’, March 23, 1962, Records of the Export-Import Bank (cited in future as EXIM) – FOIA – The $15 million was for the ‘Acquisition and exportation of capital goods.’} plus the remaining $9 million FY 1339 Defence Support, and a further grant of $15

authorised by President Kennedy for FY 1340 Defence Support. In closing, the State Department sent a telegram to the US Embassy in Tehran stating it would be preferable to seek a demonstration of ‘sincerity’ by the new Prime Minister that he ‘intends [to] put [his] own house in order before seeking US aid,’ which would include such points as a ‘determined effort [to] collect taxes, [and] elimination [of] low priority items in [the] budget.’ However, Ambassador Wailes responded that ‘Amīnī’s efforts [to] put [his] house in order will take time and I think that for the moment we will have to be content with assurances.’ The US chose not to apply pressure via aid, but was content to assist Amīnī’s Government. In conclusion, the reasons for the delay in US assistance were:

- The state of the US economy and difficulty in justifying economic aid;
- Conditions attached to loans from the EX-IM Bank, DLF and IMF, such as buying US goods, project criteria and obligations under the stabilisation agreement respectively;
- Poor administration and overcomplicated procedures on both sides; and
- The failure on the part of the Iranian Government to meet its obligations under the stabilisation agreement.

The need to buy US goods and adhere to specific project criteria also hindered progress, though remained US policy under Kennedy in order to justify long-term commitments from US tax payers. However, there is no evidence that any of the various sums of aid at stake as described above were withheld deliberately in order to force the Shah’s hand in the question of Amīnī’s Premiership. The Kennedy administration sought to resolve the overcomplicated, bureaucratic and cumbersome procedures, but this did not help Iran in the short-term. It was in reaction to Amīnī’s appointment that the Kennedy administration, which viewed Amīnī positively, eventually decided to support Amīnī via extraordinary measures to fast-track economic assistance. Yet, it was still Amīnī himself who, in the first instance, had to request assistance, which did not arrive until June.

347 Dean Rusk, Washington D.C. to US Embassy, Tehran, Confidential, June 12, 1961, NACPM, RG 59, CDF 60-63, Box 2095, 788.5-MSP/6-1261.
Thus to be very clear on this issue, let it be stated again: there is no evidence that aid was withheld on purpose by the US in order to put pressure on the Shah to specifically appoint Amīnī. As shown above, there was a plethora of, as it were, ‘natural’ reasons as to why aid money did not flow as expected in the first half of 1961. This state of affairs did of course contribute to creating the crisis situation, in which Iran found itself in early May 1961 and which led to the Shah’s appointing of Amīnī to the Premiership, but this outcome was an unintended consequence of the United States’ problems in the area of aid rather than the result of deliberate actions on the part of the US. However, once Amīnī was in post along with several reformist ministers even though this appointment had been made totally independently of any direct US interference, it appears that the US felt that the arrival at the helm of the government of a person as highly appreciated by them as Amīnī, even though it had occurred without the US having done anything specifically to bring it about, represented an opportunity to stabilise Iran that ought to be seized and thus the US opted for a significant shift in its policy towards Iran. The following section will look at the recommendations of the Iran Task Force and US support for Amīnī’s government.

2.3.2 The Iran Task Force

Several authors, including James Goode, Abbas Milani and Douglas Little, locate the creation of the Iran Task Force prior to Amīnī’s appointment. However, it was only in reaction to Amīnī’s appointment that a Task Force was created and serious policy re-orientation occurred. Before the events in May various reports were produced looking at the future course of Iran. NIE 34-61 concluded that, while in the long term ‘profound political and social change in one form or another is virtually inevitable,’ in the short-term ‘the odds are against such a development’ and the Shah should ‘be able to ride out the present agitation.’ In February 1961, it was recommended that that a small inter-agency group be setup to prepare ‘on a priority basis… [a] program

350 Goode, In the Shadow of Musaddiq, p. 169 – Goode states that President Kennedy was ‘awaiting a report from his task force’ prior to Amīnī’s appointment; A. Milani, The Shah, p. 251 – Milani writes that Phillips Talbot was appointed to head the new Iran Task force prior to May 1961; Little, American Orientalism, pp. 218-219 – Little states that the Task Force was setup to ‘assess deteriorating conditions in Tehran… [and] persuade the Shah to appoint Ali Amini.’

351 NIE 34-61, ‘Prospects for Iran’, Secret, February 28, 1961, NSA, Record No. 48684, FOIA Request 20131012CIA144. – FOIA
of recommended reform measures.\textsuperscript{352} Iran Desk Officer John Bowling produced a detailed report with 14 recommendations that might improve the situation.\textsuperscript{353} However, Bowling’s conclusion was that stability took priority over riskier ventures and the monarchy was a ‘tremendous stabilizing force.’\textsuperscript{354} No serious policy reformulation occurred until after the downfall of the Sharīf-Imāmī Government. The formation of a Task Force was proposed on 5 May at the 483\textsuperscript{rd} meeting of the NSC.\textsuperscript{355}

A list of fifteen individuals invited to become members of the Task Force is given in Appendix B, and the actual composition of the Task Force lineup is given in Appendix C. In addition to its Chairman, Phillips Talbot, and others such as Iran Desk officer John Bowling, future Ambassador to Iran Julius Holmes was also on the list. Holmes was in Washington preparing for his posting when the events of May occurred. One additional name scribbled on the paper in Appendix B is that of Colonel James E. Critchfield, Chief of the Near East and South Asia Division of the CIA, whose name appears occasionally in correspondence. The list of persons attending meetings of the Task Force expands considerably over the following months and at a meeting on 7 September there were 32 individuals, including NEA officials Armin Meyer and Howard Cottam. This recently declassified list, shown in Appendix D, confirms that Col. Critchfield was one of at least two CIA officers on the Task Force. It is also noteworthy that after the first Task Force report the Chairman of the JCS Lyman L. Lemnitzer urged that the JCS assist in determining Task Force policy.\textsuperscript{356} Thus, a large coterie of individuals spread across various agencies and departments were involved in determining future policy on Iran.

The Task Force submitted a comprehensive report to the NSC on 15 May for discussion on 19 May. As a result of recent events, the Kennedy administration came to the conclusion that ‘time has about run out’ and if serious measures were not taken to deal with ‘corruption, incompetence, and social justice… a seizure of power by the

\textsuperscript{352} Sam Belk, 'Position Paper on Iran', Secret, February 24, 1961, JFKL, NSF, Box 115a.
\textsuperscript{353} Bill, The Eagle and the Lion, p. 134.
\textsuperscript{354} Nanes, p. 320.
\textsuperscript{355} ‘Record of Actions by the NSC at its 483\textsuperscript{rd} Meeting’, Top Secret, May 5, 1961, JFKL, NSF, Box 313.
\textsuperscript{356} Lyman L. Lemnitzer, 'Memorandum for the Secretary of Defense', Confidential, May 17, 1961, JFKL, NSF, Box 115a.
military or the National Front is unlikely to be long delayed.' Therefore, US officials sought to influence Iran along a path of economic, social and political development they believed would guide Iran through this troubled period and into the future. The man many officials pinned their hopes on was the new Prime Minister, ‘Alī Amīnī. It was fortunate that his plan mirrored much of what they hoped to achieve. The following sections will focus on both the re-orientation of US policy towards Iran under the new Task Force and support for Prime Minister Amīnī. This will centre on the following questions. What were the recommendations of the Iran Task Force? What were the similarities between Task Force goals and Amīnī’s 15-point plan and what might this mean? And, to what extent did the US seek to support Amīnī as an alternate centre of power and how long did this last?

2.3.2.1 Policy Objectives

Authors have looked at the aims of the Kennedy administration, Amīnī’s 15-point plan and the Shah’s White Revolution and assigned agency to the United States based on the similarities. Andrew Johns states that it is ‘interesting to note that the White Revolution reforms closely resembled recommendations made by the U.S. State Department.’ However, as Afkhami states, ‘the intellectual trick is to equate intentions with results.’ In this instance, the Kennedy administration sought land reform, along with improvements in education, health and so forth, so when reforms were introduced it must have been at the behest of the US! In reality, even though Khrushchev issued a warning to the US through the journalist Walter Lippmann, the Kennedy administration acted only after the appointment of Amīnī and in support of his plan. Ambassador Holmes spoke of the coincidence and good fortune of Amīnī’s appointment, stating that ‘the Amini Government is perhaps the best instrument that could have been forged at this stage of Iranian history.’ Though, it

357 Maurice F. W. Taylor, Tehran to Department of State, Washington D.C., Confidential, June 5, 1961, NACPM, RG 59, CDF 60-63, Box 2831, 888.00/6-561.
358 Johns, 64–94 (p. 68).
359 Afkhami, The Life and Times of the Shah, p. 159.
360 Lippmann, pp. 15-16.
361 Julius Holmes, ‘Transition to International Development’, Confidential, July 26, 1961, NACPM, RG 59, CDF 60-63, Box 2095, 788.5-MSP/6-1261.
is perhaps less of a coincidence as it appears, as Amīnī positioned himself to be the best instrument in US eyes.

When the Task Force submitted its report entitled ‘Review of Problems in Iran and Recommendations’ to the NSC at its 484th meeting on 19 May, it suggested both immediate and long-range actions pertaining to social, economic, political and military considerations. This did not constitute a detailed plan as such, more recommendations for action in support of Amīnī’s government. The rationale that binds all Task Force recommendations is the desire for a ‘controlled revolution.’ This fit with the Kennedy’s administration’s goal of ‘promoting revolutions from above,’ rather than risk an unstable revolution from below. The Task Force concluded that Amīnī was the man to manage this transition. Therefore, the recommendations for ‘Immediate Action’ included fast tracking the long-delayed economic assistance detailed earlier, along with a recommendation that ‘the U.S. reorient its foreign aid program in Iran to put more emphasis on long-range economic development.’ Points one to three of the recommendations for immediate action note US intentions.

1. That the U.S. make a major effort to back the new [Amini] Government in Iran as the best instrument in sight for promoting orderly political, economic and social evolution in Iran
2. U.S. encourage Amini positively but discretely… in such a manner to avoid as far as possible arousing the Shah’s active opposition
3. The U.S. should not favor any military coup against the Amini regime

Points six and seven of the recommendations for further action were part of the vision of the Task Force for ‘long-range developments,’ which would ‘strengthen the fabric of Iranian society.’

6. The U.S., while supporting the Monarchy, as a symbol of unity… actively encourage the Shah to move toward a more constitutional role
7. The U.S. encourage the formation and growth of broadly based political parties in Iran

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362 'Record of Actions by the NSC at its 484th Meeting', Secret, May 19, 1961, JFKL, NSF, Box 313.
364 Latham, The right kind of Revolution, p. 6.
365 'Record of Actions by the NSC at its 484th Meeting', Secret, May 19, 1961, JFKL, NSF, Box 313.
366 Ibid.
367 Ibid.
368 Ibid.
Whilst Task Force position was to go further than Bowling recommended, removing the Shah from power was certainly not ‘very much on the table’ as Milani states. Both the Kennedy administration and Amīnī believed the Shah was important, though policy now dictated he should rein rather than rule. In order to pursue their long-term goals, a decision was taken to keep the Task Force in being for any follow-up action. There were several meetings of an expanded Task Force until the final report by Phillips Talbot in January 1962.

The Task Force supported much of Amīnī’s 15-point plan, specifically points 3, 4, 6, 7, 8, 9, 10, 11 and 13, details of which are given in Appendix F. There were differences, specifically with respect to land reform. However, both the Task Force and Amīnī sought to consolidate development activity into a ‘comprehensive national plan’; both viewing the Third Plan as the necessary vehicle. The Task Force hoped Amīnī would ‘glorify it at as a bold new effort to modernize [Iran], around which all elements of society should rally.’ However, similarities in intentions and US support for Amīnī’s plan does not mean reforms were forced on Iran by the United States. For the Kennedy administration, an opportunity had presented itself, for which they sought to take full advantage.

The goals which we envisage and which we believe to be in the long-term interests of Iran and the Iranian people are wholly consistent and almost identical with those, which the new Prime Minister has publicly declared as his program [emphasis added]. It is recommended that our purpose be to give full encouragement and support to the Government of Iran in carrying out this program.

A salient point was made by Ken Hansen, who stated that ITF recommendations still represented a ‘gamble based on an evaluation that Amīnī’s approach to Iran’s major problems will be generally consistent with our own aid concept and long-term objectives.’ Hansen stated that this gamble ‘could fail’ if either ‘the evaluation was

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From May 1961 to January 1962, the Task Force reviewed its initial recommendations against the progress of Amīnī’s Government and many expressed concern that more should be done to maintain momentum.

In August 1961, the Task Force produced a critical assessment of Amīnī’s progress along with further recommendations. Dean Rusk inquired as to whether any more could be done to encourage progress in Amīnī’s plan and support Amīnī’s goal of bridging the gap with the opposition by broadening his Cabinet. A Task Force report entitled ‘Follow-Up Measures to Support the Amini Regime,’ listed several recommendations to sustain Amīnī as a political force and add momentum to his reform programme. Without such action the Task Force predicted ‘the odds favor his ousting long before his promising reform program can be carried out.’ The report suggested: pressing Amīnī to ‘strengthen his cabinet’; pressing the Shah that ‘his stake in Amini’s success is even greater than ours’; and, asking President Kennedy to write to the Shah, reminding him of Nikita Khrushchev’s remarks at the Vienna Summit in June 1961. It was even suggested getting other nations, such as ‘Turkey and Pakistan to express to the Shah their support of Amini.’ However, there is no evidence these measures were implemented and the initial recommendations had remained largely in tact by the time of the final report.

Phillips Talbot produced two reports on 18 January 1962, the first entitled ‘Goals of United States Action’ (Appendix E), the second ‘Modifications of Approved Iran Task Force Recommendations.’ Talbot stated that, aside some minor modifications, the original recommendations were ‘largely adequate’ and concluded that the US must continue to push the Amīnī Government ‘without shattering it.’

The key headings in the first report are one, four, three and six, which focus on a change in the role of the Shah, economic improvement, and bridging the gap between

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374 Ibid.
377 ‘Talks between JFK and Khrushchev at Vienna’, Secret, June, 1961, JFKL, NSF, Box 424 – When President Kennedy met Khrushchev in Vienna the latter remarked that Iran ‘has become a volcano and changes are bound to occur sooner or later. The Shah will certainly be overturned [sic].’
the government and the people. The points include references to land reform, education, anti-corruption and other points included in Amīnī’s 15-point plan. The second report regarding modifications to the original recommendations only notes changes with regard to political reform. This being a modification of point 7, placing the words ‘as feasible’ between ‘encourage’ and ‘the formation’; a result of the immediate situation being ‘counterproductive’ for the formation of ‘broadly-based political parties.’ Talbot’s conclusion was that recommendations one, two and three for Immediate Action, and six for Further Action continue to be ‘valid… [as] basic policy guidance for the United States Government.’

Many of the social, economic and political recommendations were compatible with Amīnī’s 15-point plan. However, to assume such a connection means that the US instigated this plan is wrong. There is nothing to suggest that these measures were forced on Iran. The limits on US influence will be discussed in Chapter 4. However, this does not mean that the Kennedy administration did not see in Amīnī’s appointment a promising opportunity. The final part of this section will look at US support for Amīnī as a possible alternate centre of power, regardless of whether his plan remained the focus of US support.

2.3.2.2 US Support for Amīnī

While I agree with April Summitt that the US reacted to Amīnī’s appointment by assessing to what extent they should assist the new Iranian Government, I disagree with Summitt’s statement that ‘no one knew whether Amini would be a good ally or not.’ Īraj Amīnī dedicates a section in his book to the legend of the friendship between his father and John F. Kennedy, stating that this friendship ‘did not fundamentally exist.’ However, whether his father only met Kennedy once is missing the point. For those who met him, including Senator John F. Kennedy and Justice William O’Douglas, Amīnī left a favourable impression. The new Prime

381 Ibid.
383 Īraj Amīnī, pp. 227-228.
384 Justice William O’Douglas to Ali Amini, March 6, 1958, LOC, William Douglas Personal Papers (cited in future as WDPP), Box 1718.
Minister appeared to embody what the US hoped for: a ‘non-Mosadeqist’ figure who would likely surround himself with a team of ‘leftist or progressivist [sic]’ individuals and signal a change to a more ‘reformist minded… cleaner’ government. A draft of the first ITF report underlined US faith in Amini, stating: ‘Amini… is probably the most capable conservative politician in Iran [sic].’ Amini appeared to be the right man to manage the crisis and also lead Iran into the future. A few months’ later US officials voiced concern as Amini faced up to hard-realities and failed to cultivate the urban middle-class. However, in the immediate future, Amini appeared not only the last chance, but also a new hope for Iran.

Acting Assistant Secretary of NEA Armin Meyer, noted that the Task Force decided that ‘the Shah, despite his many admirable qualities, had not and probably would not display the political creativity and flexibility’ required to implement a controlled revolution. Several New Frontiersmen wanted the US to assist in ‘glamorizing Amini as a man of the future through a calculated campaign of personal publicity,’ with Amini using radio and television speeches to promote himself as a ‘dynamic reformist.’ The Third Plan would act as a device to build popularity for Amini from which he could then form his own political party to strengthen his position. Gen. Ḥasan Pākravān suggested ‘several times’ that Amini and his supporters should ‘organize a political party in opposition to the National Front.’ However, there was immense caution on any declaration of support for Amini.

There is no indication of US officials explicitly favouring Amini in conversation with the Shah, thus constituting a direct intervention in Iranian politics. In his final audience with the Shah, Ambassador Edward Wailes was instructed by Under Secretary of State Chester Bowles to convey to the Shah that the US was ‘pleased [the] Shah has appointed Ali Amini as Prime Minister’ and ‘hopes and

385 CIA Officer interview.
386 Stuart Rockwell, ‘Possible Leaders in a Coup d-État Government’, Secret, July 20, 1960, NACPM, RG 59, CDF 60-63, Box 2089, 788.00/7-2060.
391 ‘NEA Study of Possible U.S. Actions RE the Long-Term Political Situation in Iran’, Secret, 1961, NACPM, RG 59, NEA Iran Desk 58-63, Box 3.
expects [the] Shah will continue [to] extend full support Primin in overcoming difficulties which confront’ the Government of Iran. Both David Collier and Kristen Blake point to this meeting as a moment when the United States stated its ‘preference for Amini’s rule without impediment… expected the Shah to refrain from personal involvement in politics,’ and that he ‘should support Amini’s efforts at solving national problems.’ The fact is however that the State Dept instructed Wailes to convey to the Shah, in his own way, that the US hopes he will support the prime minister he has selected. The US was very careful not to directly associate itself with Amīnī, especially in the presence of the Shah and couched any support in terms of the benefit to the Shah at this time.

The State Department acknowledged that any ‘public declaration of support by the U.S. for [the] Prime Minister would almost certainly result in the crystallization of the Shah’s fear and suspicion of Amini.’ It is worth noting that a sentence crossed-out at the end of point (d) of the Airgram, but is still readable, states: ‘This risk [a public declaration] might be worth taking if we estimated that Amini’s chances for long-range success were very good… unfortunately, that is not the case.’ This is noteworthy as it represents the State Department’s views, which contradicted official Task Force policy, and would come to the fore several months later. For now, in concluding to what extent the Kennedy administration chose to make their preference for Amīnī clear, the following is worth quoting in full.

The United States has never indicated that the quantity of its assistance is dependent on the appointment to or retention in office of any particular official or officials in Iran… [but] dependent upon the continued execution of a program of economic reform such as the one now being implemented by the Shah and his Prime Minister.

Although the US was careful not to associate itself too directly with Amīnī, the latter knew that without a strong domestic base of support he relied on this perceived closeness to strengthen his position. Amīnī was quoted as saying that ‘Iran will see an

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392 Chester Bowles, Washington D.C. to US Embassy, Tehran, Confidential, June 3, 1961, NACPM, RG 59, CDF 60-63, Box 2090, 788.00/6-361.
393 Collier, 456-475 (p. 463).
394 Blake, p. 151.
evolution toward an American foreign policy which will be more in favor of democracy.'\textsuperscript{397} Collier claims this was part of the Kennedy administration’s plan.\textsuperscript{398} This thesis argues that it was a strategic move on Amīnī’s part to position himself in case the new Kennedy administration sought to apply greater pressure on the Shah and/or the internal situation demanded change. Amīnī believed that if he had the backing of the Americans he had a chance of success.\textsuperscript{399} Amir Taheri even concludes that Amīnī ‘himself fed the myth that he was Kennedy's chosen saviour\textsuperscript{400} to augment his position. When the Shah moved to regain control over governmental operations in the fall of 1961, Amīnī made an indirect appeal to the US through his wife in France. Mrs. Amīnī made it known that her husband ‘would very much like to be encouraged to go to the USA to talk with President Kennedy… [as] such a talk would strengthen Amini’s position in Iran.’\textsuperscript{401} Such an offer was not forthcoming, as this would have sent a dangerous signal to the Shah. Nonetheless, the Kennedy administration continued supporting Amīnī as he continued being seen as a great opportunity, for a while at least.

For Komer and Hansen, their view that Amīnī was the last chance remained until his resignation in July 1962. Komer stated: ‘The thing to get across is that we think Shah must give Amini all-out support as best chance in long time for a controlled revolution in Iran.’\textsuperscript{402} In contrast, Ambassador Holmes, like many in the State Department, while honoring Task Force recommendations, never lost sight of the fact that the Shah was the centre of power and authority. By early November 1961, those within NEA came to the conclusion that Amīnī had not lived up to expectations. Robert G. Miner stated to Phillips Talbot that ‘the past six months… have destroyed, not strengthened, Amini as a promising rallying point of centrist political sentiment, and he is useless as a base for a new dispensation of political power in Iran.’\textsuperscript{403} Amīnī ‘lacked the organizational infrastructure\textsuperscript{404} required to

\begin{itemize}
\item \textsuperscript{397} Harry H. Schwartz, ‘Conversation with Dr. Ali Amini’, Confidential, February 2, 1961, NACPM, RG 59, CDF 60-63, Box 2089, 788.00/1-3061.
\item \textsuperscript{398} Collier, 456-475 (p. 465).
\item \textsuperscript{399} CIA Officer interview.
\item \textsuperscript{400} Taheri, p. 51.
\item \textsuperscript{401} Rene de Chochoir to Walt W. Rostow, October 10, 1961, JFKL, NSF, Box 424.
\item \textsuperscript{402} Robert Komer, ‘Memorandum for Walt Rostow’, Top Secret, August 11, 1961, JFKL, NSF, Box 424. – FOIA
\item \textsuperscript{403} Robert G. Miner, ‘Situation in Iran’, Secret, November 2, 1961, NACPM, RG 59, CDF 60-63, Reel 16 of 16, 611.88/11-561.
\end{itemize}
challenge the Shah and this hadn’t shown signs of changing. The shift from the hope for a new political synthesis to hard reality occurred in the fall of 1961, encapsulated by John Bowling in a report entitled ‘The Real Policy Question on Iran.’

A question of whether one maximizes on long-term possibilities while accepting immediate losses, or maximizes one's short-term possibilities at the expense of greater long-term dangers. My personal preference would be to continue the latter policy... out of a belief that, strange as it seems, supporting the Shah is more ethical from a Western point of view than a Machiavellian hastening of a so-called "democratic" revolutionary trend.\textsuperscript{405}

Collier concludes that ‘short-term stability… did not preclude the United States from shepherding Iran towards democracy and long-term sustainability.’\textsuperscript{406} In fact, short-term stability did take precedent in a volatile Cold War environment and was ‘displacing development as the fundamental goal of American policy.’\textsuperscript{407} As Stephen McGlinchey states, the Task Force dealt in ‘crisis management’ and policy shifted more or less back to ‘that of the 1950s.’\textsuperscript{408} The Kennedy administration continued to support Amīnī and applied pressure on the Shah to retain him in November 1961 (see Chapter 3). However, hope for Amīnī as an alternate centre of power faded, and even though the US still hoped he would remain in office, by July 1962, there was less pressure applied to retain him. Nonetheless, Amīnī’s Premiership remains significant, especially the first six months, as his Government generated momentum, which helped give rise to the White Revolution. In this regard, the final section of this chapter will look at Amīnī’s successes and failures with the implication that, although the US approved of various measures, reform was instigated and directed by Iranians.

2.4 Amīnī’s Government: Generating Momentum

Despite the loss of faith in Amīnī’s chances for promoting political change, there was still much promise in his social and economic reforms, and the success Amīnī’s

\textsuperscript{404} Randjbar-Daemi, 777-781 (p. 780).
\textsuperscript{405} John Bowling, 'The Real Policy Question on Iran', Secret, November 2, 1961, NACPM, RG 59, NEA Iran Desk 58-63, Box 3.
\textsuperscript{406} Collier, 456-475 (p. 465).
Government achieved laid the groundwork for the 6 Bahman Revolution. While many of Amīnī’s efforts faltered during the latter half of his premiership he made some important early gains. There was early success in managing the economic situation he inherited; an anti-corruption drive was pursued with vigor; and, there was movement toward finishing Second Development Plan projects and preparations for launching the Third Plan in September 1962. A Task Force report summarised Amīnī’s achievements as follows.

Public trials of corrupt high officials have begun… through the press and radio, the Third Plan frame has been presented to the public for discussion and comment. A sensible though modest land distribution program of private estates has begun, and a major drive against illiteracy has been launched.\footnote{Task Force Report, Secret, October 9, 1961, JFKL, NSF, Box 426.}

Amīnī’s (or rather Ḥasan Arsanjānī’s) crowning achievement was the introduction of the January 1962 Land Reform Law. Amīnī’s biggest failure was producing a balanced budget. This, combined with the dwindling of his earlier successes, led to his downfall. The following sections will look in more detail at these areas of reform, which the US did not instigate but certainly supported and approved.

### 2.4.1 Anti-Corruption

Amīnī’s experience in the Iranian Judiciary had taught him that ‘a strong, equipped and independent judiciary’ was essential for creating a climate conducive to pursuing ‘social and economic activities.’\footnote{Dunyā, 19th Issue, 1342.} Therefore, tackling corruption was a key stratagem of Amīnī’s Government to restore people’s faith that the wrongs of the past would end.\footnote{HIOHP Bihniyā, Tape 1, pp. 1-24 (p. 17).} Amīnī knew it would take time to work out the finer details and implement the rest of his 15-point plan, so measures to tackle corruption were taken immediately to help create momentum. However, tackling corruption in Iran was no mean feat. Even Asad Allāh ‘Alam, the Shah’s close associate and later Prime Minister, spoke frankly that ‘nepotism, graft, corruption and selfishness exist in the government and around the Shah.’\footnote{Robert R. Schott, ‘Conversation with Asadollah Alam’, Confidential, April 9, 1960, NACPM, RG 59, CDF 60-63, Box 2088, 788.00/4-960} It is perhaps no surprise then that Amīnī’s Government failed in its ambitious target, but for the benefit of Amīnī’s other

\footnote{\text{409} Task Force Report, Secret, October 9, 1961, JFKL, NSF, Box 426.\text{410} Dunyā, 19th Issue, 1342.\text{411} HIOHP Bihniyā, Tape 1, pp. 1-24 (p. 17).\text{412} Robert R. Schott, ‘Conversation with Asadollah Alam’, Confidential, April 9, 1960, NACPM, RG 59, CDF 60-63, Box 2088, 788.00/4-960}
reforms, his own image and that of his government, it was important to act swiftly and strongly. Amīnī and his Minister, Alamūtī, made a statement of intent with the arrest of several hitherto untouchables.

Amīnī arrested Generals ‘Alavī-Muqaddam, Ḥājjī-‘Alī Kiyā, Zarghām and Nafisī on corruption charges. Amīnī stated that the crimes of these men could not be ignored and cited the example of the bus stop in front of Gen. Kiyā’s building, which the people had named the ‘where have you got it from’ bus stop. Amīnī states that after the arrest of Gen. Kiyā there was renewed promise in the government as the people were a little more satisfied that it might at long last be acting in their interests. Given the circumstances, the Shah acquiesced to these arrests in order to ‘calm the situation down.’ Amīnī also acted quickly to institute ‘rigorous controls on the issuance of passports and exit visas’ to prevent officials leaving the country. Ja’far Mahdī Niyā lists various individuals arrested at the beginning of Amīnī’s premiership, possibly from the rumoured list of 121 people mentioned earlier, including one time Munfaridīn member Fatḥ Allāh Fūrūd. Niyā states that the impact of these arrests strengthened Amīnī’s Government, though many were freed after a while. Amīnī’s Government kept up the pressure with Amīnī reaffirming in November that ‘fighting corruption will be continued strongly.’ However, difficulties soon surfaced.

Despite ‘confident’ assurances by Amīnī that there was no doubt of the guilt of Generals Nafisī and Kiyā and convictions would be forthcoming, both individuals were held without bail or trial until March 1962. Amīnī concluded that this was hurting the government’s anti-corruption drive and Iran’s image abroad. Amīnī decided that Gen. Zarghām ‘would be released from custody as it was impossible to try him in the absence of a Majlis’; Muqaddam’s charges ‘would be restated to stipulate that he was being accused as an accomplice rather than a principal offender’;

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415 Ibid.
418 Niyā, p. 457.
419 Ibid.
420 Kayhān, 21 Ābān 1340 [12 November 1961].
and, Kiyā would be ‘tried without delay.’ However, the initial impetus was lost. After Amīnī’s resignation in July 1962, Ambassador Holmes stated that Amīnī’s anti-corruption campaign ‘never achieved the success which the government boasted it would attain.’ However, such moves at the beginning of Amīnī’s premiership were crucial to provide assurance to the Iranian people of the Government’s intentions, as well as justification to the Kennedy administration that it was supporting a government willing to help itself. They were certainly successful for a time, and compare favourably to previous efforts by the Shah.

2.4.2 Managing The Economy

In order to successfully deliver the Third Development Plan; satisfy US demands under the stabilisation program; calm the internal political situation; and, provide Amīnī the potential for political longevity, resolving the economic crisis was an absolute necessity. Unfortunately, Amīnī faced the hard reality that such problems were ‘too deep rooted to lend themselves to quick and clear solutions,’ with the prospect of a further eighteen months before reaching ‘a viable economic and financial situation.’ However, Amīnī pushed ahead and as a result reported six months into his premiership that the foreign exchange position had improved by $90 million, outstanding foreign debts had been partially repaid at $69 million, and he had begun to reduce government expenses. By the time of the final Task Force report in January 1962, Amīnī could point to gains in restricting ‘imports, bank credit, government spending, and wage increases’ and plans for a consolidated budget with a small deficit. However, Amīnī’s last six months proved not as successful.

Having taken steps to bring Iran out of its economic crisis, further measures were required to meet the challenge of balancing the next budget and increasing revenues. Amīnī committed himself to fiscal reforms, increasing revenues through taxation, reductions of around fifteen percent in Ministry budgets and ‘an improved

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422 Julius Holmes, Tehran to Department of State, Washington D.C., Confidential, July 25, 1962, JFKL, NSF, Box 424.
424 Kayhān, 24 Ābān 1340 [15 November 1961].
budget review process.\textsuperscript{426} However, by June 1962, Ministries’ expenditures had increased due to ‘irrational wage increases for civil servants,’; little additional revenue was raised through taxation; development expenditure increased, estimated at ‘22 percent above last year’; foreign and domestic obligations became a burden; and, Amīnī was accused of drifting with regard solving the fiscal problem.\textsuperscript{427} USAID official Robert Macy reported ‘4.5 billion of unpaid bills’ as a result of Amīnī’s Cabinet approving ‘large additional authorizations to spend money after the regular budget was finalized.’\textsuperscript{428} Ironically, Macy concluded it was US grant assistance that ‘encouraged these additional authorizations,’ whilst achieving ‘absolutely nothing in the way of budget and tax reforms’\textsuperscript{429}; a damning conclusion on the extent of US influence. In addition, the fact Amīnī blamed the Americans for lack of aid after his resignation is an example of ‘pocketing the money, doing nothing and blaming others.’\textsuperscript{430} Nonetheless, Amīnī’s efforts in his first six months steadied the ship and gave the Shah a platform to launch his White Revolution.

\section*{2.4.3 Third Plan Preparations}

A stable economic environment and improved fiscal situation were vital for successful launch of the Third Plan. A memorandum for Phillips Talbot in October 1961, confirmed the two most important factors that would determine success: ‘(a) a significant and fairly rapid increase in the level of economic activity… and (b) a planned and reasonably disciplined transfer of resources through better tax measures, budget management, and monetary policy.’\textsuperscript{431} As noted, the Third Plan was seen as the vehicle for both Amīnī’s future and for the United States to exert maximum influence over the direction of reform. Early success with the economy resulted in much promise that the Third Plan could be delivered as hoped, and by the end of February 1962, such promise reached a peak as illustrated by the following report.

\begin{itemize}
\item\textsuperscript{426} ‘Task Force Report,’ Secret, October 9, 1961, JFKL, NSF, Box 426.
\item\textsuperscript{427} Stuart Rockwell, Tehran, to Secretary of State, Washington D.C., Secret, June 12, 1962, JFKL, NSF, Box 116.
\item\textsuperscript{428} Robert Macy, 'USAID Program for Iran,' Confidential, August 31, 1962, NACPM, RG 59, NEA Iran Desk 58-63, Box 5.
\item\textsuperscript{429} Ibid.
\item\textsuperscript{430} Credit for this quote must go to Dr. Shahram Kholdi.
\item\textsuperscript{431} Memorandum for Phillips Talbot, 'New Action Program on Iran', Secret, October 3, 1961, JFKL, NSF, Box 426.
\end{itemize}
Prime Minister Amini and the Plan Organization have *considerably accelerated the pace* [emphasis added] of preparation for the Third Economic Development Plan… establishing the juridical position of the Third Plan, budgetary preparations [and] administrative reforms.\(^{432}\)

However, the same dispatch highlighted two concerns that would become problems between February and the introduction of the Third Plan in September 1962. Firstly, Swihart questioned whether the ‘degree of comprehension’ over budgetary management, tax measures and so forth, existed as strongly in the ‘Cabinet as whole’ as it did with Amīnī and members of the Plan Organisation.\(^{433}\) Secondly, while the IBRD team considered the Third Plan ‘admirably drafted in general terms,’ they believed much work was still needed to present details of specific projects and programmes for consideration for funding.\(^{434}\) As discussed, it was Amīnī’s Cabinet, which both helped drive reform forward, but also frustrate the hopes of Amīnī and the Iranian planners. Alamūtī’s charges against Plan Organisation officials, Arsanjānī running away with the credit with land reform and Bihniyā’s refusal to cede control over the budget caused problems. In addition, Amīnī’s failure to achieve tax increases, fiscal reform and a balanced budget dashed hopes for the Third Plan.

### 2.4.4 Land Reform

A few weeks into his premiership Amīnī ‘served warning’ that the largest landowners ‘could either voluntarily give up vast holdings or see property and themselves swept away in [the] ensuing inevitable revolution.’\(^{435}\) Arsanjānī, in turn, threatened landlords with ‘the inevitability of Communist revolution if they do not rapidly abandon their feudal concept of land ownership.’\(^{436}\) Both set the scene for the break up of the largest estates and establishment of cooperatives as per Amīnī’s plan. By late August Arsanjānī had committees drafting proposals for the amendment of the

\(^{432}\) James W. Swihart, Tehran to Department of State, Washington D.C., Confidential, February 24, 1962, JFKL, NSF, Box 424.

\(^{433}\) Ibid.

\(^{434}\) Ibid.


1960 Land Reform Law and the establishment of a ‘Landlord-Tenant Relationship Law,’ hoping to complete their work ‘expeditiously.’\textsuperscript{437} Arsanjānī wasted little time in singling out the district of Marāghīh in Āzarbāyjān province as the initial test site for the distribution of private estates.\textsuperscript{438} The end result was the January 1962 Land Reform Law. However, events were not so straightforward as there was disagreement between Amīnī and Arsanjānī over the correct approach, which also contrasted with US recommendations (see Chapter 4).

Īraj Amīnī mentions that Amīnī and Arsanjānī had a close relationship\textsuperscript{439} and both sought land distribution and the break-up of the large estates. However, in the present circumstances there were things to consider, such as the economic situation and implications of rapid implementation and attacking the landowners. In this respect both Amīnī and Arsanjānī were at loggerheads and differed with regard the implementation of land distribution.\textsuperscript{440} Amīnī sought to take into account the economic situation and to work with the landlords and consider those willing to make changes. Arsanjānī sought to move fast, aim for wide-scale distribution and launch political attacks on the landowners. Arsanjānī did not seek a ‘mutual, voluntary response between landlord and tenant,’\textsuperscript{441} which he believed would be unattainable, nor time-consuming surveys. In contrast, Amīnī believed the project must be completed on a scientific basis with cadastral surveys and a period of between 15-20 years seemed reasonable.\textsuperscript{442} Amīnī also made it clear that it was not his intention to 'pressure the owners who run their properties well'\textsuperscript{443} but encourage such farmers with seeds, fertilizers and credit to improve the level of production.

Arsanjānī was bold enough to ask the US Embassy for a loan of $100 million in June 1961, so that he could carry out land distribution within two years.\textsuperscript{444} Ambassador Holmes refused this request, and Amīnī told Holmes to ignore it. At the

\textsuperscript{437} Julius Holmes, 'Long-Term Political Situation in Iran: Part II – Economic', Secret, August 27, 1961, JFKL, NSF, Box 116.
\textsuperscript{438} George B. Baldwin, Planning and Development in Iran (Baltimore Md.: Johns Hopkins Press, 1967), p. 94.
\textsuperscript{439} Īraj Amīnī, p. 264.
\textsuperscript{440} Nīyā, p. 469.
\textsuperscript{441} Donald R. Denman, The King's Vista: A Land Reform which has the Face of Persia (Berkhamstead, Geographical Publications, 1973), p. 90.
\textsuperscript{442} Lājivardī, pp. 102-103.
\textsuperscript{443} Kayhān, 24 Ābān 1340 [15 November 1961].
\textsuperscript{444} Julius Holmes, Tehran, to Secretary of State, Washington D.C., Secret, June 15, 1961, JFKL, NSF, Box 115a.
beginning of August an NEA report concluded that Amīnī and his economic planners had decided that ‘economic realities will take precedence over political appeals.’ The State Dept. believed Amīnī had ‘muzzled Arsanjānī and his "death and destruction to landlords" approach in favor of the realistic one of accelerated distribution of public-domain lands and self-improvement by the landlords.’

Amīnī informed CIA Station Chief, Yatsevitch, that Arsanjānī’s ‘thoughtless approach and pronouncements’ had done the cause of agrarian reform ‘a lot of harm,’ while Yatsevitch informed Holmes that sources close to Arsanjānī have informed him that he is now ‘thoroughly disenchanted with Amini’ and has become a ‘bitter critic’ of the Prime Minister. However, Arsanjānī’s drive together with the will of the Shah resulted in the introduction of a new law on 9 January 1962, restricting land ownership to one village regardless of size, making surplus lands available to peasants and tenant cultivators.

British Academic Ann Lambton, called the 1962 Land Reform law ‘one of the most important events which has happened in Persia since the Constitutional Revolution of 1905-6.’ Although large-scale distribution had not been intended as part of the Third Plan, once announced both Amīnī and the US sought to implement land reform within the Third Plan, with a figure of ‘5.1 billion rials (approximately $65 million)… earmarked in the plan for land reform.’ While this was less than the $100 million Arsanjānī requested it was a considerable sum, meaning more pressure to ensure a big enough allocation from Iranian resources for the development budget. The scale and pace of land distribution resulted in a financial burden, which impacted on Amīnī’s efforts to achieve a balanced budget as well as find necessary funds for the development budget. Arsanjānī ran away with the credit and pursued land reform for his own ambitions, which were ultimately superseded by the Shah’s. However, furthering land reform is still regarded as the crowning achievement of Amīnī’s Government.

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445 ‘NEA Study of Possible U.S. Actions RE the Long-Term Political Situation in Iran’, Secret, 1961, NACPM, RG 59, NEA Iran Desk 58-63, Box 3.
448 James W. Swihart, Tehran to Department of State, Washington D.C., Confidential, February 24, 1962, JFKL, NSF, Box 424.
In assessing Amīnī’s achievements the US Embassy concluded that Amini’s Government ‘left a legacy of reform which will be extremely difficult to reverse [sic].’

Despite failure on the political front, the momentum created by the early successes, driven forward by energetic members of Amīnī’s team, created a platform from which the Shah could introduce his own plan. Amīnī himself stated that he had laid ‘a foundation for fundamental reforms.’

What the Shah now wanted was recognition for the reforms he had been propagating for several years, but which Amīnī and his team had begun to introduce. Whether the Shah wanted Amīnī as Prime Minister or not, it was arguably his appointment, which was the catalyst for the White Revolution. Now the Shah wanted to re-take control. Amīnī will still be discussed with regards US pressure to retain him in November 1961 and the events surrounding his resignation in July 1962, but in closing, as someone who sought to govern independently of the Shah, Amīnī was indeed the last chance.

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449 Julius Holmes, Tehran to Department of State, Washington D.C., Confidential, July 25, 1962, JFKL, NSF, Box 424.
450 Dunyā, 19th Issue, 1342.
Chapter 3

Controlling the Future

It might well have been of Mohamed Reza Shah's problems and perplexities that Sir Alfred Lyall was thinking when he wrote, over a hundred years ago:

Shall I stretch my right had to the Indus
That the English shall fill it with gold?
Shall my left beckon aid from the Oxus?
The Russian blows hot and blows cold.
But the Kingdoms of Islam are crumbling
And round me a voice ever rings
Of death, and the doom of my country
Shall I be the last of its Kings?  

1961 was a turning point for the Shah, the year when he finally began to take charge of securing Iran’s future, albeit only after a crisis in May and the advent of Amīnī’s Government forced the issue. The Shah’s loyal servant Asad Allāh ‘Alam may have complained that Amīnī ‘was prime minister with strange opinions and with the thought of betraying the Shah,’ but it was the impact of his appointment, which gave the Shah renewed impetus and the opportunity to stake his claim as long as he could regain control before Amīnī’s position strengthened. Measures were taken and ideas put forward before Amīnī’s appointment, but the Shah came to the fore in the final months of 1961. This chapter focuses on the Shah regaining his confidence and putting forward his plan, which he would later adapt and present to his people in a referendum. For the Shah, this was the start of his White Revolution.

Chapter 2 had looked at Amīnī’s plan and team and argued that similarities between Amīnī’s objectives and those of the Kennedy administration do not imply US responsibility for either Amīnī’s appointment or his reforms. Similarly, Chapter 3 will show that although there are similarities between the Shah’s aims and US goals the evidence suggests that Iranians instigated and were in control of the reform process. Whether responsibility for various reforms ultimately lies with the Shah and his associates, or Amīnī and his team, agency rests with Iranians. With this in mind,

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the sections below will answer the following questions. How do the Shah’s previous attempts at reform further demonstrate that Iranians dictated the direction of reform, while illustrating the limits of US influence? What factors hindered previous attempts at reform? What was the back-story to the Royal Farmān? And, did the US directly intervene to prevent the Shah from ousting Amīnī in November 1961?

3.1 Back to the Front: The Shah Regains his Confidence

It is in the complex and devious process of the Shah's mind that the answers to most of our questions must be found.\footnote{John Russell, 'Character Study of the Shah', Confidential, April 7, 1959, TNA, FO 371/140872, EP 1941/6. – FOIA}

British and American officials liked to report on the person of the Shah. Officials described him as vain, weak, indecisive, lacking stamina, moody and erratic; ‘a highly complex personality.’\footnote{NIE 34-61, 'Prospects for Iran', Secret, February 28, 1961, NSA, Record No. 48684, FOIA Request 20131012CIA144. – FOIA} Most believed he had good intentions, but was not the strong leader the situation demanded. There was a notable lack of faith in the Shah to fulfill his mission. Most had no confidence in his ability to formulate and implement a programme of reform. After each step on the road to the White Revolution US and British officials remained unconvinced. Only as 1962 drew to a close did some begin to change their mind.

Andrew Warne explains that from the 1950s US officials began to use ‘psychological language,’ which ‘offered more acceptable, scientific ways’ of understanding the Middle East and its leaders rather than denouncing them as ‘racially inferior and religiously backward.’\footnote{Warne, 396-422 (pp. 396-398).} This involved constructing psychological profiles of leaders such as the Shah. Warne concludes that US officials ‘speculated that the Shah suffered from severe emotional insecurity, [and] an inferiority complex.’\footnote{Ibid., p. 397.} There are many examples of this in the archival documents. For instance, in September 1958, the US Embassy in Tehran stated that ‘from time to time [the Shah] falls into fits of depression in which he has been known to cry out that no one understands him or loves him and that every man's hand is against
him." This was reinforced by interviews with prominent Iranians who had close contact with the Shah. For instance, Sayyid Ziyā al-Dīn Ṭabāṭabā’ī claimed that the Shah was ‘fundamentally timid, repeatedly allowing himself to be overtaken by events.’ However, some suspected this wasn’t the true picture. In late August 1962, a USAID official commented, ‘do we really know the Shah’s true feelings about such matters as reforms and political development?’ Whether through derogatory language or psychoanalysis, it is questionable whether the US, Britain, or other Iranians who might have their own agendas, gave a true picture of the Shah’s intentions and personality. In addition, Warne asks whether that Shah might have ‘consciously used ‘worry’ to force the United States to help him regain power [from Amīnī] in 1962?’ In this regard, Gen. Ḥasan Arfa’ in conversation with former British Ambassador, Sir Roger Stevens, gave a different characterisation of the Shah. Gen. Arfa’ who saw the Shah regularly in the late 1940s and observed him since did ‘not think that the Shah has ever been weak or irresolute, as is popularly supposed… [and] has had clear long-term objectives in view almost ever since he ascended the throne.’ Sir Roger Stevens commented that General Arfa’ was ‘virtually the only prominent Iranian I have ever met who had good things to say about the Shah which were not purely sycophantic and which made sense.’ Whatever the truth, during the end of 1961, the Shah began to reassert his authority over the reform programme, partly as a result of regaining confidence after the tumultuous period in May.

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459 Robert Macy, 'USAID Program for Iran,' Confidential, August 31, 1962, NACPM, RG 59, NEA Iran Desk 58-63, Box 5.
460 Warne, 396-422 (p. 411).
462 Ibid.
The photograph above is from a speech given by the Shah on 28 Murdād 1340 (19 August 1961), at Dushān Tappeh Air Base in Tehran. The Iranian press estimated the crowd at between 300-500 thousand people, and Khāndanīhā noted the significance of the occasion. This was the eight-year anniversary of the uprising (or coup) that brought down Prime Minister Mūḥammad Muṣṣaddiq, and the first time in the Shah’s 20 year reign that he had given such a speech in a public gathering in front of people from different classes. The publication also stated that the demonstration ‘showed the attachment of the people of Iran towards the position of kingship.’ However, according to a CIA report, it was Prime Minister Amīnī who organised the "spontaneous" pro-Shah demonstration… [as] a demonstration of loyalty to the

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463 Khāndanīhā, 29 Murdād 1340 [20 August 1961] – The caption above the picture reads: ‘28 Murdād Demonstration.’ The sentence below the picture reads: ‘The Shah for the first time in a mass gathering spoke to people from different classes.’

464 Khāndanīhā, 29 Murdād 1340 [20 August 1961].
Shah\textsuperscript{465} in light of Soviet propaganda attacks. Regardless of the intention, the impact on the Shah appears profound.

The Shah spoke of the strong connection between him and his people, the negative impact of the Muṣaddiq era, the violation of Iran by foreign countries in the 20\textsuperscript{th} century and the justification for his policy of positive nationalism. With regard reforms, the shah stated ‘we have been able to achieve unprecedented progress in various fields of social, agricultural, economic, educational, and sanitary reforms,’ and in the near future ‘development projects of the country will reach fruition… and new steps will be taken toward economic progress.’ The central theme was one of safeguarding Iran’s ‘sovereignty, independence, and our national interests… [and] carrying out necessary reforms.’\textsuperscript{466} The Shah wished to carry out a program of ‘\textit{stability, security, and reform}’ [emphasis added].\textsuperscript{467} This combination appears key in the mind of the Shah to enable him to implement his ideas, and it was after this speech that officials began to notice a more confident, determined personality. Ambassador Holmes reported that the Shah ‘has gradually lost the fear that helped stimulate his appointment of Dr. Amini… has been exhilarated by the idea that he is able to electrify his people… [and] wants to get back in the act.’\textsuperscript{468}

The following section will look at the impact of the Shah regaining his confidence on the direction of reform. This will detail the Shah’s path to the White Revolution, beginning with his and his government’s efforts culminating in his Royal Farmān of 11 November 1961. With respect to US influence, the emphasis is on the fact that, be it Amīnī, Arsanjānī, the Shah, or others, it was Iranians instigating and directing reform. In this vein, section 3.2 will answer the following questions. What efforts were made to introduce economic and social reforms prior to November 1961? And, are there clear indications of the limits of US influence?

\textsuperscript{466} Ardeshir Zahedi to Walt Rostow, August 28, 1961, JFKL, NSF, Box 116.
\textsuperscript{467} Julius Holmes, Tehran to Secretary of State, Washington D.C., Secret, March 7, 1962, NACPM, RG 59, CDF 60-63, Box 2093, 788.11/3-762. – FOIA
\textsuperscript{468} Julius Holmes, Tehran to Secretary of State, Washington D.C., Secret, October 16, 1961, JFKL, NSF, Box 116.
3.2 **The Shah’s Early Reform Efforts**

Between 1958 and 1961, the Shah with the help of Dr Donald Wilhelm, a Visiting Professor of Political Science at the University of Tehran, and Mr. Humāyūn Bahādurī, Prof. Wilhelm’s assistant, wrote his first manuscript entitled *Mission for My Country*. The Shah writes that he would like this to be a ‘kind of preliminary guide to the present and the future,’\(^{469}\) indicating that he is taking the first steps towards formulating a plan for social, economic and political development. The Shah dedicates chapters to agriculture, education, women and democracy as he saw it. Many, such as Ali Ansari, view *Mission For My Country* as a public relations exercise, and it is difficult to believe that this was not what was intended. Sir Roger Stevens described it as a “‘brilliant public relations effort’ particularly directed at [a] US audience.”\(^{470}\) When the New Frontiersmen entered office the Iranian Ambassador to Washington, Ardashīr Zāhidī, sent Walt Rostow a copy, writing: ‘True democracy is a wonderful way of life and in this great country [America] the ideals of democracy are high… I do hope you enjoy reading “Mission for My Country”’.\(^{471}\) It appears the Shah sought to wrap himself in the mantle of a reformist monarch for the benefit of a foreign audience. However, does this mean that one should discount the ideas within this preliminary guide to the present and future?

On 11 November 1961, the Shah instructed Amīnī’s Government via a Royal Farmān to implement a 6-point reform program. This was not (yet) the 6-point White Revolution of 26 January 1963, but the forerunner to that programme. The six points were:

(i) Civil Service reform  
(ii) Fringe-benefits for Civil Servants,  
(iii) Modification and implementation of the 1960 Land Reform Law,  
(iv) Improving employees’ conditions in industry to include profit sharing,  
(v) Tax reform, and  
(vi) The overhaul of education with a focus on vocational training.

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\(^{471}\) Ardeshir Zahedi to Walt Rostow, July 4, 1961, JFKL, NSF, Box 115a.
In addition, the Shah issued a decree for the formation of village councils and ended by stressing the importance of tackling corruption. The following sections will look at the background to these points, mainly from July 1958 onwards, and argue that the Shah was personally less keen on reform in certain areas and did merely co-opt the ideas of others. However, it will also show that the various reform ideas that paved the way for the White Revolution were certainly not forced on Iran by the United States.

3.2.1 Land Reform

Eric Hooglund and Andrew Westwood both argue that the Shah sought land reform since the early 1950s. However, Ervand Abrahamian and Muhammad Reza Ghods argue that the Shah co-opted land reform from Amînî. Afsanéh Najmabadi also believes the Shah co-opted land reform, but from Arsanjânî. This thesis takes the following position. Firstly, land reform was an Iranian programme and was not forced on Iran by the United States. Secondly, the key players, Amînî, Arsanjânî and the Shah had different ideas for the distribution of private estates, though all sought this in some form. Thirdly, whether it was the Shah with Crown and public domain lands, or Amînî and Arsanjânî’s efforts from May 1961, all can be associated to some degree with land reform. Fourthly, the Shah, like Amînî, initially veered away from Arsanjânî’s approach, but became convinced near the end of 1961 to follow Arsanjânî. In this respect it would appear correct to suggest that the Shah co-opted land reform from Arsanjânî, not with regards the distribution of private lands, but in terms of the scale and approach.

In April 1963, Rey Hill, the Ford Foundation’s representative in Iran, stated that: ‘None of the people who counted - the Shah, Dr. Amini or Dr. Arsanjani, actually believed that land reforms could be carried out so easily… their first steps,

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473 Abrahamian, Iran Between Two Revolutions, p. 424; Muhammad Reza Ghods, Iran in the Twentieth Century (Boulder, Colo.: Lynne Rienner, 1989), p. 193.
474 Najmabadi, p. 86.
therefore, were cautious and exploratory." With respect to the Shah, there appears to be a clear line of progression beginning with the distribution of Crown lands in 1951, which were completed in 1961. This was followed by the distribution of public domain lands beginning in 1958, and thereafter by a cautious and exploratory approach to the distribution of the largest private holdings resulting in the 1960 Land Reform Bill. The Shah then supported Amīnī’s plan for distributing the largest estates before both Amīnī and the Shah decided to support Arsanjānī’s wider distribution resulting in the 1962 Law. The Shah subsequently added additional articles to the 1962 Law and placed it within the framework of his White Revolution. This was an Iranian programme, and the Shah played a key part in advancing land distribution.

Jahāngīr Āmūzīgār and Commodore Fisher note that the Shah began his land reform project with the decision to distribute 200,000 hectares of Crown lands passed down from his father to the peasants who worked these lands. Agricultural Economist V. Webster Johnson notes that in 1952 the Shah established Bānk-i Umrān (Development Bank of Iran) to assist the new owners of Crown lands. The Bank was charged with distribution, providing credit, agricultural and cooperative services to the new owners. The idea was to set a precedent for further distribution. The Shah later stated that he hoped ‘the big land-owners would follow my example.’ He did not receive the response he hoped for. In 1958, three years before completing the Crown lands distribution, the Shah set in motion both the distribution of Public Doman lands (government holdings) and tentative steps to tackle the largest landowners. The Shah stated: ‘My people refuse to tolerate any longer a situation in which a few great land barons control the lives and destinies of thousands of peasants.’

In September 1958, the British reported that the Shah was ‘thinking of a long term programme comprising both the reform of agrarian tenure and agricultural

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479 Pahlavi, Mission for my Country, p. 205.
improvement focusing on limiting large holdings supported by government investment. It was also reported that the Shah was looking for a solution whereby any compensation would go back into the land in some form. The end result was the sale of shares in state owned factories as compensation for land reform (something Arsanjānī took credit for). Another indication of the Shah’s seriousness in pursuing the break-up of the largest estates was that land reform was a central plank of both the Mardum (People) and Millîyûn (Nationalist) parties. The CIA reported that the Shah might use the Mardum Party as a ‘weapon’ against the landlords with ‘land reform as its major program.’ The report also states that the Millîyûn party ‘intends to come out in favor of some land reform measures – probably at the Shah's orders.’ Therefore, the events surrounding the 1960 Land Reform Bill indicate this was another cautious and exploratory step towards the goal of distributing the largest estates. The Shah was able to witness the reaction of the clergy, the landowners and opponents of the Bill in the Majlis. The result was not what many hoped for and Ann Lambton concluded that the Bill, like Mission for my Country, was simply to ‘impress world opinion.’ The argument here is that this was another step on the road to reform. In the end, the Shah argued that the ‘ruling class of land-owners and capitalists’ in the Majlis rendered the Bill ‘ineffective and meaningless.’

As 1959 drew to a close preparations were made to formulate a Bill for the distribution of private lands. However, coordinated opposition among landowners resulted in the formation of the Agricultural Union of Iran (AUI), which, shortly after the Bill was submitted to the Majlis, asked Ayatollah Bihbahānī ‘to bring the matter to the attention of the government.’ In addition, the AUI wrote letters to Majlis deputies resulting in the formation of a 25-man commission ‘entrusted with the task of purging the proposed law.’ The result was various changes to the Bill, including raising the threshold for both irrigated and non-irrigated land from 300-400 and 600-

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481 Ibid.
483 Lambton, pp. 56-58.
484 Pahlavi, White Revolution, p. 12.
800 hectares respectively.\footnote{486} The leading Shia cleric Ayatollah Burūjirdī also issued a fatwa against land distribution. The fatwa was received in Tehran by an ‘influential group of mullahs’ who telegraphed the Shah, who was in Pakistan at the time, informing him that ‘the Land Reform Bill was contrary to Islamic Law and that they would take no cognizance of it… [or] co-operate in its implementation.’\footnote{487} Taking into account the organised opposition by the AUI, Majlis deputies and influential religious leaders, the Shah allowed the modified Bill to pass and took no action until the crisis in May 1961, brought Amīnī and Arsanjānī to power and the Shah dissolved the Majlis removing a key obstacle to reform.

Ayatollah Burūjirdī passed away in March 1961, and with renewed impetus Arsanjānī set about realising the Shah’s goal (and more). The Shah continued to play a personal role, paying a one-day visit to Āzarbāyjān province to hand title deeds for Public Domain lands to peasants in Julfā. In the meantime, Arsanjānī was creating momentum for a project much wider than the few biggest landowners. Interestingly, one author claims Arsanjānī’s blueprint was copied from a Japanese plan that arrived into his hands via friends.\footnote{488} Either way, land reform was an Iranian programme, instigated by Iranians, with the Shah’s actions adding further weight to this claim. As his initial cautious and exploratory steps showed, there were real limitations, difficulties and threats associated with the distribution of private estates. For the Shah, reform and security were not mutually exclusive. The Shah sought a programme of stability, security and reform, and when he felt more secure he made sure neither Amīnī nor Arsanjānī would take credit for what he believed was his plan.

### 3.2.2 Profit Sharing

According to ‘Abū al-Ḥasan Ibtihāj, ‘profit sharing… like land reform… was something the Shah had been thinking about for some years.’\footnote{489} The Shah had wanted to implement this for state-owned factories already in the mid-1950s and requested

\footnote{486} Robert R. Schott, Tehran to Department of State, Washington D.C., Confidential, February 20, 1960, NACPM, RG 59, CDF 60-63, Box 2834, 888.16/2-2060.
\footnote{488} Mihrān, pp. 70-72 (p. 72).
\footnote{489} Frances Bostock and Geoffrey Jones, Planning and Power in Iran: Ebtehaj and economic development under the Shah (London: F. Cass, 1989), pp. 174-175.
US consultant firm George Fry & Associates (currently advising the Plan Organisation on issues with state-owned industry) to ‘submit a report on the subject.’ However, both the firm and Ibtihāj ‘thought the idea unworkable’ and the Shah shelved the plan. However, in July 1959, Ambassador Harrison reported that ‘industrial unrest is now probably more widespread than at any other time in the last five years… stemming from low wage rates, indifferent working conditions and the affluence of the factory-owners.’ Therefore, in reply to a question about the welfare of the working class, the Shah stated that he was interested again in the ‘possibilities of profit-sharing in industry.’ In addition, during the following year an effort was made to look into social insurance, minimum wage regulations and a new labour law.

The British were very complimentary of ‘Aṭā Allāh Khusravānī’ s predecessor as Minister of Labour, Ahmad-‘Alī Bahrāmī. The British commented that Bahrāmī had ‘in the last eight months done more to consolidate the [Labour] Ministry's administration… than any former Minister of Labour.’ This included the ‘amplification of the [May 1959] Labour Law’ and ideas of how to proceed in the areas of ‘Labour inspection, industrial safety and health.’ In addition, a revised scheme of social insurance was approved in June 1960 to be trialed over two years. There was also a response by the Shah to demands from oil workers for a new minimum wage. In early March 1960, the Shah issued a proclamation during a visit to the NIOC refinery in Ābādān in which a ‘commitment was made that a new wage based on new Minimum Wage Regulations should be effective’ by 21 March. However, this took much longer than promised and the Iranian Oil Participants confirmed in July 1961, that a new minimum wage was agreed. Furthermore in the late 1950s and in 1960, whether in public speeches or in conversation with Western officials, there was a greater emphasis on social justice as well as economic development on the part of the Shah. For instance, aside the practical necessities of

490 Ibid.
494 Ibid.
495 J. H. Velders to J. Addison, Confidential, November 22, 1960, BP, Iranian Oil Participants Records (cited in future as IOP), ARC 233128.
improving the efficiency of tax collection, the Shah stated that ‘social justice means that those who enjoy more wealth should pay more taxes… [so that] we can provide health and education for groups with less income.’

3.2.3 Tax Reform

The Shah admitted that those who allege Iran has ‘not been collecting all the taxes it should’ were correct, owing to ‘administrative confusion and inefficiency.’ According to those who looked closely at the situation in the Ministry of Finance the Shah was only partly correct. Under Gen. ʻAlī-ʻAkbar Zarghâm (December 1959 – March 1961) the Ministry of Finance appeared to be faring rather well. Jerome F. Fried, US Adviser on Development Economics and part of the first Harvard Advisory Group (1958-1961), reported that Iranian tax revenues were respectable. Fried reported that direct taxes largely from business income ‘constituted about 10 percent of public revenue in 1960’ and other taxes from excise and government monopoly profits ‘constituted over 20 percent of total public revenues.’ Fried reported that efforts to improve the collection of business taxes were underway and should yield a 15 percent increase year on year if ‘business income continues to increase.’

The IMF’s John Gunter also reported that there had been ‘increased tax rates and improved collections’ and Ford Foundation advisor Joseph Taggart echoed this view, but with some important reservations.

Gen. Zarghâm requested advisory assistance from the Ford Foundation. As a result, Dean Joseph H. Taggart of New York University was invited to spend six months as a Financial Planning Consultant in the Ministry of Finance. Taggart’s primary task was to look at the possibility of coordinating all budgetary activities through a central agency for the purpose of comprehensive planning. However, Taggart also consulted on the current state of taxation. Reiterating Jerome F. Fried’s

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496 Edward T. Wailes, Tehran to Secretary of State, Washington D.C., Official Use Only, April 28, 1960, NACPM, RG 59, CDF 60-63, Box 2088, 788.00/4-2860.
497 Pahlavi, Mission for my Country, p. 141.
499 Ibid.
statements, Taggart reported that the ‘the Ministry of Finance has made a remarkable record… [as] the total tax collection runs about 20% of national income which is just about that of the United States.\footnote{Joseph H. Taggart, 'Possible Ford Foundation Assistance to The Ministry of Finance', October 19, 1960, RAC, FFR, Reel R-0814, Grant File: PA 60-367.} However, Taggart reported some fundamental problems regarding structure and policies. Taggart noted: Few statistics and little analysis on the impact of various types of taxes; no linking of taxes to national objectives; a lack of trained personnel; and, poor administration leading to corruption and waste.\footnote{Ibid.} Taggart cited the need to train Iranians in taxation and budgeting, while shelving the idea of a budget bureau for the time being. Against the wishes of Gen. Zarghām, the Ford Foundation decided not to invest in Taggart’s proposal. This situation was an impediment to progress and frustrated the US.

Kenneth Hansen stated that the situation required rapid resolution of the problems detailed by Taggart even for the purpose of Third Plan deliberations. Hansen pointed to the absence of a ‘basic groundwork of a good staff… which would give the principal data with which to make policy recommendations.’\footnote{Kenneth R. Hansen, Tehran to Edward S. Mason, Massachusetts, December 18, 1960, RAC, FFR, Reel R-0813, Grant File: PA 58-158.} Nonetheless, the Shah insisted that ‘collection of taxes was improving and that he hoped this would play a large role’\footnote{Kenneth R. Hansen, 'Interview with the Shah', February 15, 1961, RAC, FFR, Reel R-0813, Grant File: PA 58-158.} in increasing revenues required for the Third Plan. However, Hansen made a salient point that ‘it was obvious that the tax system, which is archaic, cannot be revised overnight.’\footnote{Ibid.} US hopes were also curtailed by the approach of Amīnī’s Finance Minister, ‘Abd al-Ḥusayn Bihniyā. The Embassy reported that Bihniyā had ‘largely ignored the USOM advisory group in the Ministry’ as he and his aides regarded foreign taxation proposals as unsuitable for Iran.\footnote{Julius Holmes, 'Long-Term Political Situation in Iran: Part II – Economic', Secret, August 27, 1961, JFKL, NSF, Box 116.} The US Embassy cited Iranian resistance to taxing land values, but less resistance to income taxation. Therefore, when the Shah issued instructions to Amīnī’s government to implement changes in the current form of taxation, as expected, this centered on progressive income taxation.\footnote{Kayhān, 25 Ābān 1340 [16 November 1961].}
3.2.4 Civil Service and Administration

Although amendments had been under consideration since 1958, Iran remained governed by the 1932 Civil Service Law. However, the Shah appeared cognizant of the fact that even his preferred team would have to operate under the ‘same administrative machine under similar conditions.’ There were many problems such as duplication of efforts, confusion, evasion of responsibility and lack of coordination and cooperation between Ministries. The Iranian civil service was ‘a jungle of personal intrigue and frustration... "too many Chiefs and no Indians".’

The GAO report mentioned earlier stated that both Iran and the United States had ‘cumbersome and costly administrative arrangements’ and ‘several ICA-financed projects showed unsatisfactory progress because of planning and operating deficiencies.’ Professor T. Cuyler Young wrote that there was an ‘urgent need for adequate and reliable administrative talent within the government to marshal and coordinate what is available to attain present goals.’ For both the US and the Shah, poor administration appeared an impediment to development, and both were affected by Iranian willingness to accept change.

In 1959, British consultant J. S. Sadler was invited by the Iranian Minister of Commerce to advise him on the organisation of the Ministry. Sadler reported that the Minister was appreciative of his efforts, but doubted whether his recommendations would be implemented, pointing to ‘forces resisting change.’ Sadler reported that the Iranian administration was ‘incapable of performing complicated administrative tasks,’ so it was not sensible to suggest the Iranians ‘adopt procedures of any complexity.’ This did not augur well for US hopes or the Shah’s plans. Sadler noted the absence of a ‘body in the Iranian Government responsible for general "machinery of government".’ The Shah sought to correct this as part of his Royal Farmān.

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510 'Examination of Economic and Technical Assistance Program for Iran: Fiscal Years 1956-1960', June, 1961, GAO, pp. 1-81 (p. 8). – FOIA
513 Ibid.
Deputy Director of the Plan Organisation, Manūchīhr Gūdarzī, was instructed to head the new High Administrative Council. Gūdarzī explains how Prime Minister Amīnī informed him that the Shah had tasked Gūdarzī with preparing a report about administrative reform to include employment law and was subsequently tasked with the implementation of this plan. Gūdarzī also notes that in late 1962 the Shah explained to him that administration must be corrected lest it impede social reforms and economic development. Gūdarzī was subsequently given the role of Minister of State for Administration and Employment (1963-1967).

3.2.5 Education

Prior to Amīnī’s appointment the focus had been on the expansion of vocational schools, teacher training and a complete overhaul in science curricula. For several years the Ministry of Education with the help of USOM had focused on training better teachers and creating new ‘vocational industrial and vocational agricultural schools… for every province.’ With regard teacher training, in 1959 a decision was made to give the National Teachers College (NTC), which had been a part of the University of Tehran, independent status. Iran requested Ford Foundation assistance with the recruitment of up to fifty full-time teachers. The Ministry of Education under Jahānshāh Šāliḥ focused on the root cause of the shortage of trained scientific and technical manpower for development purposes by improving science education in schools. Dr Šāliḥ approved a ‘Commission for the Improvement of Science Education’ and requested Ford’s assistance with the revision of science curricula. However, the demand to keep pace with development appeared overwhelming.

Howard Bertsch, Ford’s representative in Iran, stated that with respect to secondary school science education, the college-student population was not large enough, nor were there sufficient teachers to train them as science teachers were in short supply. Bertsch stated that the Ministry of Education estimated the annual

514 FISOHA Gūdarzī, pp. 1-147 (p. 44).
515 Ibid., pp. 54-55.
516 'A Short Survey of the Point Four Program in Iran', August 21, 1954, LOC, Loy Henderson Personal Papers (cited in future as LHPP), Box 9.
517 'Recruitment of Teachers,' April 8, 1960, RAC, FFR, Reel R-0813, Grant File: PA 60-60.
requirement for new teachers to be 400.\textsuperscript{519} It appeared Iran was simply not in a position to achieve its goals for development via the vocational schools programme, or prepare secondary school students with necessary skills, or provide compulsory primary education to raise literacy levels nationwide. In addition, Maurice Williams, Deputy Director of USOM in Tehran, concluded that ‘little progress has been made in improving Iran’s poorly organized, overly costly and professionally unsound system of teacher training institutions.’\textsuperscript{520} Even the plans for the recruitment of teachers at the NTC suffered a blow as the old-timers of the University of Tehran fought back and 23 lecturers were dismissed on the grounds of incompetence.\textsuperscript{521} This was a difficult situation made worse by those resisting change, but also by the management and policies of Amīnī’s Minister of Education, Muḥammad Dirakhshish. As mentioned in section 2.2.2.3, frustrations were felt not only by the Americans, but also by officials in the Ministry of Education such as Karīm Fāṭimī and Dr. Mashāyikhī.

Many of the programmes put forward by the Ford Foundation in cooperation with Jahānshāh Šāliḥ came to naught under Dirakhshish’s leadership. Projects for revamping the education system, such as the training of curriculum development specialists, were cancelled. Education Consultant Dr Arthur Foshay referred to an article in \textit{The Times}, which reported that ‘in view of the acute teacher shortage… [Dirakhshish] was going to start teaching classes himself.’ Dr Foshay wrote: ‘Perhaps that is where his future lies, along with his past.’\textsuperscript{522} In November 1961, the Shah’s Farmān made it clear that his aims remained the same. However, such difficulties, including manpower and disruption in the Ministry of Education, eventually led to a more realistic programme for tackling illiteracy. By the end of 1962 the plan to increase vocational training had been abandoned. This was against the hopes of the US government, which sought to influence rural development via the Third Plan. Iran found a different path.

\begin{footnotes}
\footnote{Maurice J. Williams, "“Turn-Around” Evaluation of the USOM/Iran Project Program", Official Use Only, July 18, 1961, JFKL, NSF, Box 424.}
\footnote{'Training College Lecturers Claim Dismissal Illegal,' \textit{Kayhan International}, September 9, 1961.}
\footnote{Dr. Arthur W. Foshay to F. Champion Ward, September 28, 1961, RAC, FFR, Reel R-0814, Grant File: PA 60-240.}
\end{footnotes}
3.2.6  Devolution of Power

The Shah mentioned devolution of power in his manuscript *Mission for my Country*, stating: ‘We have also been encouraging... more provincial and municipal autonomy.’\(^{523}\) The Shah noted that such autonomy was geared to his plan for democracy by promoting political parties locally; training his (soon to be better educated) people to vote responsibly. In the Shah’s view his people had to be ready for additional responsibility. Therefore, devolving power to village councils was also connected with community development.

The Ford Foundation gave credit for the renewed focus on rural development in part to the efforts of Minister of Interior, Lieut. Gen. Nādir Bātmānqīlīch. The latter had spent a month visiting Japan, India and the Philippines, observing community development activity accompanied by Rashīd Bahār and Akbar Zād. Upon his return Bātmānqīlīch assembled a considerable library of brochures and pamphlets’ from these countries and identified a major problem to community development as ‘a lack of understanding of the importance of such a program on the part of the “leadership group” in this country.’\(^{524}\) Bātmānqīlīch hoped that creation of Iran’s own information materials would help persuade this group. The efforts of Bātmānqīlīch and his successor, Raḥmat Allāh Atābakī, brought this project to completion. 5,000 copies of the brochure ‘Our Goal... A More Productive and Prosperous Rural People’ were published in Persian and distributed to government officials, members of parliament, and other influential Iranians.\(^{525}\) Ford credited the project with creating interest among the ‘leadership group,’ reflected in the Third Plan.\(^{526}\) However, efforts remained stifled by vested interests and present capabilities.

Ambassador Holmes stated that the community development programme trialed for the previous eight years in Iranian villages ‘has been limited primarily due to the land tenure system, lack of adequate local government, lack of local finance,
and administrative deficiencies.\textsuperscript{527} However, the fact that the Majlis was now dissolved, that several cautious and exploratory steps had already been taken, along with the drive and determination of Arsanjānī, meant a concerted effort in the area of rural development and devolution of power could be made. It also appears that an important part of the formation and election of Village Councils was to prepare for elections for the 21\textsuperscript{st} Majlis, which could not be postponed indefinitely. Therefore, Amīnī set about implementing the Shah’s instructions and a number of elections were held for village and municipal councils.\textsuperscript{528} These efforts were a forerunner to a change in the election law, which formed part of the Shah’s White Revolution. Again, although assisted by the Near East Foundation and others, such change was not forced on Iran by the United States, but was instigated and driven forward by the Shah and the Iranian Government.

3.2.7 Anti-Corruption

The Shah ended his Farmān by speaking of corruption. The Shah stated that his government must pay serious attention to tackling corruption with haste.\textsuperscript{529} However, taken in line with the actions of Amīnī’s Government, the Shah’s previous efforts offer an indication of how far he was willing to go. Whilst the Shah and previous governments had spoken of tackling corruption for quite some while, this only came to the fore after the Iraqi Revolution. In November 1959, the CIA reported that Prime Minister Iqābāl had prepared two anti-corruption bills. These were known as the Conflict of Interests and Where Did You Get It? Bills. The former would ‘prohibit government employees from participating in business transactions with the government’ and the latter required ‘all public servants to declare their family wealth.’\textsuperscript{530} In an effort to appease public opinion, the Shah also ordered ‘the heads of three guilty persons be "served to him on a platter" each month.’\textsuperscript{531} The Conflict of

\textsuperscript{527} Julius Holmes, ‘Transition to International Development’, Confidential, July 26, 1961, NACPM, RG 59, CDF 60-63, Box 2095, 788.5-MSP/6-1261.
\textsuperscript{529} Kayhān, 24 Ābān 1340 [15 November 1961].
\textsuperscript{530} ‘Memorandum for the Director: Prospects in Iran’, November 10, 1958, CREST, NARA, CIA-RDP 61-00549R000200020055-2.
\textsuperscript{531} Ibid.
Interests and Where Did You Get It? Bills became law in January and March 1959, respectively.

As with other reforms, the British reported that some Iranians were pointing the finger of blame at the Americans, ‘on the grounds that its authors are men who take their instructions from the United States.’ However, there is no indication that these measures were the result of anything but the Shah’s own volition. There were initially some positive results, as ‘an impressive total of 4,247 persons have been caught and punished.’ However, the real question was whether the Shah would attack the interests of the privileged class, which included his family? Here reports were mixed. The US reported that ‘the upper-echelons of the Iranian Government, including the Shah and his family, remain untouched by this campaign and exempt from criminal consideration.’ Amīnī was critical that the Shah ‘had for fifteen years been surrounded by a group of three or four thousand people’ and seemed reluctant to move against those closest to him, including those he relied on for his survival. It appeared the Shah was playing for time until the standard of living in Iran reached a higher level, which would remove the temptation for underhand measures.

One such example involved the Shah’s twin-sister, Princess Ashraf, Gen. Tiymūr Bakhṭīyār, and the Shah’s brother, Prince Ghulām Rizā Pahlavī. A confidential US source stated that the Shah had established a Construction Society with the latter three individuals as members. This was used as ‘an agency to get large contracts for municipal and road construction projects’ before sub-letting them to an actual construction company for half the amount with profits going to its members. The source stated that ‘the Shah permits this to go on while at the same time Dr. Amini is making an honest effort to rid the government of these practices.’ The same report also indicated that several individuals remained untouchable under Amīnī’s anti-corruption efforts. The Shah had apparently ‘put out an ultimatum to advise that’ Generals Hidāyat, Daftarī, and Vusūq ‘will not be apprehended in any

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534 Ibid.
536 Col. Carl M. Poston, Tehran to Assistant Chief of Staff for Intelligence, Washington D.C., 'Iran 918 Group (Qarani)', Secret, January 3, 1962, NACPM, RG 59, NEA Iran Desk 58-63, Box 7. – FOIA
537 Ibid.
manner. Therefore, whilst the Shah did pursue some anti-corruption measures, credit for any significant steps must go to Amīnī and his Justice Minister, Alamūtī. The US could force neither to take such measures, only hope that steps would be taken to rebuild trust between the government and the people.

The above illustrates clearly that the Shah’s efforts in all areas that would eventually figure in his Reform Farman of November 1961 pre-date Amīnī’s Premiership. His concerns were similar to those of Amīnī and both their plans also bore resemblance to US recommendations. However, regardless of whether agency lay with the Shah, with Amīnī or with other Iranians, the examples discussed above again show the limits of US influence, and they demonstrate beyond any doubt that reform measures were both instigated and directed by Iranians. Having discussed the long-term gestation of the reform concerns expressed in the Reform Farman of November 1961, the following section will look at the immediate circumstances of the Farman’s promulgation, which marks the first major public expression of the Shah’s ambition to wrest the mantle of revolutionary and thus control of Iran’s future from Amīnī.

3.3 The Shah’s Reform Farmān

As we have shown above, it can be said the road to the White Revolution began, at the very latest, after the 1958 events in Iraq, but its concrete form, i.e. as a list of six major areas of change, began to take shape in 1961, namely with the Royal Farmān concerning reform measures that was announced first to Amīnī’s Cabinet on 11 November and then publicly by Amīnī to the Press Association on 14 November. Peter Avery described the Farmān as ‘the opening shot of… the Shah’s revolution.’ However, Abbas Milani states that the Farmān was ‘more a symbolic gesture than a serious policy statement.’ Having considered the background to the Farmān as detailed in the previous section, this author is inclined to follow Avery rather than Milani; in other words, the promulgation of the November 1961 Farmān was the beginning of a serious effort, it was a framework to connect economic development with social justice which culminated in the launch of the White Revolution. This view

538 Ibid.
is also borne out by the Farman’s assessment by CIA Station Chief, Col. Yatsevitch who stated that ‘the whole future depends on the 6-point program… since it constitutes a framework for a philosophy which cannot fail to receive the enthusiastic support of the people if it is carried out.’ As has been shown in the previous section, this framework had its origins pre-Amīnī, but it was promulgated via the November 1961 Farmān as part of the Shah’s ambition to rid himself of Amīnī and re-claim the position as leader of the movement for economic development and social justice.

How did the Farmān’s promulgation come about? In October 1961, the Shah was considering his options, which included suspending the constitution and ruling for a period of time in order to force through his reform programme. After meeting the Shah, Ambassador Harrison stated that ‘there have been indications that the Shah has been moving in this direction for some months,’ and, in fact ‘may well have been pondering such a course during the past six months or so.’ This is an interesting point as, if true, it means the Shah’s plan preceded Amīnī’s appointment. Back in March 1961, Ambassador Harrison reported that he had ‘heard recently from sources close to the Shah… [that] he was working on a blue-print for economic development linked with social reform.’ It was during this time that the Shah was making changes to give his regime a new look, which included a change in the leadership of SAVAK, replacing Tiymūr Bakhṭīyār with Ḥasan Pākravān. The British Military Attache in Tehran reported that ‘these high-level changes… [were] not reached suddenly without careful forethought.’ Ambassador Harrison had reason to believe that the Shah, along with ‘one or two intimate advisers,’ was looking on measures to ‘appeal to opinion, especially amongst the younger and more radical elements.’

In April 1961, when the Shah and his close advisers were working on a blueprint for economic development linked with social justice, rumours had it that political developments were also in the works. There were rumours that the Mardum

Party, whose platform mirrored much of what the Shah put forward as his White Revolution, was being primed to replace Millīyūn as the ruling party. The Iranian press reported talk among the people of a transformation. It was unknown who would be Prime Minister (possibly Sharīf-Imāmī), but it would happen by allocating the 30 currently unfilled seats in the Majlis to Mardum by incorporating independent candidates into the party. The problem was enticing independents to take part in the plan. This may have been one reason the Shah met Amīnī on several occasions prior to his appointment. The evidence suggests that the Shah did not want Amīnī as Prime Minister, but that is not to say that he did not have had a role for him in a new reformist government. However, few independents were keen to join in the plan. Ambassador Harrison reported that only five or six Independents have expressed readiness to join the Mardum Party... [which] makes for increased unease.

The plans of the Shah and his close advisers were disrupted by the events of early May, which brought ‘Alī Amīnī to power. However, no doubt considering his position, his plans and the changing circumstances in Iran, by the fall of 1961 the Shah was ready to wrest control from Amīnī. In private conversation with Col. Yatsevitch, the Shah described how he wished to proceed. Now that the 20th Majlis had been dissolved the Shah favoured suspending the constitution, ‘establishing a dictatorship,’ which would ‘permit the rapid execution of much needed reforms and create the climate required for the effective advancement of the country.’ The Shah described the make-up of his preferred team, which would consist of ‘15 loyal and competent persons… [and] a dependable group of between 500 and 750 persons… to take over the government completely and convert it into an effective instrument for leading the country in the proper direction.’ The potential for a change in the political situation gathered pace and on 16 October Ambassador Holmes reported ‘rumors and stories… to the effect that a farman would be issued within a month.’

546 Khāndaniḥā, 2 Urdībīḥiṣt 1340 [22 April 1961].
547 Ibid.
551 Ibid.
The following weeks saw several meetings between the Shah and US and British Ambassadors as both sides sought to carefully manage the situation.

At the first meeting on 28 October the Shah explained to both Ambassadors that he was at a crossroads and the choice lay between elections ‘“in the form to which the Iranian people were accustomed” (i.e. rigged),’ or ruling unconstitutionally without a Majlis for two or three years 'through a "team" committed to carrying out "his" programme of development and reform.' The Shah made it clear that he hoped for financial support and understanding from his allies, but at the same time sought to place responsibility for the decision squarely in their hands. Both Ambassadors made it clear which option they preferred. Holmes and Harrison replied that ‘in our judgment… Government without a Parliament for two or three years would be preferable to another rigged election provided that economic and social reforms were energetically pursued during the two or three year period.’ Ambassador Harrison also ‘spoke emphatically on ministerial responsibility… [the] Shah’s need for protection,’ and that ‘Amini served the Shah well as a lightning rod.’ Both were keen to know what plan the Shah had in mind.

The Shah described his plan in general terms, which included ‘improvements in education, Civil Service and Administration, land Reform, strong measures for tax collection,’ decentralisation and tackling corruption. Both Ambassadors noted the similarities with Amini’s plan and the framework for the Third Plan. However, they did note one innovation, which was ‘to use surplus army conscripts in construction projects such as irrigation, schools, etc.’ Both Holmes and Harrison met with the Shah again on 5 November where the latter added a few more details including the ‘creation of commissions in every ministry to purge its administration of undesirable elements… [and that] workers remaining on the properties of landlords must have their status converted from peasants to that of agricultural employees with rights equivalent to industrial workers.’ The Shah stated that laws would be promulgated by decree until ratification by the 21st Majlis. However, the Shah made it clear that

554 Julius Holmes, Tehran to Secretary of State, Washington D.C., Secret, October 30, 1961, JFKL, NSF, Box 116. – FOIA
555 Ibid.
556 Julius Holmes, Tehran to Secretary of State, Washington D.C., Secret, November 6, 1961, JFKL, NSF, Box 116.
this was not his final plan as only with his preferred team would he be able to work out the details of an imaginative and dynamic programme to put to his people. The Shah informed both Ambassadors that he would take action within a week.

The Shah announced his 6-point plan to Amīnī’s Government on 11 November, and from then on the Iranian press were anticipating a formal announcement. On 12 November Kayhān reported that the Shah had approved the plan of the government and Prime Minister Amīnī would soon inform the press. The following day it was reported that the Prime Minister would speak about the plan of the government to the Press Association on 14 November and on 15 November details of the Shah’s Farmān were published in the Iranian press (Appendix G). A breakdown of the Shah’s Farmān in English is given in Appendix H. Amīnī informed the Press Association that the Shah had informed him and his Cabinet of his Royal Farmān, namely of his demand that the process of reform be speeded up and that laws and regulations must not be an impediment to reform as the interests of the nation took precedence and Iran must catch up as soon as possible with a world that was still progressing.

Thus the Shah had fired the ‘opening shot’ on his path to the White Revolution. However, he decided to retain Amīnī and his Cabinet and did not yet put in place his preferred team to work out the finer details of his plan. This only happened seven months later: Amīnī would resign to be succeeded by Asad Allāh ‘Alam and a mostly new Cabinet. Naturally, this begs the question why, if the Shah was as determined as he appeared in November 1961 to move forward with his own plan and team, did he retain Amīnī and his Cabinet intact at that point? With this question in mind, the final section in this chapter will look at the extent of US pressure to retain Amīnī in one of the clearest examples of US influence.

### 3.4 US Pressure to Retain Amīnī

Victor Nemchenok states that not long after the Kennedy administration took office it ‘reformulated its Iran policy… promptly stopped budgetary assistance… [and]
encouraged long-term economic development.\textsuperscript{560} His first and last points are correct, but the middle point is not. Chapter 2 explained how the US not only pushed through several loans to aid the new government, but also gave a $15 million grant for the military budget. However, this was not the last tranche, as the Kennedy administration authorised another $15 million grant for the operating budget in November 1961. This turned out to be, however, the final allocation, much to Amīnī’s consternation when he would ask for help again in July 1962. It is the events surrounding this November 1961 grant, along with another $20 million loan from USAID to the Plan Organisation, which helps explain the Shah’s decision to retain Amīnī and his cabinet in tact.

The picture below\textsuperscript{561} is from the Iranian satirical publication \textit{Tawfiq} and refers to part of the $35 million in financial assistance allocated to Amīnī’s government in November 1961, which was delayed until early 1962. It shows Santa (Uncle Sam) with a sack of dollars ready to fill the shoes of the Iranian Treasury with Santa aghast at the size of the shoes that need filling. As mentioned, the United States had already taken extraordinary measures to fast-track loans and other aid in support of Amīnī’s Government. However, it soon became apparent that Amīnī needed further assistance. It was reported that Amīnī’s government had underestimated the budget deficit by a wide margin. By early October a meeting of the Iran Task Force concluded that $15 million was required to meet ‘teachers’ salaries and maintain other essential

\textsuperscript{560} Nemchenok, ‘That So Fair a Thing,’ 261-284 (p. 283).

\textsuperscript{561} \textit{Tawfiq}, 14 Day 1340 [4 January 1962]. – The Caption above the picture reads: ‘Santa Claus says: Wow, what big and loose shoes he has??’ The sentence below the picture reads: ‘Paying of the loan and help of America was postponed to the new Christian year.’
government expenditures.\textsuperscript{562} In addition, an estimated $25 million was required to finance Second Development Plan projects. With little opportunity to provide financing from its own resources, Amīnī’s Government needed assistance. This provided a clear opportunity for the US to exploit its position. And, as already mentioned it was on this occasion in November 1961 that Amīnī’s position as Prime Minister became indeed linked to the question of the US releasing desperately needed aid monies in the order of $35 million, a situation in November 1961, which certain authors\textsuperscript{563} seem to have mixed up with the initial appointment of Amīnī in May 1961, which, as we have shown above, had nothing to do with the US deliberately using the release of aid to pressure the Shah into appointing Amīnī, nor in actual fact, as we have shown, anything whatsoever with any alleged US pressure at all.

Kennedy may have had ‘altruistic’ motives in seeking to transform the Third World, but the New Frontiersmen also had ‘strategic goals,’ which, in the end, meant ‘aid should purchase something from its recipients.’\textsuperscript{564} Kenneth Hansen had been unhappy after approval of the recommendations of the first Task Force report in May 1961. Hansen had expressed frustration that ‘at no point in the report is there an unequivocal expression of the concept of a “total” package which makes certain U.S. actions and commitments conditional [emphasis added] upon Iranian actions designed to meet the country’s fundamental economic and social problems.’\textsuperscript{565} Now, in return for aid, Hansen sought written assurances from Amīnī. However, Amīnī’s position was in jeopardy. At an Iran Country Team meeting a week after the Shah decided to retain Amīnī and his Cabinet intact, Ambassador Holmes responded to rumours that ‘he had intervened to keep Amini in power and had used U.S. aid as a persuader.’ Holmes stated unequivocally that ‘he had no intention of intervening for the express purpose of keeping one or another figure in power in Iran, since that was a game that could have most undesirable consequences.’\textsuperscript{566} US pressure was applied and the situation carefully managed to all but ensure the Shah retained Amīnī in November 1961.

\textsuperscript{562} ‘Task Force Report’, Secret, October 9, 1961, JFKL, NSF, Box 426.
\textsuperscript{563} Collier, 456-475 (p. 462); Saikal, p. 76.
\textsuperscript{566} ‘Summary Notes of Country Team Meeting,’ Secret, November 23, 1961, NACPM, RG 59, NEA Iran Desk 58-63, Box 3.
In his meetings with Holmes and Harrison it had been the Shah’s intention to place responsibility for his decision in the hands of his allies. The Shah stated that he was left with three choices, assuming control himself, holding controlled elections, or holding free elections, all three resulting in Amīnī’s downfall. Holmes’ recommendation to the State Department was that he be authorised to advise the Shah against personal rule and holding elections (controlled or free) in the foreseeable future. Holmes wanted to present a fourth option, ‘to make clear that we desire the present government to continue to be given the opportunity to carry out its program.’ Holmes proposed to suggest to the Shah that he simply delay any ‘announcement of elections for a period of perhaps at least six months.’ It was also to be made clear that US support was linked to the continuation of the present reform program and a government capable of implementing it.

I [Julius Holmes] be authorized to convey to the Shah that my Government currently has under consideration economic and military aid plans for Iran but that both initial and continuing decisions with respect to the magnitude of this aid will naturally be influenced by the degree of conviction in the United States Government that there will continue to be a government in Iran capable and determined to make effective use of this aid, while at the same time continuing the reform program so ably started by Prime Minister Amini.  

Dean Rusk authorised Holmes to approach the Shah along the lines Holmes had himself recommended. This is where the $35 million becomes significant. In early October, Ambassador Holmes returned to Washington where he sought approval for $40 million in economic assistance from the ICA. It was during this time that ICA along with the DLF was being merged into USAID. After being told by ICA that he could expect only half this amount, Holmes went direct to the Administrator for USAID, Fowler Hamilton. Phillips Talbot confirmed with Hamilton that the latter had agreed to $35 million in economic assistance, consisting of a $15 million grant for budgetary support to be given no later than December 1961, and a $20 million loan to support Iran’s Second Development Plan. Talbot confirmed that in order to push this through, the $35 million would be ‘provided in accordance with the

568 Ibid.
minimum legal requirements of aid legislation.\textsuperscript{570} Both Hansen and Komer were aggrieved that Talbot had asked Rusk for approval without running it past them. The activists wanted ‘written assurances’ from Amīnī and for Holmes to inform the Shah that ‘this extraordinary US aid is a specific gesture of confidence in [the] Amini regime.’\textsuperscript{571}

Both the $35 million and the request for ‘written assurances’ had been agreed by the time Holmes returned to Tehran and began preparing for his meeting with the Shah. Holmes confirmed to Rusk, Talbot and Armin Meyer that he would not ‘exercise’ the ‘authorization’ given him to confirm with Prime Minister Amīnī ‘the proposed levels of FY 1962 economic assistance… without having obtained from the Shah assurances of his intention to continue to support the Amini programs.’\textsuperscript{572} In addition, he would request from Amīnī ‘written assurances of his intent… [to] set the stage for the successful launching of the third plan… formulate an effective consolidated budget next year… establish… a central budget bureau, and… measures to increase tax yields.’\textsuperscript{573} Once such assurances were obtained, Holmes would request USAID hand over the $15 million budgetary support before the end of the year, and the $20 million loan as soon as possible. It was at the meeting on 28 October that both Holmes and Harrison advised the Shah to postpone elections and insisted that Amīnī had served him well as a lightning rod. However, until the Shah met with Amīnī in private on 11 November and agreed to retain him, Holmes could not confirm that Amīnī would be kept on, and this began to be a source of concern for officials in Washington.

Robert G. Miner expressed his fears in a memorandum to Phillips Talbot, stating: ‘We feel that the chances are about one in three that the Shah… may be content to leave Amini in power with little if any reduction in Amini’s freedom of action, after having forced him to kick out one or two of his Cabinet Ministers (Arsanjani and Alamuti, probably).’\textsuperscript{574} Miner considered what else the US could do, but stated that ‘we are at a dead end’ and requesting a letter from the President could

\textsuperscript{570} Phillips Talbot to Fowler Hamilton, Confidential, October 12, 1961, DNSA, Iran Revolution Collection, Item No. IR00427.
\textsuperscript{571} ‘ITF Report’, Secret, October 26, 1961, NACPM, RG 59, NEA Iran Desk 58-63, Box 3.
\textsuperscript{572} Julius Holmes, Tehran to Secretary of State, Washington D.C., Secret, October 24, 1961, JFKL, NSF, Box 116. – FOIA
\textsuperscript{573} Ibid.
be seen as ‘a naked attempt to interfere in Iranian internal affairs.’\(^{575}\) However, the activists in Washington wanted the US to directly intervene. On 9 November Hansen sent a memorandum to McGeorge Bundy explaining that, despite the Ambassadors’ best efforts, the ‘Shah appears determined nevertheless to make some changes in his government within the next few days.’\(^{576}\) Hansen stated that the ‘plan now appears to be to wait out developments and then formulate new policy proposals based on the new circumstances.’ However, Hansen wanted the matter brought to the President’s attention so that he ‘would have an opportunity to decide whether further action should be taken before the Shah moves.’\(^{577}\)

The following day in Tehran, Holmes reported that General Ḥasan Pākravān, Head of SAVAK and a strong supporter of Amīnī, had seen the Shah at some point on 9 November and had called on Amīnī thereafter. Amīnī is reported to have stated to Pākravān that he wanted his Cabinet kept intact and was confident the latter would convey this to the Shah. In turn, Amīnī informed Holmes of the discussions he had with the Shah, in which he had rigorously defended his team and requested more time. Amīnī stated that he would go and see the Shah for one more time on 11 November whereby the matter would be settled.\(^{578}\) On 10 November Harold Saunders sent another memo, this time to the President, asking whether ‘we want to make a strong final pitch to the Shah to save Amini.’\(^{579}\) The following day, in Amīnī’s crunch meeting with the Shah, the latter ‘acceded’ to Amīnī’s request for more time and for his Cabinet to be kept intact.\(^{580}\) In subsequent days the Iranian press reported that a figure of $35 million in economic assistance had been given to the Iranian Government; $15 million as a dollar grant and $20 million as a loan to the Plan Organisation.\(^{581}\) The question is, did the Shah decide for his own reasons to retain Amīnī or did the US intervene directly?

\(^{575}\) Ibid.  
\(^{577}\) Ibid.  
\(^{578}\) Julius Holmes, Tehran to Secretary of State, Washington D.C., Secret, November 10, 1961, JFKL, NSF, Box 116.  
\(^{581}\) Kayhān, 22 Ābān 1340 [13 November 1961].
In early December, Ambassador Harrison reported that a ‘riding friend’ had told him that part of the Shah’s motive for meeting himself and Holmes was to establish whether the US and UK would ‘insist on his retaining Dr. Amini as Prime Minister.’\textsuperscript{582} Harrison deemed it a success that both he and Holmes had avoided committing themselves. The result was that ‘the Shah had said he was still not sure, in the outcome, whether it was he or the Anglo/Americans who had kept on Dr. Amini.’\textsuperscript{583} In July 1962, the Shah, in conversation with Col. Yatsevitch, referred back to November 1961, stating that his decision to retain Amīnī was aided by the advice of friends. The Shah stated that he had ‘sought his friends’ views on the creation and direction of such a team by himself.... [and] the advice he got was to refrain from such direct action himself for the present, and to let the Prime Minister take the initiative.’\textsuperscript{584} As mentioned, Gen. Pākravān visited the Shah on 9 November, and it is possible that he played an important role.\textsuperscript{585} In addition, the ‘contact between the Americans and the Court was extensive.’\textsuperscript{586} Just as this was one reason the Shah knew the Americans thought highly of Amīnī prior to his appointment, this may explain why he received such advice from friends, and why he could not confirm whether the idea for retaining Amīnī was placed in his head by the Americans.

It is the conclusion here that in November 1961, US pressure was applied and the question of the release of aid monies to the tune of $35 million used as leverage, to induce the Shah to keep Amīnī in power. This time, unlike in the late spring of 1961 immediately after Amīnī’s initial appointment, the US also attached conditions to the release of its aid. Hansen, Komer and others hoped that, with added pressure, Amīnī might be induced to accomplish his goals and set the stage for the successful launch of the Third Plan, which would then offer a platform for Amīnī to grow in strength and for the US to influence economic development. However, Amīnī would not accomplish his goals. A budget bureau was not formed, a consolidated budget wasn’t achieved, nor were significant measures to increase tax yields taken and ambitions for the Third Plan were also scaled down. Thus US influence would prove

\textsuperscript{583} Ibid.
\textsuperscript{584} Gratian M. Yatsevitch, 'Meeting with the Shah,' Secret, July 16, 1962, NACPM, RG 59, CDF 60-63, Reel 16 of 16, 611.88/7-1662.
\textsuperscript{585} CIA Officer interview.
\textsuperscript{586} William Green Miller interview.
ineffective even after written assurances had been attached to the release of emergency aid. It is the extent of US influence, which Chapter 4 will focus on in greater detail. For now it remains to conclude that by the end of the year 1961, the Shah had a clear and now also public (thanks to the Reform Farman) overarching plan that constituted a framework for a philosophy, but he did not yet have a team to formulate and execute a detailed programme of measures based on this over-arching framework. Thus, for the time being Amīnī and his Cabinet would remain intact.
Chapter 4

The Extent of US Influence

We shall always hope to find them strongly supporting their own freedom -- and to remember that, in the past, those who foolishly sought power by riding the back of the tiger ended up inside.\(^587\)

John F. Kennedy, January 1961

We may raise eyebrows at certain aspects of his current program but we’re going to have to ride this tiger.\(^588\)

Robert Komer, January 1963

In May 1980, former US Ambassador to Iran, Armin Meyer, wrote to another former Ambassador, Loy Henderson, on the subject of a talk Meyer gave on the nature of the US-Iranian relationship during the Cold War. Meyer thought Henderson would be interested to hear his take on several myths that in his opinion the American public were currently ‘being brainwashed’ with.\(^589\) One such myth, according to Meyer, was that the Shah had been a stooge of the United States. Meyer wrote in his presentation notes ‘friend yes, stooge no,’ and ‘more accurately, US was his stooge.’\(^590\) Meyer gave various reasons, including the Shah resenting US advice and mostly getting what he wanted in terms of military procurement. However, as Ansari points out, this is not the narrative depicted by the Islamic Republic of Iran. At the time Meyer was attempting to correct this perception, Ayatollah Khumaynī and the new Islamic regime was (and still is) attempting to justify its rule in part by positing the United States as the ‘other… against which the revolution could be sharply defined.’\(^591\) This meant discrediting the Pahlavi dynasty, and identifying Muḥammad Rizā Shāh with ‘an association and dependence on the West.’\(^592\) Both the myth, which preceded the revolution, and the diminution of the Shah after the event, clouds our understanding

\(^{587}\) 'Inaugural Address of President John F. Kennedy', January 20, 1961, LOC, AHPP, Box 479, File: 1.


\(^{590}\) Ibid.

\(^{591}\) Ansari, The Politics of Nationalism, pp. 199-120.

\(^{592}\) Ibid.
of the actual relationship between Iran and the US, which was probably more equal, or at least in favor of Iran, than keeps being suggested.

Having looked at Amīnī’s plan, at the US reaction to his appointment, and at the Shah’s Reform Fārmān of November 1961, the following chapter will address the US position and intentions in greater detail. This will be divided into three areas. Sections 4.1 and 4.2 will look at the nature of the Iran-US relationship and the divisions in Washington over policy towards Iran, thereby trying to establish to what degree the United States was in actual fact able to exert influence. Against this background, section 4.3 will look at US intentions and limitations with regard to land reform, the Third Development Plan and political reform. Finally, section 4.4 will review the limits of US influence and ask why it has been overstated. In other words, this chapter centres on the following questions. What was the reality of the US-Iranian relationship under the Kennedy administration? Were US efforts to promote reform affected by policy divisions in Washington? And, what reforms did the US seek to instigate and what factors limited US influence in these areas?

### 4.1 Agent-Client? Wag The Dog

By 1972, when President Nixon allowed the Shah unprecedented carte blanche on arms procurement from the United States, this was simply the recognition of the status quo. The Iranian tail had been wagging the US dog for nearly two decades before that date.\(^{593}\)

Mark Gasiorowski defines ‘international cliency relationships’ as those by which more powerful states (agents) ally themselves with ‘strategically important client countries’ and ‘promote stability… [through] large amounts of economic aid and security assistance.’\(^{594}\) In the context of the Cold War in the Middle East, this was to prevent Soviet advances, but also to maintain US influence in geo-strategic areas, especially in the Persian Gulf with its vast oil supplies. As Gasiorowski’s book details, the US was heavily involved in Iran during the first half of the Cold War and gave much economic and military aid to help maintain the Shah’s regime. The question is to what extent such involvement bought the United States influence? In May 1961, the *Financial Times* wrote that ‘if clients are going to be kept’ then

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\(^{593}\) Carr, pp. 57-84 (p. 57).

\(^{594}\) Gasiorowski, *Building a client state in Iran*, p. xiii.
economic aid should be ‘given against undertakings to introduce rapid social and economic reforms’ and clients such as Iran should be ‘compelled to put their house in order.’

However, was the US in a strong enough position to compel Iran to put its house in order?

The trend in the secondary literature is that after 28 Murdād the Shah was heavily reliant on the United States, but at some point in the early-mid 1960s Iran achieved greater independence. Roham Alvandi points to September 1962, and the Shah’s unilateral pledge to the Soviet Union not to base foreign missiles on Iranian territory as the ‘beginning of Iran’s transition from a loyal US client… [to] independent partner.’ Andrew Johns locates this transition a little later. Johns cites a meeting between the Shah and President Johnson in 1967, regarding the ‘thawing of relations between Tehran and Moscow’ and the purchasing of arms from the Soviet Union. Johns states that this ‘marked the culmination of the patron-client relationship’ leading to a ‘more balanced strategic partnership.’ However, there are those such as Abrahamian who conclude that the Shah was never ‘truly independent.’ This may be true, but it misrepresents the complexity of the relationship and underscores the myth of US omnipotence and a subordinate Shah. It is Carr’s conclusion that the Shah in fact ‘influenced and often controlled the US policy-making process.’ The following will argue that this was indeed the case, and that although during the 1950s and early 1960s the Shah was more closely tied to the US, this did not mean US influence was proportional to US involvement in Iran.

When assessing the nature of an alleged agent-client relationship, a distinction must be made between the real and imagined. The reality is clouded by the myth of the Shah’s subservience to Washington. Scholars and officials comment on the belief of the foreign hand pulling the strings, especially in the minds of the Iranian opposition. The belief that the Shah survived only as long as the US wished him to, that the US dictated policy and also wielded a ‘veto on political developments.’ Andrew Westwood notes that by the time of the Kennedy administration, ‘Iranian

597 Johns, 64–94 (p. 64).
598 Abrahamian, Roots of Modern U.S.-Iranian Relations, p. 218.
599 Carr, pp. 57-84 (p. 57).
nationalism has become charged with suspicion that powerful foreigners in league with powerful Iranians lie behind unpleasant events.\footnote{Westwood, 123-135 (p. 125).} Complicating matters, it appears the Shah also encouraged this belief when it suited him. ‘Abū al-Ḥasan Ibtīhāj commented that the Shah ‘did not hesitate to claim that he enjoyed British support when it suited him, and made a point of having it understood that the British and Americans would tolerate no alternative.’\footnote{Arthur Kellas, 'Record of Conversation with Mr. Abul Hasan Ebtehaj', Confidential, February 15, 1961, TNA, FO 248/1581, No. 1014/61.} Whatever contemporary Iranians and others imagined the US-Iranian relationship to be at the time, the evidence suggests that is was in actual fact a two-way street.

In June 1965, US official William Green Miller in conversation with a British official stated that ‘the Shah's view was unimportant since the Shah owed his present position to the Americans who could turn him out at any time.’\footnote{N. Derbyshire to C. D. Wiggin, Secret, June 12, 1965, TNA, FO 248/1607, No. 10114/65.} The British themselves made a similar point seven years earlier, stating ‘it would not in fact be difficult for us, by letting it be known that we had abandoned him, to provoke the Shah's downfall.’\footnote{J. W. Russell, Tehran to Selwyn Lloyd, London, Confidential, October 27, 1958, TNA, FO 371/133007, EP 1015/55.} However, they added that ‘it might well be fatal for the country if we did so.’\footnote{Ibid.} In March 1959, a US National Intelligence Estimate reported that an important factor mitigating against a coup was the ‘very real fear in the minds of these Iranians who might move against the Shah of a vigorous US instigated or supported counteraction against any move to oust him.’\footnote{NIE 34-59, 'The Outlook for Iran', Secret, March 3, 1959, DNSA, Iran Revolution Collection, Item No. IR00370.} Whether or not US intervention would succeed, with the outcome favourable to US interests, the possibility that the US held the Shah’s future in its hands cannot be ignored. The Shah was aware that he had to live with the Americans, and thus to take account of their views as one of many factors to consider. However, after this is taken into account the relationship in many other areas swings more heavily in favor of the client.

The US did have the option of withdrawing support for the Shah and allowing events to unfold. However, this would be a great risk to be sure the outcome favoured US interests as much as a stable, Western-oriented Iran under the Shah. Iran was geo-
strategically vital to US interests and the US and Britain were fearful of the consequences should the Soviets take advantage of an unstable, vulnerable Iran. Ambassador Holmes reported that if Russia took Iran it could endanger all Middle East oil, outflank Turkey, and even access East Africa. Holmes stated ‘the West can't lose Iran, simply can’t.’ In addition, John Miglietta points out that the US had listening posts in Iran near the Soviet border, which were key to monitoring ‘Soviet compliance with potential arms control agreements.’ Putting an exclamation mark on the consequences of losing Iran, Henry Kissinger, in a report to Nelson A. Rockefeller, concluded that ‘a Soviet attack on Iran, combined with climactic pressure on Berlin, would add up to a general political-military offensive against the Western allies… [and] leave no alternative whatsoever, except American surrender or full-scale thermonuclear war.’ Thus, although the Shah accepted he must live with the Americans, he also knew how important Iran was to the West, and that their commitment to come to Iran’s aid if attacked was purposefully ambiguous.

Robert Komer, commenting on a JCS memorandum, stated how ‘little real capability we have to aid an ally short of using nuclears,’ never mind the fact that ‘Iran would be one of the hardest places in the world (except perhaps Afghanistan and Finland) in which to compete with the Soviets.’ Komer made it very clear what present US limited war capabilities were.

The US could take certain limited non-nuclear measures to counter limited Soviet intervention or a “probing aggression” in Iran… but to do the job in time and successfully would require… immediate air attacks on Soviet air bases directly supporting the aggression, initially conventional but nuclear if necessary (a euphemism, I presume) [sic].

Ambassador Holmes made it clear that US ability to induce the Shah to reduce military spending and focus on economic development was hampered by current US capabilities. Holmes stated that ‘although the key to drastic reduction in military aid without serious political repercussions is to persuade the Shah that U.S. forces will

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608 Miglietta, p. 55.


611 Ibid.
help him in Iran if he gets into difficulties, we know he knows… that this is not possible."612 Hence, although the US could withdraw their support, they would be taking a grave risk with a key state bordering the Soviet Union; one for which the only plan was nuclear war. Therefore, unless there was a clear alternative the Shah was viewed as a key figure in maintaining stability. Once both sides privately acknowledged this it gave greater leverage to the client in matters such as reform.

When Ali Ansari states that the United States ‘pandered to the Shah's worst excesses with respect to the armed forces and security’ and the Shah ‘was playing the Cold War game well,’613 he does so without fully explaining the US position. The Kennedy administration was well aware that it was giving in to the Shah’s demands, but for the reasons explained had tied itself to stability under the Shah, so had few cards to play to pressure the latter to take steps he was reluctant to take. It was the Shah’s decision how much to act on advice from the Kennedy administration. This is not to downplay the real concern he appeared to have regarding the intentions of at least some in the Kennedy administration to take a risk in pressing him harder or even replacing him, but the price to pay for maintaining Iran as a client was managing the Shah. The US had locked itself inside an ‘iron cage.’614

Mark Gasiorowski notes that the US gave a significant quantity of aid to Iran, which ‘left the Shah highly dependent on the United States and enabled U.S. policy makers to exert considerable-although certainly not unlimited-influence over him.’615 In fact, the US felt trapped into giving the Shah what he wanted over and above what it intended to give. In October 1958, US National Security Council report NSC-5821 stated that the Shah ‘seems to expect the United States to meet whatever budgetary deficits may develop.’616 The Eisenhower administration also faced the problem of attempting both to dissuade the Shah from embarking upon excessive military programs, whilst encouraging ‘Iran’s participation in the Baghdad Pact through assistance to the Iranian armed forces.’617 The Kennedy administration faced the difficulty of managing the Shah’s expectations based on Eisenhower’s commitment

612 Julius Holmes, Tehran to Dean Rusk, Washington D.C., Secret, January 22, 1962, JFKL, NSF, Box 117.
613 Ansari, Confronting Iran, p. 42.
615 Gasiorowski, ‘The Qarani Affair,’ 625-644 (pp. 627-628).
617 Ibid.
of Plan Counterbalance, while seeking to re-focus his efforts onto economic development. Thus, when Henry Brands concludes that President Kennedy ‘encouraged the shah to devote fewer resources to the military’ in favour of economic development and ‘as a stick… threatened cutbacks in military assistance,’618 this rings wrong. The US had no stick with which to beat the Shah, but instead had to offer enough military assistance to put the Shah at ease. This was one aspect of managing the client, the other was responding to the Shah’s apparent spells of depression.

Officials talked of the need to manage the Shah’s anxiety on a regular basis. The British described this as ‘an annual exercise.’619 A critical period was in March 1962, when the Americans and the British reported the Shah to be deeply depressed over a combination of the level of US support for his rule, the delayed confirmation of the new Military Assistance Package (MAP), and that he may have to wait until September to personally meet President Kennedy. The Shah first reported his anxieties to Ambassador Harrison. The British stated that the Shah threatened ‘unless the United States Government showed greater understanding, the consequences could be extremely grave.’620 The British reported that the Shah had ‘worked himself into a state of psychological, one might also say pathological, depression.’621 Whether real or not, the Shah threatened to abdicate and, if so, explain the situation to his people, which may include ‘a violent attack against the Americans’ resulting in a possible ‘swing in public opinion against the West and in the direction of neutralism.’622 In the end the US gave in to the Shah’s demands, first by moving the state visit forward from September to April, then agreeing a handsome five-year MAP package, which included additional items based on the Shah’s demands. Far from US pressure telling on the Shah, the tail was wagging the dog.

Even in the early 1960s the US-Iranian relationship was very much two-way. When authors argue that a change only occurred after 1963 with respect to oil revenues and improved Soviet-Iranian relations, this wasn’t the beginning of

622 Ibid.
independence, simply an important shift away from having to rely on the US. The perception of the US-Iranian relationship being more in favour of the US is clouded by myth and the vast quantities of US aid. A closer look reveals a situation more in favour of the presumed client, Iran. Once the US had tied itself to the Shah for the sake of stability and its greater interests, it was difficult to exert the US’s will over him, especially with regards social and economic reforms. This position is summarised in a State Department report in 1962.

There is a great misapprehension here in Washington to the effect that there is a cheap solution to these things, and that if we just tell these client countries what they have to do, they will dutifully do it. These same great minds refuse to admit that if we have a stranglehold on a little country like Iran, it also has one on us.623

From the mid-1960s the US simply became even more reliant on the Shah. Rouhollah Ramazani points out that after the increase in oil revenues, higher growth rates and improved relations with the Soviet Union, the Shah shifted his concept of foreign policy from ‘positive nationalism’ to an ‘independent national policy.’624 The British Embassy in Washington reported that the State Department ‘thought that it would be increasingly important for the West to maintain close contact with the Shah himself, and to consult him on matters of importance to the Western Alliance.’625 As Armin Meyer stated in his talk, the Shah was no stooge of the US, more accurately the US was his stooge.

Having outlined the nature of the alleged agent-client relationship, the next step is to relate this to the introduction of reforms. This will begin by looking more widely at US policy towards Iran during the Kennedy administration. Having looked at the adjustment in policy under the Iran Task Force, the following section will examine the divisions in Washington and their impact despite this official policy shift.

4.2 US Divisions and their Impact

The perception is that there was a significant shift from Eisenhower to Kennedy with regards greater intrusion in Iranian affairs and the promotion of economic, social and

624 Ramazani, Iran’s foreign policy, p. 311.
political reform. However, the Kennedy administration’s policy was not uniform. At the height of the Cold War there were clear divisions about the best approach for encouraging reform in Iran. Nor was this a peaceful debate. Emotional language was used along with tactics such as delaying reports, misdirection, threats to sidestep individuals, proposals to replace individuals and rivalries that encapsulated the differences of opinion over the right course to take in Iran. To assess the significance of this, section 4.2 will answer the following. What were the key divisions, between whom and why? And, to what extent did such divisions affect US efforts to promote reform in Iran?

Victor Nemchenok concludes that ‘undue emphasis’ has been placed on US divisions by such authors as April Summitt, James Bill and James Goode. Nemchenok states that it is incorrect to conclude that ‘internal conflicts caused policy failure,’ and that such ‘disputes had little bearing on the outcome of Washington’s programme.’  

James Goode provides evidence to the contrary, noting how the traditionalists in the State Department actively worked against the more activist New Frontiersmen in the White House. My analysis aligns with Goode’s, as there is evidence to suggest that divisions were fierce enough to hamper US attempts to coordinate efforts to promote economic and social reforms, and also to curtail the activists who sought greater intrusion in Iranian affairs. However, I disagree to some extent with Goode’s conclusion that ‘U.S. support for the shah’s White Revolution’ was a ‘by product of a bureaucratic compromise’ between the traditionalists and activists. There is evidence to indicate that the activists remained unhappy and were prepared to make moves to pursue a more active policy in Iran post-January 1963.

It is evident that from the beginning of the Kennedy presidency there was ‘a divergence between the reformist White House and… the State Department’ over the best approach on Iran. The CIA also had a particular viewpoint, along with US agencies on the ground, such as the Near East Foundation, Ford Foundation, USOM and USAID. This represents a divided attempt to introduce reform onto an equally divided Iranian government with inter-ministerial rivalries, personal agendas and a bureaucratic administration in desperate need of reform. Therefore, it is not difficult

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626 Nemchenok, ‘In Search of Stability,’ 341-269 (p. 360).
627 Goode, ‘Reforming Iran,’ 13-29 (p. 17).
628 Ibid., pp. 24-25.
629 McGlinchey, p. 27.
to imagine why the implementation of US objectives proved difficult. The focus in the following paragraphs is on the central split between the traditionalists and the activists in the Kennedy administration. Whilst there had been different perspectives on what action to take already prior to Amînî’s appointment, this division came to the fore with the creation of the Iran Task Force that occurred after Amînî had become Prime Minister.

The traditionalists favored stability, less intrusion and no drastic action in Iran. This group comprised the State Department, Department of Defense, US Embassy in Tehran and USOM and included such individuals as Dean Rusk, Iran Desk Officer John Bowling, Phillips Talbot, and Julius Holmes. The British reported a few days after the creation of the Task Force that John Bowling was hopeful that the view of the Office of Greek, Turkish and Iranian Affairs (GTI), that caution was desirable in the present ‘fluid’ situation in Iran, ‘would prevail over those who were urging that "something" should be done.’ After the Task Force submitted its first report and the President approved the programme of action, the State Department was ‘reluctant to keep [the] TF [Task Force] in being for follow-on action.’ Both State and Defense wanted to keep any contingency planning under their control and out of the hands of the more activist and, in their view, foolhardy officials in the White House. Ambassador Holmes personified the traditionalist position, which was that the Shah was the ‘key to stability over the next five years.’ Support for the Shah along with minimal intrusion in Iranian affairs was the position of the traditionalists; a position they would act to defend.

John Bowling, in a personal letter to author James Goode, stated that ‘he and his fellow traditionalists intended “to change or dilute” the president’s decision to support the implementation of the Task Force recommendations “through delay or bureaucratic misdirection” ’. The State Department understood the need for economic and social reforms, but did not see an alternative to the Shah, and the Task Force report, which Kennedy approved, sought to build support for Amînî as an alternate centre of power, with the Shah reverting to being a constitutional monarch.

In this vein, a line by Dean Rusk, which is crossed out but still visible in a Telegram to the US Embassy in Tehran, reflects the traditionalists’ position. The telegram concerns the coordination of approach between the US and British Ambassadors for their forthcoming meeting with the Shah in October 1961. The line in question is a response by Rusk to the British Foreign Offices’ suggestion to Ambassador Harrison that he may wish to say to the Shah that a ‘figurehead PriMin would be as dangerous as direct rule [sic].’ Rusk’s response, which is crossed out but still visible, reads: ‘Department does not agree with point (1) above since figurehead PriMin would at least give Shah more freedom maneuver [sic].’ Although Rusk obviously reconsidered such a recommendation, as this would have contradicted official US policy, it is indicative of the traditionalists support for the Shah and continuity.

The appointment of Phillips Talbot as Head of the Task Force was no accident, as this gave the State Department the opportunity to continue to influence policy. A key activist, Robert Komer, reported that in mid-1961 Phillips Talbot was ‘urging that Ken [Hansen] and I leave him alone,’ and of being chagrined that his group must ‘accept in the last analysis the Ambassador’s [Holmes’s] judgment.’ As Goode writes, there were clear attempts by the traditionalists to sidestep the activists. For instance, in October 1961, before Hansen and Komer ensured written assurances were attached to the $35 million given to Amīn’s Government, Talbot attempted to sidestep the Task Force. Talbot sent his recommendation for $35 million directly to Rusk ‘without running it through the Task Force.’ It was only after Armin Meyer informed Komer that ‘State proposed to sidestep the TF and simply authorize Holmes to inform Iranians of new aid’ that the activists became aware. As Meyer’s actions indicate, there were some within State who did not totally agree with the traditionalists approach. Chester Bowles was not comfortable that under Rusk ‘the primary task of the State Department was not to think up new “ideas“.’ Bowles also comments that he ‘strongly argued the case for more intensive economic

634 Dean Rusk, Washington D.C. to US Embassy, Tehran, Secret, October 27, 1961, JFKL, NSF, Box 116. – FOIA
635 Ibid.
development,’ but lost out to Holmes and others. However, despite some disagreements within their bastion, the State Department, the traditionalists were still strong enough to defeat the activists in the White House.

The activists proposed more drastic action involving greater interference in Iranian affairs, and sought to keep the Task Force in being to keep pressure on the traditionalists. The activists included Robert Komer, Kenneth Hansen, Walt Rostow, McGeorge Bundy, and member of the Policy Planning Council William R. Polk. Their goal, as Roby Barrett states, was ‘to take the policy formulation portfolio for Iran out of the State Department.’ The British Embassy in Washington reported that ‘some new frontiersmen’ were urging a ‘firm line with the Shah… [to] remind him forcefully of the overriding importance of economic development,’ and State was ‘resisting pressures of this kind.’ However, as with the traditionalists, there was also some disagreement within the group. Despite frustration with State tactics, Komer acknowledged that ‘much difficulty arises from the rather abrasive personality of Ken Hansen… [that] has grated on many State types… [and] has apparently made some rather indiscreet remarks about Holmes, et al which have gotten back… and caused bad blood.’

Even after the Task Force was disbanded and Amīnī resigned, the activists still insisted that drastic measures were required.

In November 1962, Hansen called for a new ‘chosen instrument’ to ‘lead our crusade’ and suggested a new Ambassador with a ‘crack team’ and a new Task Force with Komer as its chairman. Hansen stated: ‘let’s lay out a hard, affirmative program… [and] do a really hard-hitting job of political “meddling” – fingering as many people as possible… engineering them into a position of some prominence… let’s get a damn good CIA operator!’ Even after the 6 Bahman referendum the New Frontier had not been completely co-opted. In May 1963, Hansen stated that ‘we may be actually further behind than we were two years ago in terms of a fundamentally sound approach to strengthening the internal fiber of Iran [sic].’

639 Ibid., p. 370.
640 Barrett, p. 219.
644 Ibid.
Hansen wanted more strident intervention in Iranian affairs. In June 1963, prior to Holmes’s return to Washington, Komer suggested to McGeorge Bundy that we produce a new action programme in order that ‘we have a stick with which to beat him.’ The traditionalists and activists had not reached a ‘bureaucratic compromise’ as Goode argues. Howard Cottam in the State Department acknowledged that ‘The Ambassador, Country Team and NEA believe that the Shah and his principal advisors have done a good job… [but] others are at issue with the tactics followed by Iran and believe a determined effort should be made to revise the Third Plan and direct development.’ However, the activists had long since lost the argument, as official policy was to support the Shah and his White Revolution.

While the focus has been on State and White House, the CIA also had a point of view, which lay somewhere between the two. In the weeks after the revolution in Iraq, CIA Director, Allen Dulles, noted his concerns in a meeting of his Deputies and recommended they express to the State Department that without economic and social reforms ‘the current government of Iran will go down the drain.’ Foreshadowing the Kennedy activists’ frustrations with the State Department, Dulles stated that he had attempted to express his concerns himself at the desk level, but ‘was unable to make much headway.’ The CIA remained concerned that the Shah could be overthrown if reforms weren’t enacted. However, although seemingly closer to the activist position, the Financial Times noted that the CIA argued that ‘a reformist Prime Minister could not be risked in Tehran.’ The activists wanted the Shah reduced to a constitutional monarch; the CIA and State wanted stability and to work with the Shah to achieve this, but the CIA was more concerned than State that the Shah would not implement reforms. Even after Amini’s resignation, the CIA was urging ‘continuing and forceful pressure on the Shah… to push forward with the various reform programs.’ US policy towards Iran was certainly not uniform. However, any assessment of the impact of these divisions must also consider the foundations upon which such policy might be implemented.

649 Ibid.
650 Special Correspondent, ‘Dr. Amini’s Visit a Sign of Strength’, Financial Times, March 5, 1962.
A divided US Government attempted to introduce ideas and plans onto an Iranian administration in need of reform and bureaucracy rife with divisions. In 1962, Leonard Binder noted that Iranian ‘departmental organization suffers from many of the defects of interdepartmental fragmentation and conflict.’ For example, Nasr Vali notes the ‘heated altercations’ between Finance Minister ‘Abd al-Ḥusayn Bihniyā, Agriculture Minister Ḥasan Arsanjānī and Plan Organisation Director Šafi Asfiyā regarding ‘who should determine Iran's economic policy.’ Chapter 2 looked at the divisions within Amīnī’s Government and the impact on his Government’s programme. However, divisions, conflict and fragmentation transcended Iranian Governments and were evident to organisations such as the International Basic Economy Corporation (see Appendix L, point 2). The latter was critical of the ‘Alam Government for its ‘inability to encourage foreign investors to bring in badly needed capital for industrial development projects… because of bureaucratic red tape and wrangling in the different ministries.’ The Ford Foundation was also aware of the difficulties in trying to implement reforms onto an unprepared Iranian administration. In closing out operations in Iran, Rey Hill reported that a key reason for their failure was ‘bureaucratic reticence toward new approaches and… inter-ministerial rivalry.’ The New Frontiersmen were not only battling the traditionalists, but conditions in Iran, which meant the Shah and others held greater sway over the direction of reform.

Although Nemchenok concludes that internal conflicts and disputes had little bearing on US plans, there is enough evidence to suggest that divisions and lack of cooperation in Washington and Iran did impact on US efforts. In addition, The Ford Foundation noted the detriment to its many projects by the ‘confusion planted in the Government of Iran’ by Ford and other organisations, along with ‘bureaucratic rivalry within USAID, and or between the ministries of Government.’ Ultimately there were too many interests that precluded a coordinated US approach to promote

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653 Vali, 97-122 (pp. 99-100).
654 'Sales Program', February 12, 1963, RAC, International Basic Economy Corporation Records (cited in future as IBEC), FA084, Box 78.
development along lines favored by the New Frontiersmen. Chester Bowles later admitted that “within the vast expanses of the U.S. Government the most misguided policies generate a momentum of their own which even senior officials, presumably speaking for the President himself, find it difficult, if not impossible, to stop.”657 In January 1962, the Shah stated to Ambassador Holmes that he was concerned some in Washington favoured more radical action.

The Shah gave me the impression of being more genuinely concerned, discouraged, and upset than on any other occasion… as I [Holmes] was taking leave he said that he sometimes wondered whether "some people in Washington" did not wish to tear down what exists in Iran and substitute something else. I assured him, of course, that such was not the case.658

The Shah was right, but needn’t have concerned himself; the Kennedy administration had already chosen the less ambitious, less risky path. The traditionalists had won.

### 4.3 US Recommendations and Influence

Having outlined the nature of the US-Iranian relationship and the divisions in Washington regarding US policy towards Iran, the focus in the following sections is on US intentions to pursue various recommendations for economic, social and political reforms. Until the 6 Bahman referendum the main thrust of US efforts centered on the Third Development Plan, Land Reform and political reform under Amini. Therefore, the following sections will look at each of these areas in turn, assessing US responsibility based on intentions, actions, limitations and results. Only then will a fair assessment be made to determine agency for reforms, rather than simply equating intentions with results as others have done.

As we have already seen above, the six points of the White Revolution were not something the US had in mind and then pressured Iran into implementing. No, the White Revolution in its specific form belonged entirely to the Shah. The question is to what extent did US pressure lead to the Shah opting for his White Revolution? Therefore, the focus is on US efforts to influence development in education, agriculture and elsewhere, mainly via the Third Development Plan. Land reform is

657 Bowles, p. 378.
658 Julius Holmes, Tehran to Department of State, Washington D.C., Secret, January 19, 1962, JFKL, NSF, Box 116. – FOIA
treated separately, as it was not originally part of the Third Plan, and because it is the key component of the White Revolution. US efforts to encourage political reform will also be discussed. Looking at these areas will help determine to what extent the US directly encouraged the White Revolution. This will focus on the following questions. How did US recommendations compare to what was introduced? To what extent did the US choose to intervene? And, to what extent was the US allowed to intervene based on Iranian willingness and capability to utilise such assistance?

4.3.1 Land Reform

There is confusion in the secondary literature as to what type of land reform the Kennedy administration recommended. Land (or agrarian) reform itself is a loaded term, as it could refer to expropriation, landlord-peasant relationships, cultivation, or other measures such as agricultural credit, marketing, mechanisation and improved use of fertilisers. Ahmad Ashraf says that the US specifically ‘favoured Amini’s programme of land reform.’\(^ {659}\) This leaves US intentions open to interpretation, as Amīnī and Arsanjānī differed on the extent of distribution and whether to attack or work with the landowners. Regardless of their differences, David Collier believes that both Amīnī and Arsanjānī were simply implementing ‘American policy.’\(^ {660}\) Ali Ansari is a little more specific and concludes that a key difference in approach between the US and the Shah was that the US focused on the ‘economic benefits of this “revolution” in land tenure… [whereas] the Shah was more interested in the potential political rewards.’\(^ {661}\) However, Ansari’s conclusion seems somewhat simplistic. The following will assess US responsibility for what was introduced based on the following questions: How did US recommendations compare to what was introduced under Amīnī and then the Shah? To what extent did the Kennedy administration choose to intervene? And, to what extent could the US influence events?

The main thrust of US policy was for increased production through improvements in land tenure and greater capital investment. USOM agricultural economist V. Webster Johnson, stated that this involved ‘a good credit program…

\(^ {659}\) Ashraf, pp. 21-44 (p. 25).

\(^ {660}\) Collier, 456-475 (p. 464).

\(^ {661}\) Ansari, Confronting Iran, p. 47.
cooperative services... and an active agricultural educational program at the village level.\(^{662}\) Dr R. H. Porter, a Ford Foundation consultant to the Dean of the Faculty of Agriculture at Shīrāz University, related such recommendations to America’s own experience. The United States currently had food surpluses as a result of increased production enabling the US to operate its Food For Peace programme. Dr Porter, like Webster Johnson, saw ‘agricultural colleges and manufacturers of agricultural machinery aided by an enlightened, educated farm population’\(^{663}\) as methods that should be applied in Iran. However, this was not to say that some distribution was not necessary. Recommendations for land tenure tied with helping Iran on the path to modernisation, which involved ‘an important transformation of the role of the wealthy landlord group’ to solve both ‘agrarian problems’ and transfer capital to ‘more productive modern processes.’\(^{664}\) The US also favoured some distribution for political purposes.

Both the activists and traditionalists in Washington believed it necessary to make an example of the largest landowners, both to give Amīnī’s Government some momentum, and also because the current setup demanded it. Kenneth Hansen stated that Amīnī would have to take some measures of a ‘political nature’ involving ‘the largest owner (250 villages or more).’\(^{665}\) State also suggested ‘larding it [land reform] with a program of expropriation and land distribution directed against a handful of notoriously backward and powerful landlords.’\(^{666}\) However, what was introduced in January 1962, and modified in January 1963, was more than the Kennedy administration had ever recommended. US reaction to the 1962 Law and the Additional Articles a year later centered on the political and economic implications. Regarding the former, there was concern that now the ‘long dormant peasants are being awakened by a revolutionary land reform program’\(^{667}\) their expectations would


\(^{663}\) Dr. R. Howard Porter to Dr. Z. Ghorban, June 4, 1961, RAC, FFR, Reel R-0813, Grant File: PA 60-224.


\(^{665}\) Kenneth Hansen, 'Memorandum for Walt Rostow', Confidential, June 13, 1961, JFKL, NSF, Box 115a.

\(^{666}\) 'NEA Study of Possible U.S. Actions RE the Long-Term Political Situation in Iran', Secret, 1961, NACPM, RG 59, NEA Iran Desk 58-63, Box 3.

have to be met. There were also concerns as to the impact on production and ability of Iran to cope with extensive distribution. The Ford Foundation predicted that fifteen thousand ‘agricultural extension agents, agricultural specialists and cooperative managers’ may be required in the next few years alone, and Iran had ‘barely one thousand active today.’\(^668\) Despite such concerns, in the eyes of many today, the United States remains associated closely with land distribution in Iran. Therefore, it is important to assess to what extent the US sought to influence events and to what extent it could.

Both Fred Halliday and Farian Sabahi associate US influence with the 1962 Land Reform Law, the latter stating that the US ‘demanded agrarian reform as a condition for financial assistance,’\(^669\) the former that ‘encouragement and advice of US officials’\(^670\) led to the aforementioned law. There is no evidence the US demanded agrarian reform in the form it was introduced, or encouraged it. US recommendations have been discussed, and USAID official Kenneth Platt reported that ‘far from pressing for this law, the American Embassy was observing a strictly hands-off public attitude, while privately doubting that the law would work.’\(^671\) Aside from the political benefits accruing to Amīnī by attacking the largest landowners, the focus of US efforts was the Third Plan, which ‘had decided not to deal directly with land reform… [as] they limited themselves to… what might be done to improve the cultivator's security within the existing pattern of land ownership.’\(^672\) The US sought to assist based on their recommendations and support for the Third Plan.

From the early 1950s, USOM and other agencies assisted with the distribution of Crown and public domain lands, along with improvements in ‘agricultural practice and agricultural education.’\(^673\) USOM’s agricultural programme consisted of ‘nine projects with positions for 49 U.S. Advisors and supporting staff… assisting Iran with the organization and training of a national extension service and an agricultural

\(^{668}\) 'Proposals of Pahlavi University to Support Progressive Land Reform in Iran' 1963, RAC, FFR, Reel C1454, Gen Corr 1963: Iran.
\(^{670}\) Halliday, p. 110.
\(^{671}\) Platt, p. 71.
\(^{672}\) Baldwin, p. 93.
\(^{673}\) 'A Short Survey of the Point Four Program in Iran', August 21, 1954, LOC, LHPP, Box 9, File: Iran-Background.
Technical assistance and education remained the focus of US assistance, not the promotion of large-scale distribution. Once the 1962 Law was enacted the implementation of land reform showed no signs of slowing down and the Kennedy administration, whilst wanting to help, was wary of becoming overly associated with the Law and its implementation. Options open to the US included additional PL-480 assistance to offset any ‘deficit in Iranian agricultural production’ and ‘provide local currency’ for agricultural credit, and Peace Corps volunteers. There might have also been the opportunity for USAID to ‘train and develop cooperative leaders and managers.’ However, much would depend on Iran’s willingness to accept such assistance. This leads us to the question of how much the US could influence events even if it wanted to?

Although the Third Plan included some reforms in land tenure and cultivators’ rights, once the January 1962 Law was enacted, officials in the Plan Organisation were concerned about how this would be financed and what the impact on the Third Plan as a whole would be. Ambassador Holmes reported that the Plan Organisation was attempting to ‘obtain fix on likely financial costs involved under several possible alternatives as to program scale and pace.’ However, it was soon clear that Arsanjānī was proceeding at a heady pace, and on his terms. Rey Hill reported that with Arsanjānī as Minister of Agriculture land reform ‘is a forbidden one to foreigners, or at least Americans… Plan Organization is also held at arms length… [and] Point Four is trying to become involved, but to do so can only enter the Minister’s office by a rear door.’ Hill stated that any ‘foreigners [who] trod in such volatile situations [did so] at considerable risk while having little chance to influence… [while] possibilities for the foreigner to be made the "goat" are disproportionately large.’ Even if Washington had concerns, were reluctant to be

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674 Maurice J. Williams, ““Turn-Around” Evaluation of the USOM/Iran Project Program’, Official Use Only, July 18, 1961, JFKL, NSF, Box 424.
677 Julius Holmes, Tehran to Secretary of State, Washington D.C., Confidential, March 31, 1962, JFKL, NSF, Box 116.
too closely associated, but felt the need to help if possible to lessen the risk at Arsanjānī’s pace, under the latter’s leadership such possibilities were minimal.

William H. Brubeck, Special Assistant to the Secretary of State, emphasised the need to be cautious along with the limited opportunities to influence land reform under Arsanjānī: ‘This is a Persian program with subtle political considerations… [and] the Minister of Agriculture, Arsanjani, who is responsible for the program, has not so far desired our assistance.’ It was only after Arsanjānī resigned and was succeeded by General Riyāḥī that the US had the opportunity to implement some of the limited options open to it. For instance, General Riyāḥī himself ‘expressed a desire to request 100 Peace Corpsmen’ to help at the ‘operational level.’ Any assistance was very much on Iranian terms, however the idea that land reform was forced on Iran persists in the historiography. This view was prevalent at the time for a number of reasons: because the US did assist with crown and public domain lands and in others areas such as education; because the US wished for some form of land reform and took credit for helping Iran to achieve this; and because the US could be made the scapegoat by those affected by reforms or with an axe to grind. As in other areas, scholars do not have to look hard for a reason to link the US with reform. It is only when one looks in detail at the circumstances surrounding its introduction that one reaches a more nuanced conclusion.

4.3.2 The Third Development Plan

A key change under President Kennedy was to focus on ‘national development plans as opposed to specific projects,’ and prioritise countries ‘making serious and coherent self-help efforts.’ Hence, the focus of US efforts was Iran’s Third Development Plan. The First Plan was interrupted by the events of the early 1950s, and the Kennedy administration entered office during the implementation of the Second Plan, due to finish in September 1962. Iranians, with the help of foreign advisers, were working out the details of the Third Plan, due to begin when the Second finished. US

681 'Implementation of Strategic Objectives Contained in reply to NSAM 228', Secret, April 20, 1963, JFKL, NSF, Box 424.
hope for reforms in education, health, agriculture and elsewhere were encapsulated in this comprehensive development plan, so the US sought to influence through advice and funding. However, there was still caution lest it be seen as an American plan, so the goal was to encourage self-help among Iranians.

As in other areas, Iranian divisions and current capabilities, such as in skills and administration, limited US influence. In addition, the US Government, IBRD and Ex-Im Bank did not help matters by failing to coordinate their efforts. The result was a modified Third Plan more in keeping with Iranian realities, with limited opportunities for the US to influence. In the end the Shah’s White Revolution superseded US hopes for the Third Plan. However, the following will argue that it was not simply competing agendas, but present capabilities, which forced a revision of Third Plan goals. US attempts to influence development were hampered partly because Iranians limited such influence, and partly because Iran was simply incapable of living up to the high expectations of the Third Plan. To explain this further, the following is divided into two sections. Section 4.3.2.1 will look at US intentions and efforts to ensure the successful launch of the Third Plan, along with limitations and faults from the US side that contributed to its revision. Section 4.3.2.2 will focus on Iranian obstacles to progress, before explaining how the Third Plan was scaled down.

### 4.3.2.1 US Intentions and Limitations

Iranians instigated both the Third Plan and the creation of an Economic Bureau within the Plan Organistion to assist with comprehensive planning. It was Abū al-Ḥasan Ibtihāj who initially ‘approached the [Ford] Foundation’\(^{683}\) in 1957 for assistance in establishing an Economic Bureau once he had concluded that one must be established. The Iranian planners then welcomed the Advisory Group from Harvard University into the Plan Organisation to assist with the project and the Shah gave his approval to Prime Minister Iqbal to begin preparing the Third Plan.\(^{684}\) Subsequent heads of the Plan Organisation were complimentary towards Ford and all requested additional assistance in the form of grants and advisers. The last two heads

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of the Plan Organisation, Ahmad Ārāmish and Ṣafī Asfiyā, admired the work of the advisers and were grateful for their help. Ārāmish stated how much the Government of Iran ‘greatly appreciate this assistance’ and how ‘proud’ Iran was of the Economic Bureau made possible by the grant. A report by Ṣafī Asfiyā, stated that by bringing together economists who promoted economic planning, the Harvard Group played a ‘major role in stimulating new ideas… [in] budgeting, fiscal and monetary policies.’ Asfiyā believed the Third Plan could not have been drawn up without the assistance of the Harvard Group. Therefore, although advisers were present, Iranians sought such assistance and desired such reform.

The Third Plan’s central concept was for a change in rural areas at the village level, where Iranians should feel like ‘a true partner in a cooperative endeavour.’ This focused on three key objectives: ‘increasing the production of food and industrial raw materials… improving rural living standards, and improving the distribution of agricultural income.’ Improvements in the lives of the villagers were directed towards education, health, income distribution, agricultural improvements, devolution of power to local councils and a general improvement in rural living standards. The key was increasing the low income of the villagers, which was affected by ‘inefficiency… low productivity… [and] uneven distribution of income.’ This was the main thrust of the Third Plan, along with further industrialisation, and improvements in infrastructure and utilities. A detailed breakdown of the main points of the Third Plan is given in Appendix I. However, there were key requirements to successfully launch this plan as envisioned.

In 1961, there was no indication that oil revenues would rise as much as they did in subsequent years. Therefore, in addition to a potential consortium of countries that would finance part of the Plan, Iran had to make plans to finance its part from domestic resources. Part would come from oil income, but part would also have to come from tax increases, budget cuts and a reduction in military spending. However, it was not simply finance that was key, but also big improvements in administration,

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685 Ahmad Aramesh to Howard Bertsch, February 18, 1961, RAC, FFR, Reel R-0812, Grant File: PA 58-158.
688 Julius Holmes, 'Transition to International Development', Confidential, July 26, 1961, NACPM, RG 59, CDF 60-63, Box 2095, 788.5-MSP/6-1261.
689 Ibid.
the civil service, de-centralisation of government, and training to acquire skilled manpower. Ambassador Holmes reported that the Iranian planners were acutely aware of the lack of skilled manpower as a ‘limiting factor in the economic development program,’ therefore training and education was of paramount importance. This is ultimately where reality set in for both Iranians and the United States with regards what Iran could achieve at this point. When evaluating US intentions for influencing Iranian development and the limits of such influence, it must be noted that both Americans and Iranians were working within the parameters of what was possible. It was not simply competing agendas that affected the introduction of the Third Plan, but the limits of Iranian capabilities. However, the Kennedy administration remained focused on its successful introduction.

In December 1960, Kenneth Hansen, Head of the first Harvard Advisory Group (1958-61), suggested various ways in which his group might promote the successful launch of the Third Plan. Hansen wanted the Harvard Group to ‘get our hands on the 1340 budget’ and revise all the expenditures of the Ministries in favor of ‘Third Plan objectives.’ Hansen also wanted all foreign borrowing directed through the Plan Organisation, which would approve all projects and supervise their implementation, ‘withholding funds if these are not properly utilised.’ In terms of glamorising the Third Plan, steps were already underway pre-Amīnī, such as a one-hour television programme where Iranian staff ‘presented a review of the Third Plan approach’ as part of ‘a large effort in public relations on the Third Plan.’ Ken Hansen was a leading activist in the Kennedy administration, and was determined to press ahead even if it meant upsetting Iranians. However, this does not mean he succeeded, or had to give way to other voices in Washington and Iran. Hansen himself stated that the Third Plan must proceed ‘with maximum participation of (a) the ministries, (b) the operating officials who will… supervise the programs, and (c) Iranians.’ It is one thing for Hansen to suggest such intrusion; it is another to

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690 Ibid.
692 Ibid.
693 Ibid.
694 Kenneth Hansen, Tehran to Edward S. Mason, Massachusetts, December 20, 1959, RAC, FFR, Reel R-0812, Grant File: PA 58-158.
implement such plans. Aside from advisers, much of the potential for US influence centered on financing.

The proposal for a consortium was suggested to the IBRD by then Head of the Plan Organisation, Khusruw Hidāyat. The latter held discussions with President of the World Bank, Eugene Black, and Vice President, J. Burke Knapp for a consortium to include European countries and the US under the aegis of the World Bank. Black and Knapp indicated their willingness to cooperate. However, much would depend on the progress made with the Third Plan and the state of the Iranian economy. For Hansen a consortium was vital, as this would give the US leverage. When the Task Force submitted its recommendations to the NSC, one was that the US should participate as an observer in the review of the Third Plan Frame and encourage the formation of a consortium. In March 1961, Hansen reported that ‘if a “consortium” approach is decided upon, the U.S. will… have an opportunity to study and comment on the entire planning approach.’ Hansen listed ways in which the US could influence proceedings, including to ‘pin-point the key areas of reform,’ ‘“Stake out” areas of special interest to the U.S.,’ and ‘decisively influence… the scope and direction of Iran’s development effort.’ However, US influence would depend on the actions of Iranians themselves along with Amīnī achieving his economic targets and implementing fiscal and budgetary reforms. Success would also depend on the ability of the US to coordinate its efforts.

The support of the World Bank, the Ex-Im Bank and a consortium of countries was key to achieving US goals. The World Bank set three conditions for a consortium: ‘Agreement between the Iranian Government and the World Bank on the scope and level of the Plan… a consortium… attractive to the major capital-exporting countries… [and the] Plan Organisation should have sufficient projects prepared for a consortium to study.’ Iran failed on the last two points, and it appears the US Government did not help matters by giving misleading advice. The US Embassy disclosed to the British that Chester Bowles had informed the Plan Organisation that

697 Dean Rusk to McGeorge Bundy, March 20, 1961, JFKL, NSF, Box 115a.
698 Ibid.
the World Bank ‘tended to look at matters of this kind much too narrowly... [and] the last thing the [Plan] Organisation should do, if they wanted to have a Plan at all, was to put it into the hands of the World Bank.’ The British concluded that the Iranian planners might have believed US support would be forthcoming whether Iran met World Bank criteria or not. However, the US Embassy reported that for Amīnī and the Iranian planners a consortium was important as ‘the possibilities [of] winning Ministerial and public support for [the] plan would be seriously affected if bank and industrial nations [were] unwilling to participate [in] such [a] group.’ The US did not help itself in giving contradictory advice.

Despite US failings, the major impediment to US influence was conditions in Iran, which were out of the control of the US Government. Divisions in Amīnī’s Government including animosity towards the Plan Organisation, the current state of administration, budgeting, lack of skills and even support from the Prime Minister and the Shah significantly frustrated US attempts to influence development.

4.3.2.2 Present Conditions and Capabilities

While there was much hope among the New Frontiersmen for the reformers in Amīnī’s Government, divisions between the Ministries and the Plan Organisation disrupted hopes for the Third Plan. The key disagreements involved the location of the development budget and who was to implement the Third Plan. The Second Harvard Group, led by Tom McLeod, believed that implementation of the Third Plan should lie with the Ministries, however, the Iranians in the Plan Organisation felt otherwise. The latter were ‘discouraged by the probability of the defeat of their best intentions by administrative incompetence, idleness, ignorance, corruption or obstruction in the civil service as a whole.’ The Iranian planners, led by Khudādād Farmānfarma’īyān were reluctant to compromise with the Ministries. They believed they had a ‘brief to dictate financial policy to ministries, rather than simply advise on

701 Stuart Rockwell, Tehran to Secretary of State, Washington D.C., Confidential, April 10, 1962, JFKL, NSF, Box 116.
organisation… methods and development budgeting. Ministries were also reluctant to compromise their position, even under Amīnī’s leadership.

In early 1962, when the World Bank was evaluating progress in Third Plan preparations, divisions between Amīnī’s Cabinet and the Plan Organisation were hampering progress. In March 1962, Deputy Director of USAID Maurice Williams, reported that the Ministry of Education under Muḥammad Dirakhshish was preparing its section of the 1341 budget ‘with a complete disregard for Third Plan objectives and programs’; the Ministry of Finance was ‘fighting Plan Org’s attempt to seize the budgeting function of the Government’; and there was ‘widespread jealousy of the young Iranians in the Plan Organization.’ In addition, the Ministry of Justice, headed by Nūr al-Dīn Alamūtī, was bringing cases against the Plan Organisation related to the Second Development Plan. Whether justified or not, these cases were slowing down Third Plan preparations and demoralising Plan Organisation staff. However, the individual described by the US Embassy as the ‘leading cabinet offender in terms [of] attacks on Plan Org’ was one of Amīnī’s closest allies, Ḩasan Arsanjānī. The latter’s go-it-alone attitude and distaste for foreign assistance (except Israeli) made the Plan Organisation a particular target of his. Given this situation it was vital that Amīnī personally put his full weight behind preparations for the Third Plan. However, this too was lacking.

At the time of Amīnī’s appointment Ford reported that those in the Economic Bureau viewed Amīnī as a ‘100% change for the better,’ and believed he would make a vigorous effort to ‘effect the reforms he professes.’ However, the new Ministers who entered office proved more disruptive to the Plan Organisations’ efforts than those who preceded them. In January 1962, Tom McLeod was conscious that Amīnī was now showing ‘a direct and real, if somewhat belated, concern for Plan problems,’ spending a full week with the Plan Organisation discussing each section of the Third Plan. However, McLeod reported that the Iranian planners, particularly

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706 Harvey P. Hall, ‘Memorandum for the Records Center’, May 12, 1961, RAC, FFR, Reel R-0813, Grant File: PA 58-158.
707 Thomas McLeod, Tehran to Edward Mason, Massachusetts, January 8, 1962, RAC, FFR, Reel R-0813, Grant File: PA 58-158.
Sīrūs Samī‘ī, whose judgement McLeod respected, believed ‘little had been solved, other than that the P.M. [Amīnī] had endorsed obvious principles with which he could hardly disagree… [and] strategic and substantive issues… were not dealt with in any resolute manner.’\(^{708}\) Amīnī brought renewed hope, but did not offer the support for the Plan Organisation that Ford, Harvard and the Kennedy administration hoped. In June 1962, Edward Mason reported that ‘control over Ministries’ expenditures financed by the P.O. (Plan Organisation) has been continuously reduced; and the organization has been under continuous political attack with the Prime Minister and the Shah rendering only sporadic support.’\(^{709}\) This lack of support was compounded by Iran’s present capabilities in various areas.

Not discounting Amīnī’s lack of support, or divisions, agendas and grievances within Iran, or lack of coordination on the part of the US, the key factor that led to Iran’s failure to meet World Bank targets and the Third Plan’s subsequent modification was Iran’s present capabilities. It was recognised that vast improvements were required in fiscal policy, budgeting, taxation and administration in order to cope with ambitious development projects and targets. Iran was simply unprepared to launch the Third Plan as envisioned by the Iranian Planners. Amīnī gave a bleak picture of the Finance Ministry to Ambassador Holmes, stating that the Ministry had ‘neither changed nor improved’ since he held the portfolio ten years ago, that the Ministry had ‘no real idea of budgetary operations’ and could not give a ‘clear picture… of expenditure and revenue operations during the current year.’\(^{710}\) Hence, why Iranian planners were reluctant to place responsibility for the development budget within the Ministry. However, while Iranians in the Plan Organisation wanted a consolidated budget as an ‘instrument of control,’ one Plan Organisation official was critical of his colleagues, stating ‘Khodadad Farmanfarmaian is just as bright and energetic as ever but lacks the ability to tailor his ideas to the hard realities of what is practical in Iran.’\(^{711}\) The current status of the civil service, administration and overall lack of skills were impediments to progress.

\(^{708}\) Ibid.
\(^{709}\) Edward Mason, Massachusetts to F. Champion Ward, New York, June 8, 1962, RAC, FFR, Reel R-0813, Grant File: PA 58-158.
\(^{710}\) Julius Holmes, Tehran to Secretary of State, Washington D.C., Confidential, January 16, 1962, NACPM, RG 59, CDF 60-63, Box 2094, 788.13/1-1762.
\(^{711}\) US Embassy, Tehran to Department of State, Washington D.C., Official Use Only, January 31, 1963, NACPM, RG 59, CDF 60-63, Box 2832, 888.00/1-3163.
Civil Service and administrative reforms were necessary to correct such things as duplication of tasks, delays, inefficiency and the opportunity for corruption. The British foresaw potential difficulties arising from the lack of a solid base upon which to both introduce and implement reforms, stating ‘in the lack of administrative ability in the civil service there were already enough obstacles to easy achievement of the objectives of the [Third] Plan.’\textsuperscript{712} The Third Plan Outline acknowledged the importance of administrative reform; something that had been noted since the First Plan in the late 1940s. The Plan Outline suggested that the ‘organization of the central governmental machinery at all levels’ required ‘urgent attention’ along with decentralisation to the local level.\textsuperscript{713} The Outline concluded that without administrative reform ‘all government development activity, however aptly formulated and planned, was bound to end in fiasco.’\textsuperscript{714} It must be noted that actions were taken, such as the establishment of the High Administrative Council under Manūchihr Gūdarzī at the instigation of the Shah.\textsuperscript{715} However, due to current administrative capabilities Iran was forced to scale down its ambitions to more realistic targets. Another key issue was Amīnī’s inability to raise additional revenue through taxation and balance the 1341 budget.

Achieving the agreed Third Plan target of a six per cent rate of growth seemed ambitious based on current tax and oil revenues. The Harvard Advisory Group believed that without additional resources through taxation and reductions, or only modest increases, in Ministerial budgets the planners would have to ‘drastically scale down the plan targets.’\textsuperscript{716} Amīnī failed to live up to the written assurances he gave to Ambassador Holmes in November 1961, as insufficient revenue was raised and Ministerial budgets increased. With respect to budgeting, an agreement was finally reached to split the operating and development budgets between the Ministry of Finance and Plan Organisation respectively, after which a joint committee would combine both budgets based on fiscal availabilities and government policy. This was regarded as an ‘embryo Budget Bureau… [and] the maximum step that can be taken

\textsuperscript{713} ’Outline of the Third Plan (1341-1346)’, July, 1961, TNA, FO 371/157625, EP 1102/27.
\textsuperscript{714} Ibid.
\textsuperscript{715} FISOHA Gūdarzī, pp. 1-147 (p. 44).
\textsuperscript{716} Kenneth R. Hansen, Tehran to Edward S. Mason, Massachusetts, December 18, 1960, RAC, FFR, Reel R-0813, Grant File: PA 58-158.
at this time.\footnote{717} Finances also aligned with realities. Ambassador Holmes reported that domestic finance was well below Third Plan goals, but was sufficient to ‘sustain [the] level [of] development activities consonant with current administrative and programming capabilities.’\footnote{718}

Regardless of US objectives, Iran was simply not able to live up to the lofty heights of Third Plan goals, devised by Iranian planners, supported by foreign advisers and encouraged by US officials who believed in the prospects for a comprehensive development plan rather than individual projects. Even the Iranian planners in the Plan Organisation in whom the Harvard Group and US Government put so much faith, failed to live up to expectations. Orville John McDiarmid who led a special World Bank mission to Iran in February 1962, was critical of the Iranian economists in the Plan Organisation. McDiarmid described the young economists as being ‘active and devoted, but… academic in approach,’ the result being ‘plenty of reports but few concrete plans.’\footnote{719} Working to a deadline of June 1962, for a proposed meeting of countries willing to form a consortium, the Iranians in the Plan Organisation had to move at speed to draft projects, detailing staff and costs. However, by August the US Embassy reported that projects were still not ready to present to ‘prospective foreign lenders.’\footnote{720} Therefore, while foreign countries and international lenders were lining up to finance projects, Iran was not able to provide suitable project proposals.

In the end the Third Plan had to be tailored to Iranian realities due to a number of reasons beyond US control and USAID was forced to assist on a project-by-project basis. The Third Plan was introduced, but scaled down. Several million rials were diverted from the development budget to balance the 1341 operating budget, elaborate projects such as an electric grid were eliminated from Plan, the total cost reduced by around ‘25 percent’ and the Plan Organisation itself downgraded to a ‘technical planning and advisory bureau of the Prime Minister’s office.’\footnote{721} In

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\begin{itemize}
  \item \footnote{717} J. P. Walsh, ‘The Iranian Third Plan Act’, Official Use Only, July 31. 1962, NACPM, RG 59, CDF 60-63, Box 2831, 888.00/7-3162.
  \item \footnote{718} Julius Holmes, Tehran, to Secretary of State, Washington D.C., Confidential, August 18, 1962, JFKL, NSF, Box 116.
  \item \footnote{720} James W. Swihart, Tehran, to Department of State, Washington, Confidential, August 26, 1962, JFKL, NSF, Box 116.
  \item \footnote{721} SNIE, ‘The Iranian Situation’, Secret, April 10, 1963, JFKL, NSF, Box 116a.
\end{itemize}
September 1962, the Harvard Group left Iran on their own accord (having agreed to do so in late 1961), with Tom McLeod concluding rather gloomily that in drafting the Third Plan ‘nothing was learned by the Iranians themselves and this did not prepare them for future planning efforts.’\(^\text{722}\) The US conceded that loans considered on a case-by-case basis for individual projects gave less scope to influence an overall strategy of development. USAID was still determined to help wherever opportunities appear, but this would be on Iranian terms. Iran was simply not in a position to achieve the grand ambitions of the Third Plan as envisioned by the New Frontiersmen and Iranian planners. The US contributed to its own failure and Amīnī’s Cabinet did not live up to expectations, but present conditions also stifled US influence. The Plan was scaled down and the Shah and his new Prime Minister would prepare the ground for a different plan linking economic development with social justice.

### 4.3.3 Political Reform

In addition to influencing economic development and reform, the other point of contention is to what extent the US sought to bring about a political transformation? Victor Nemchenok and David Collier disagree regarding the Kennedy administration’s intentions for political reform. Collier states that Nemchenok ‘downplays the extent to which they sought political change’ concluding that reforms were forced on Iran with the ‘clear end-goal of sustainable democracy.’\(^\text{723}\) Nemchenok claims that US intentions were more vague and political reform was never clearly defined, with only Kenneth Hansen identifying ‘a need and a demand for vastly improved political management.’\(^\text{724}\) The reality is closer to Andrew Warne’s assessment. The latter states that it was the crisis period that brought Amīnī to power, which ‘prompted U.S. foreign-policy makers to briefly consider supporting political reform’\(^\text{725}\) before returning to support for the Shah and stability over uncertainty. Prior to May 1961, the US was cautious about political reform. However, reacting to Amīnī’s appointment, the Kennedy administration established the Task Force and more options were discussed as the US felt the situation warranted further

\(^{722}\) Lilienthal, p. 376.
\(^{723}\) Collier, 456-475 (p. 469).
\(^{724}\) Nemchenok, ‘In Search of Stability,’ 341-269 (p. 351).
\(^{725}\) Warne, 396-422 (p. 396).
consideration. However, by late 1961, apart from a few activists in the White House, the US reverted back to its cautionary stance. It was a moment of panic that gives Collier the impression the US sought radical change, one that soon passed.

In April 1961, Professor T. Cuyler Young of Princeton University began a visit to Iran that lasted several months. Young suggested that over the long-term the Shah should relinquish his desire to rule and revert to a reigning monarch.\(^{726}\) The crisis in May brought this suggestion to the fore. The first Task Force report concluded that the Shah should be encouraged into a constitutional role; there should be more broadly based political parties; and, Amīnī should be encouraged to ‘construct a broad political synthesis’\(^{727}\) with the inclusion of moderate opposition leaders and the formation of a ‘pro-Amini moderate political party.’\(^{728}\) A battle ensued between the traditionalists and activists and more radical action was initially considered. The Shah was clearly concerned that the New Frontiersmen might have ‘plans to turn Iran into a Republic,’\(^{729}\) and there was certainly some strong language used by Robert Kennedy, Kenneth Hansen and others. Justice William O’Douglas, an advisor to President Kennedy, tried to create enthusiasm among the activists for replacing the present Shah with a regency council for the Shah’s young son.\(^{730}\) Douglas was shot down by Komer who stated that the ‘solution of a regency… is to me a non-starter; it preserves the shell.’\(^{731}\) Democracy in some form may have been a long-term goal, but the path to political change was uncertain and this is where the activists ultimately lost out.

The New Frontiersmen were interested to hear the results of a conference held at Princeton on the subject of US-Iranian relations attended by Richard Cottam (University of Pittsburgh), T. Cuyler Young (Princeton University), George Baldwin (formerly of the Harvard Advisory Group to Iran), Manfred Halpern (Princeton Center for International Studies) and others. There were a variety of opinions on what should be done and some consensus around specific points. There was acceptance that ‘our economics are ahead of our politics,’ with Manfred Halpern stating ‘we have

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\(^{726}\) Prof T. Cuyler Young to Walt Rostow, April 19, 1961, JFKL, NSF, Box 115a.


\(^{728}\) 'Areas of Possible Action in Iran', Secret, August 11, 1961, JFKL, NSF, Box 116.


\(^{730}\) Robert Komer, 'Memorandum for The Record', Secret, August 21, 1962, JFKL, NSF, Box 116.

\(^{731}\) Robert Komer, 'Memorandum: Our Policy in Iran', October 20, 1962, JFKL, NSF, Box 116a.
no theory of political and social change to complement our theory of economic development.’

These conclusions tied with the atmosphere of the Cold war and the need for stability in a pro-Western country bordering the Soviet Union. It was reported that few speakers ‘believed that Iran is ready for democracy or that democracy would serve our Cold War interests,’ and a warning that ‘we can’t expect to have both progress and political stability [sic].’

Such conclusions favored the traditionalists.

By late 1961, six-months into Amīnī’s premiership, it was apparent that Amīnī had failed to garner any real support, and was reliant on a few close allies and the US. Although the US still felt Amīnī had an important role to play in pushing reform, by the end of 1961 the Kennedy administration had reservations regarding political reform, so reverted to their cautious stance pre-Amīnī. Ambassador Holmes made a salient point in one of many reports on the current situation in Iran. Holmes stated that ‘political objectives are obstructed by administrative and manpower shortcomings.’

A point echoed by British Ambassador Sir Geoffrey Harrison who stated that ‘perhaps only when some administrative progress has been made will it be possible to find the political forms appropriate to a community in such a stage of development.’

Not only could the Kennedy administration not foresee what form democracy might take, they believed it was too early to risk change. Iran first needed a solid foundation on which to build.

The traditionalists’ position was epitomised by Ambassador Holmes. The latter continually stressed the importance of Iran to the West, and the ‘strategic significance of the country.’ Holmes stated that when political reform comes it will not be ‘through a democratic and representative form of government as we understand it.’ It is clear that part of the focus on stability was not just for Cold War interests, but was to allow Iran to build a foundation upon which political reform might ensue. But what did stability mean under the Shah? When Holmes, the State

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733 Ibid.
734 Julius Holmes, 'Long-Term Political Situation in Iran: Part II – Economic', Secret, August 27, 1961, JFKL, NSF, Box 116.
737 Ibid.
Department and academics at the Near East Conference discussed stability it was noted that the Shah’s throne was an object of stability. This object relies primarily on the Iranian Armed Forces and SAVAK for its support. Thus, when the traditionalists stated they preferred the less risky option of stability under the Shah they were also pointing to the loyalty of the army to protect the Shah. In effect, they admitted that the Shah might have to be at the forefront of the reform, not behind it. This position is encapsulated by the British a month after the introduction of the White Revolution.

The loyalty of the Army… is provisional and depends absolutely on confidence in the object of loyalty. If the Shah should show signs of faltering, this loyalty might quickly be impaired and, under pressure, go to pieces. It is his present strength and the fact that he is seen to rule as well as reign [emphasis added] that gives the officers their confidence in him.  

When Dean Rusk referred to the potential for a prime minister other than Amīnī to give the Shah ‘more freedom [of] maneuver,’ it is tacit acceptance that for the sake of stability the Shah should ‘rule as well as reign.’ When the traditionalists won, the New Frontiersmen in the White House did not achieve their goal of maneuvering the Shah into a more constitutional role and building a new political synthesis around Amīnī. The Shah did what he needed to do to prove that he remained the best hope for stability, which left him in control of the reform process. As Frank Castigliola argues, in the end Kennedy chose ‘anti-Communist stability’ over radical change. When Nayef Samhat and Roger Owen talk about the Shah ‘Acquiescing to American pressures’ and responding by proclaiming ‘what he called a "White Revolution"’ the reality is that the Shah did consider US opinion but was not responding to pressure. The Shah chose to introduce his White Revolution, he was not forced, coerced, or put under direct or indirect pressure by the US; he felt it would allow him to continue his mission for his country.

In closing, authors such as Castiglioni and Alvandi emphasise the changing relationship between agent and client in favor of the latter as the decade wore on. This gives the impression of the Shah gaining the upper hand in the relationship against US wishes. However, one must remember that all the advisers, plans, economic assistance and support were intended not only to maintain a stable independent Iran, but also to secure its future by encouraging self-respect and responsibility. This was especially true under President Kennedy, with his focus on self-help efforts in developing countries. Whilst the US later acknowledged it was losing leverage, Ambassador Meyer stated that ‘for years we have worked to get Iran on its feet politically and economically, to escort it to a point where it is able to exercise its own independent judgements.’\(^\text{742}\) That Iran had now reached this point was not a direct result of US efforts, but it did align with US objectives. Where Iran chose to go from there was up to it, or rather the Shah as he further consolidated his control over the State. As Robert Komer’s quote at the beginning of this chapter states, the US was ‘going to have to ride this tiger.’ However, the Shah first had to wrest control from Amīnī, and this transition, which was delayed in November 1961, took place in July 1962.

Chapter 5
Completing the Transition

The theme of this chapter is one of the Shah retaking control over the future of his country to the detriment of Amīnī’s plans and the hopes of the Kennedy administration. The Shah set the stage with his Royal Farmān and sought to reassert control in November 1961. However, US pressure played a part in the Shah’s decision to retain Amīnī and his Cabinet, so Chapter 3 ended with the Shah laying the foundation for his White Revolution, but his plans were postponed. However, as spring approached Amīnī lost sight of his objectives and control of his Government. The key period is between the Shah’s state visit to Washington in April, and Amīnī’s resignation in July 1962. Many see this period as a turning point in the direction of reform, and in many ways it is, but not in the way it has been portrayed in the literature. This chapter questions current perceptions of these two events. Firstly, the idea that the state visit marked a shift in US support from Amīnī to the Shah, and secondly that Amīnī’s resignation was primarily due to a disagreement between him and the Shah over the military budget as well as the termination of US budgetary support.

Section 5.1 focuses on the background and importance of the state visit, showing that the US still had hope for Amīnī, but faced a clever, calculating, more confident Shah; partly a result of their own making. Section 5.2 offers a more complex picture of how the Shah managed Amīnī’s downfall, and why Amīnī ultimately chose to resign. This is a more nuanced picture that moves away from the normal focus on the military budget and US supporting assistance as the key reasons for Amīnī’s resignation. The following analysis differs from the one commonly given in the secondary literature regarding US support for the Shah, and offers a more complex and intricate explanation of the Shah’s support for Amīnī while focusing on the following questions. What was the significance of the state visit and what did both sides seek to achieve? Is there evidence of an understanding between President Kennedy and the Shah in terms of a shift in support from Amīnī to the Shah? What was the extent of the Shah’s support for Amīnī and how might this explain the latter’s
downfall? And, is it accurate to say that Amînî resigned primarily due to the cessation of US budgetary assistance and the issue of the military budget?

5.1 The Shah’s State Visit to Washington D.C.

The Shah’s state visit to Washington D.C. is commonly viewed as a turning point in three respects. Firstly, that it marked the start of the Shah’s White Revolution, superceding Amînî’s 15-point plan; Secondly, that it marked a shift in US support from Amînî to the Shah; And third, that some deal was made between Kennedy and the Shah, a secret agreement, whereby Kennedy would support the Shah as long as he pushed ahead with reform. In fact, the following will show that the Kennedy administration hoped a state visit would help Amînî, as they believed the Shah’s confidence was attached to Amînî’s survival. The US still wanted the Shah to support Amînî who was working towards US objectives. The Shah wanted reassurance that Kennedy would not support an alternative, but the US had already decided there was no alternative, so the Shah undertook the visit to reassure himself. Unfortunately for the US, rather than leading to renewed support for his Prime Minister, the State Visit gave the Shah the confidence to allow Amînî to fail.

The Shah tasked Iranian Ambassador to Washington, Ardashîr Zâhidî, with obtaining an agreement for a state visit. In August 1961 Zâhidî stressed the importance of a visit to Walt Rostow during an Iranian Embassy dinner. Zâhidî ‘talked of the value of face-to-face exchanges’ as illustrated by the visit to the United States of Pakistani President, Ayub Khan. Zâhidî noted the importance of establishing ‘a fundamental understanding between the President and the Shah as to the directions which the two countries should pursue together.’ However, Rostow was noncommittal and Zâhidî was clearly feeling the pressure. Zâhidî stated to Ambassador Harriman that ‘his greatest concern was over not being able to get any information regarding the projected Shah’s visit’ and hoped ‘something could be done to speed up consideration of this question.’ Therefore, Zâhidî was

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744 Averell Harriman, ‘Memorandum of Conversation’, Confidential, December 18, 1961, NACPM, RG 59, CDF 60-63, Box 1155, 601.8811/12-001.
‘delighted’\textsuperscript{745} that Iran had been offered a fig leaf by way of plans for Robert Kennedy to visit Iran in February 1962.

The US Embassy got word of such plans in early November, and Ambassador Holmes believed the visit would be ‘well received’.\textsuperscript{746} Robert Kennedy was informed that he was to give the Shah the gift of an invitation for a state visit.\textsuperscript{747} However, given Robert Kennedy’s views on the Shah and his support for Iranian students in the US, his visit may not have provided the reassurance the Shah was after. George Ball informed McGeorge Bundy that Robert Kennedy ‘was very anti-Shah’ and even ‘thinks he is against Amini as well,’ so suggested cancelling Robert Kennedy’s visit ‘on the grounds of schedule.’\textsuperscript{748} Chester Bowles was subsequently sent to deliver the President’s invitation during his visit to Iran in early February. The invitation was for September. However, as mentioned in Chapter 4, due to pressure from the Shah the visit was brought forward to April. The Shah finally had what he desired, and Holmes found him ‘more relaxed, reassured, and pleased at the prospect of early discussions with the President.’\textsuperscript{749}

The Americans had a good idea of the Shah’s intentions prior to the state visit. In one of many papers produced in preparation for the visit it was noted that the Shah intends to ‘convince the U.S. leadership that both Iran and he personally are essential to free world security, and that the U.S. must put its faith in him rather than lean too heavily on either the Prime Minister\textsuperscript{750} or the nationalist opposition. The initial date for the state visit was September, which was an important month, as it marked the beginning of both a five-year Military Assistance Package (MAP), and the Third Development Plan. US officials did not want to invite the Shah until they could confirm the level of US assistance for both programmes, hence the original invitation for September. Officials recognised the need to carefully manage the Shah’s

\textsuperscript{745} Stuart Rockwell, Tehran to Secretary of State, Washington D.C., Confidential, December 22, 1961, JFKL, Attorney General Robert F. Kennedy Personal Papers (cited in future as RFKPP), Box 262. – FOIA

\textsuperscript{746} Julius Holmes, Tehran to Secretary of State, Washington D.C., Confidential, November 10, 1961, JFKL, RFKPP, Box 262. – FOIA

\textsuperscript{747} George Ball, ‘TELCON w. Robert F. Kennedy, 7 p.m.’, January 26, 1962, JFKL, George Ball Personal Papers (cited in future as GBPP), Box 5.

\textsuperscript{748} George Ball, ‘TELCON w. McGeorge Bundy, 8:45 a.m.’, January 30, 1962, JFKL, GBPP, Box 5.

\textsuperscript{749} Julius Holmes, Tehran to Secretary of State, Washington D.C., Secret, March 22, 1962, JFKL, NSF, Box 116.

US officials wanted to give the Shah some positive news, but were soon forced to consider what they could offer by April.

With respect to the Third Plan, USAID’s preference was to mention ‘no figures’ to the Shah, but simply state the US was willing to make a ‘handsome contribution’ so long as preparations for the Third Plan proceeded successfully. However, they did give the President latitude for promising ‘$40-60 million for projects in the first plan year [sic]’ or a minimum of ‘$250 million’ for the full plan period. With respect to MAP, after careful consideration there was eventual agreement on a figure of ‘$330 million.’ However, as the State Department believed ‘this approach cannot be expected to remove the Shah’s present doubts’, and his agreement to reduce force levels to 150,000, State actually preferred an earlier visit, ‘where full discussion might have the result of improving his state of mind.’

Indeed, having agreed on economic and military assistance proposals to present to the Shah, improving his state of mind was the principle objective.

Plans were in place for private conversations between the Shah and President Kennedy; an intensive briefing by Secretary of Defense, Robert McNamara, on US strength comparable to the Soviet Union; and ‘occasions to improve [the] Shah’s public and Congressional image,’ including a speech by the Shah to a joint session of Congress. The President was also advised that the Shah will be ‘flattered’ by references to his book, Mission for My Country. Knowing the Shah’s particular sensitivity to negative foreign press coverage, Robert Komer also sought the help of White House Press Secretary, Pierre Salinger. Making reference to the US perception of the Shah’s character, Komer stated: ‘since the Shah’s visit is largely an exercise in psychotherapy, is there any way we can legitimately… give the Shah a good press?... the purpose of the visit is to build him up, not tear him down.’ Thus, when Gholam Afkhami writes that ‘the shah, freshly back from a trip to the United States in April

\[751\] Robert Komer, ‘Memorandum for McGeorge Bundy’ Secret, January 5, 1962, JFKL, NSF, Box 424. – FOIA

\[752\] Robert Komer, ‘Memorandum for the President’, Secret, April 12, 1962, JFKL, NSF, Box 119.


\[754\] Ibid.


\[756\] ‘President’s Talking Paper’, Secret, April 3, 1962, JFKL, NSF, Box 117.

1962, felt more self-assured about his standing with the U.S. administration… [as] he had impressed Kennedy as a knowledgeable and rational leader and as one who could not be easily or safely replaced,"\textsuperscript{758} it implies that Shah won Kennedy over. In fact, with regard building the Shah’s confidence, both the US and the Shah had the same objective. The difference is that the US hoped Amīnī would benefit, but ultimately accepted there was no alternative to the Shah.

A few weeks prior to the state visit The New York Times reported that ‘officials here say the Administration hopes that the Shah's visit will bring the Shah and the Premier closer together.’\textsuperscript{759} This is the key difference between both parties. The visit was not a turning point in US support for the Shah over Amīnī. Besides a determined few, such as Komer, Hansen and Polk, officials had already accepted there was no alternative. However, there was still a consensus that it would be best for the Shah to retain Amīnī as Prime Minister. Ambassador Holmes, officials in Washington and Amīnī himself hoped that building the Shah’s confidence would benefit Amīnī. However, this was now based on less willingness to pressure the Shah as they had in November, coupled with the cessation of budgetary support. It was also clear to the Shah that the US sought to strengthen his position with respect to internal security. Once the Shah had this reassurance he allowed Amīnī to fail, and Holmes and the rest had to accept it.\textsuperscript{760}

In the immediate aftermath of the state visit, the US, the Shah and Amīnī were all satisfied that they had achieved their goal of building the Shah’s confidence. British Ambassador, Sir Geoffrey Harrison, noted that the Shah ‘appeared pleased with the relationship he had established with the President, with whom he would now

\textsuperscript{758} Afkhami, The Life and Times of the Shah, p. 219.
\textsuperscript{760} White House Photographs, April 13, 1962, JFKL, JFKWHP-1962-04-13-A – Shah of Iran (left), President John F. Kennedy (middle), and Secretary of Defense Robert S. McNamara (right).
feel able to correspond direct. The Shah told Col. Yatsevitch that he ‘had resolved whatever doubts there were and improved American understanding of Iran and her problems.’ On the US side, Ambassador Holmes believed the state visit had been a success, as ‘we achieved our objectives of reassuring the Shah and encouraging him to move forward on development and reforms.’ It was also clearer to the Shah what economic assistance he would receive, and that US budgetary support had ended. The President himself ‘indicated that Iran could expect no such aid.’ However, there remains the suspicion of a secret agreement between Kennedy and the Shah.

Authors allude to a secret agreement, which apparently resulted in a shift in US support from Amīnī to the Shah. Homa Katouzian assumes such a deal (or understanding) probably took place, stating: ‘He [the Shah] must have promised Kennedy full support for land reform, and obtained some reassurances for himself.’ Misagh Parsa likewise states that ‘on his trip to the United States, the shah had already cut his deal’ and James Bill writes of a shift resulting from the visit.

The Shah heard the message from the Kennedy administration and slowly began to alter temporarily his priority of demands from military to economic emphases… he also began to take dramatic steps toward the introduction of social and economic reform at home.

There is no evidence of a deal or understanding between Kennedy and the Shah. The President did meet in private with the Shah in the President’s office, while others remained in the cabinet room. No notes were taken. From what is known of the meeting, the focus was on internal security. Special Assistant to the Secretary of State, Lucius D. Battle, confirmed to McGeorge Bundy that it was understood the President and Shah conferred on the subject of ‘possible assistance to the Iranian Police and kindred organizations in order to improve counter-insurgency

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763 Robert Komer, 'Memorandum for the President', Secret, April 18, 1962, JFKL, NSF, Box 117.
765 Katouzian, Political Economy, p. 223.
767 Bill, The Eagle and the Lion, p. 139. – Bill’s article by the Philadelphia Inquirer, April 13, 1962, p.3.
768 'Memorandum of Conversation, 09:30, April 12, 1962', Secret, April 12, 1962, JFKL, NSF, Box 425.
Those who have implied reference to Amīnī have misrepresented the evidence. For instance, Abbas Milani quotes the following in his book *The Shah*:

The President ‘said that it was true that there were special situations in different countries which require special solutions. The Shah, however, is the keystone of Iranian society and progress and, the President continued, must keep pushing toward further development.’

Milani interprets this statement in the following way: ‘beneath the thin veneer of diplomatic formalities, the message seems clear: the United States wanted reforms and thought Amini was fit for the job, but if the Shah could undertake the same reforms, the United States would be just as happy.’ Milani quotes from the record of the Shah’s conversations in Washington given to the Iranian Foreign Minister, ‘Abbās Ārām, at the latter’s request. Milani leaves out the preceding line, which states: ‘The Shah noted that in Iran firm action is necessary, and he was sure that the United States would not insist on absolute constitutional legality [emphasis added] within Iran.’ Iran had been without a Majlis since it was dissolved at Amīnī’s request and the Shah wished to continue ruling as such while introducing reforms. President Kennedy’s response indicated that, in the case of Iran, this might be necessary. The other key point is the Shah’s emphasis on firm action. In an earlier report of the conversation between the Shah and the President the wording is slightly different, and the point about internal security is greater emphasised.

The Shah… remarked that he is not by nature a dictator. But if Iran is to succeed its government would have to act firmly for a time, and he knew that the United States would not insist that Iran do everything in a legal way. The President agreed that there are always special factors that have to be taken into account in different countries… it will be necessary to keep the heat on those who do not accept the national interest.

The point from the Shah that he is not a dictator but may need to act firmly, along with the President’s acceptance of the need to keep the heat on the opposition more

771 Ibid., p. 287.
clearly illustrates the understanding between the two men. This did not mean that the President now accepted that Amīnī might go as long as reforms were implemented. However, the Shah now saw an opportunity to allow Amīnī to depart the scene at an opportune moment. There was no secret agreement or understanding, but the Shah now believed that should he allow Amīnī to fail the US would not stand in his way, and continue to support him and his new prime minister.

5.2 Amīnī’s Resignation

Amīnī gave two reasons for his resignation. The first was the 1341 military budget. Roham Alvandi states that Amīnī resigned following ‘a dispute with the shah on cuts to military spending.’\textsuperscript{774} The second was Amīnī’s complaint of ‘“tardy economic aid” and the severance of U.S. military assistance.’\textsuperscript{775} Whilst Amīnī later withdrew his negative remarks towards the United States, these were the reasons he gave. As Amīnī’s dispute with the Shah is viewed as a consequence of the US not supporting the military budget, the majority of the secondary literature interprets this as the withdrawal of US support for Amīnī in favour of the Shah.\textsuperscript{776} Collier even suggests that US intervention ‘dictate[d] the timing and manner of his leaving.’\textsuperscript{777} However, one exception is Donald Wilber, who writes that although Amīnī resigned over the issue of the military budget and blamed ‘tardy American economic aid’ it was believed that he was simply ‘exhausted by his efforts in office and discouraged by his inability to reduce drastically the budget of the country which reflected a huge deficit.’\textsuperscript{778}

\textsuperscript{774} Alvandi, ‘The Shah's détente with Khrushchev,’ 423-444 (p. 441).
\textsuperscript{777} Collier, 456-475 (p. 467).
\textsuperscript{778} Wilber, p. 132.
the focus on the military budget, there were other underlying reasons for Amīnī’s departure.

The previous section argued that the Shah’s visit to Washington was not the scene for a shift of support in favour of the Shah. However, the Shah was now more reassured of his position and was carefully outmanoeuvring Amīnī, while giving the impression of fully supporting his Prime Minister. In addition, Amīnī was facing substantial difficulties, many of his own making. Resigning over the issue of the military budget and making the United States the scapegoat spared tarnishing his premiership by critically analysing his record over the past six months. Exiting in such a way might allow Amīnī the opportunity to return again with his reputation in tact. Amīnī made a speech on the last night of his premiership in which he defended his economic thesis (see picture above)\textsuperscript{779} and defended his time as Prime Minister in \textit{Dunyā}.\textsuperscript{780} However, his position was looking ever weaker due to his inability to assert control over his Government and failure to achieve his fiscal and economic goals. Ultimately Amīnī failed to achieve his targets and live up to the hopes of the Kennedy administration. Amīnī resigned on principle, but only before his record became exposed to reveal that he was not the last hope many believed.

\subsection{5.2.1 The Shah’s Support for Amīnī}

\textit{One of those countries where picking out falsehood from truth is very difficult indeed}\textsuperscript{781}

Both Richard Cottam and Douglas Little state that the Shah either forced Amīnī to resign or dismissed him, allowing him to position his loyal servant, Asad Allāh ‘Alam, as Prime Minister.\textsuperscript{782} Both are wrong. Amīnī chose to resign; he was not dismissed or forced out by the Shah. Nor was it certain that ‘Alam would be appointed. However, the Shah did undermine Amīnī’s position. On the surface it appears the Shah supported Amīnī, even after his visit to Washington. A State Department report some time after Amīnī’s resignation stated that ‘all the evidence

\textsuperscript{779} Khāndanihā, 30 Tir 1341 [21 July 1962]. – The writing below the picture reads: ‘Dr. Amīnī in the last night of his Premiership also presented a comprehensive speech and defended his economic thesis.’

\textsuperscript{780} Dunyā, 19th Issue, 1342.

\textsuperscript{781} Hugh Arbuthnott interview.

\textsuperscript{782} Cottam, \textit{Iran and the United States}, p. 127; Little, \textit{American Orientalism}, p. 219.
we have indicates that the Shah gave unprecedented support and comfort to Amini until and even after the latter’s resignation.\textsuperscript{783} The Shah’s support was important as Amīnī faced difficult decisions regarding the 1341 budget. \textit{Khāndanīhā} reported that in the weeks leading to Amīnī’s resignation the Shah demonstrated his compassion and support for the Prime Minister by having Amīnī sit next to him in the royal car.\textsuperscript{784} Though was this a case of keeping your friends close but your enemies closer? Certainly, the Shah gave the appearance of supporting his Prime Minister. However, the Shah made a prophylactic move to save his future at the expense of Amīnī.

A week before Amīnī’s resignation, Iranian Foreign Minister, ‘Abbās Ārām, reported to Julius Holmes that the Shah had spoken in front of an assembled group of Cabinet members ‘in favor of Amini’s efforts to reduce [the] budgetary deficit,’ and even ‘instructed Minister of War [Gen. Naqdī] to consult further with Prime Minister [Amīnī] and Minister of Finance [Jahāngīr Āmūzīgār]… to accept some reduction in [the] military budget.’\textsuperscript{785} Ārām told Holmes that this ‘constituted strong personal support of Amini’s efforts to reduce [the] budget and bring about fiscal order.’\textsuperscript{786} This show of support did not work. Amīnī handed his resignation letter to the Shah on 17 July. Holmes reported that the Shah was ‘irritated by [the] timing of [the] resignation’\textsuperscript{787} as it coincided with the visit to Iran of the Turkish Foreign Minister. However, a few days later the Shah told Holmes that Amīnī had made ‘contributions,’ had ‘been loyal to [the] nation and [the] Shah,’ and as a result the Shah ‘had [a] higher opinion now of Amini than at any other time.’\textsuperscript{788} In February 1963, Ambassador Holmes thought it important to tell the Shah that he had met with Amīnī. The Shah’s reply was ‘a shrug of the shoulder and a single remark “Why not?”’ adding ‘I did not dismiss him, he quit of his own accord.’\textsuperscript{789}

It would appear the State Department report was right. The Shah supported Amīnī until the end. But this is not the whole story. Rey Hill, Ford’s representative in

\begin{itemize}
\item \textsuperscript{783} ‘3 Page Background Paper’, Secret, 1962, NACPM, RG 59, NEA Iran Desk 58-63, Box 5.
\item \textsuperscript{784} \textit{Khāndanīhā}, 19 Tir 1341 [10 July 1962].
\item \textsuperscript{785} Julius Holmes, Tehran, to Secretary of State, Washington D.C., Secret, July 11, 1962, JFKL, NSF, Box 116.
\item \textsuperscript{786} Ibid.
\item \textsuperscript{787} Julius Holmes, Tehran, to Secretary of State, Washington D.C., Confidential, July 19, 1962, JFKL, NSF, Box 116.
\item \textsuperscript{788} Julius Holmes, Tehran, to Secretary of State, Washington D.C., Secret, July 21, 1962, JFKL, NSF, Box 116.
\item \textsuperscript{789} Julius Holmes, Tehran to Department of State, Washington D.C., Confidential, February 9, 1963, JFKL, NSF, Box 116a.
\end{itemize}
Tehran, reported that the Shah, after issuing his Royal Farmān, extended Amīnī’s Government ‘his rather aggressive support.’ However, he also stated the following:

There is however, an amusing story going around Tehran. In the Bazaar it is customary for the yogurt makers to carry their product in a vessel on their heads. The young hungry boys of the Bazaar place the rinds of the Persian melon along the path. The yogurt carrier, holding his head high, fails to see the rind, slips and falls. The boys scoop up and eat the yogurt. It is being said that the Prime Minister is carrying his head too high and that he cannot see the melon rinds being carefully placed along his path.  

Prior to his appointment, it is quite possible that the Shah considered a role for Amīnī, but not as prime minister. It appears that beneath the public show of support the Shah resented Amīnī and sought to undermine him. Muṣṭafā Alamūtī, Assistant to former Prime Minister, Manūchihr Iqābāl, recalls a conversation with Iqābāl in which they discussed the Shah’s opinion of Amīnī. Alamūtī remembered the Shah saying ‘if they cut my wrist I would not give the order of prime minister to Dr. Amini.’ Amīnī himself states that the Shah ‘never had a warm relationship with me, since his time as Deputy of Aḥmad Qavām al-Salṭanī, former Prime Minister of Iran. British Ambassador, Sir Denis Wright, commented that the Shah ‘never forgot or forgave those who crossed him.’ Amīnī’s suspected involvement in the Qaranī Affair, his Qājār lineage, his opposition in previous elections and his ambition to be prime minister made him suspect to the Shah. Therefore, the Shah sought ways to increase Amīnī’s troubles, pushing him closer to resignation.

In June 1961, Ambassador Harrison reported that the Shah was well aware of ‘Dr. Amini’s difficulties… [and] rifts in his Cabinet,’ and that his own position ‘vis-à-vis Dr. Amini is daily growing stronger [sic].’ Harrison suspected that the Shah was ‘giving Dr. Amini a certain amount of rope in the expectation that he will not survive very much longer.’ Indeed there is evidence to suggest that the Shah was...
contributing towards these rifts. It appears the only Cabinet members fully behind Amīnī were the Dirakhshish and Arsanjānī, and even these had strong disagreements with him. The Shah was able to outmaneuver Amīnī by turning members of his team against him.\footnote{CIA Officer interview.} Amīnī himself states that the Shah encouraged him to ‘do some repair in the Government’\footnote{Lājivardī, pp. 132-133.} where the Shah’s loyal servant, Asad Allâh ‘Alam, would become part of the Cabinet, but Amīnī refused. During his final days as Prime Minister, Amīnī visited the Shah on several occasions regarding the 1341 budget. The Iranian press reported that these visits created insecurity and concern over the condition of the Government.\footnote{Khāndanīhā, 23 Tir 1341 [14 July 1962].} Divisions in Amīnī’s Government widened to a dangerous degree as the Prime Minister lost the support of his Ministers. Geoffrey Wilson, Vice President of the World Bank, who attended several meetings, noticed that ‘members of the Cabinet rather ostentatiously disassociated themselves from Amini.’\footnote{Edward Mason, Massachusetts to F. Champion Ward, New York, July 10, 1962, RAC, FFR, Reel R-0813, Grant File: PA 58-158.} The Shah was turning the screw; and then came the military budget.

That the Iranian Government devoted a significant share of its resources to the military budget was nothing new. Previous prime ministers had attempted to limit the military budget to even a modest increase and failed. This was especially difficult after President Eisenhower encouraged the build up of Iran’s military via Plan Counterbalance. Amīnī’s predecessor, Sharīf-Imāmī, stated that he had been ‘overruled… to any cut in funds for the Ministry of War’ with the latter refusing even a token cut of 0.5%.\footnote{Harry H. Schwartz, Tehran to Secretary of State, Washington D.C., Secret, October 24, 1960, NACPM, RG 59, CDF 60-63, Box 2089, 788.00/10-2460.} Therefore, in facing difficulties reducing the military budget Amīnī was no different. In addition, this was the first year Iran would have to survive without US supporting assistance. In June 1961, President Kennedy personally wrote to the Shah stating that ‘I hope that you and PM Amini will make every effort to resolve Iran’s budgetary difficulties’\footnote{President Kennedy to Mohammad Reza Shah (Draft), Secret, June 20, 1962, JFKL, NSF, Box 116.} in order to proceed with development and give the Third Plan a chance. Therefore, it is quite telling that the Shah still chose to undermine Amīnī, simply by not going beyond the support he had given previous Prime Ministers.
In August 1961, when the 1341 budget was finalised, reductions were made by transferring more of the Plan Organisation’s share of oil revenues, cutting the NIOC’s share of oil revenues and making cuts in Amīnī’s final budget. Amīnī’s figure for the 1341 military budget stood at 13.9 billion rials ($185 million). Prime Minister ‘Alam, with the Shah’s help, managed to announce a budget of 12.5 billion rials ($166.3 million), through a saving of 1.4 billion rials ($18.7 million), which still constituted a 10.5% increase from 1340 ($150.5 million). Without the $18.7 million saving the military budget would have been 23% above 1340. ‘Alam and the Shah made the reduction of $18.7 million by proposing to sell lands owned by the Ministry of War, including the Jalālīyī Race Course, and undertaking discussions on an individual basis with foreign supplier creditors (Such debts to foreign creditors were not referred to in ‘Alam’s budget, leading initially to speculation that Iran may default on these). The Shah was clearly not prepared to take such extraordinary measures to save Amīnī. One must also consider that Iran’s 5-year MAP package was not confirmed until September 1962. It was after this confirmation that the Shah, having got much of what he wanted, felt more self-assured to hold to a 7.5% increase for 1342.

The Shah encouraged Amīnī’s resignation in a manner that made it seem that he supported his Prime minister until the end. It was even a peaceful transition. Ironically, British official, George F. Hiller, predicted Amīnī ‘being peacefully succeeded at a later stage by another Prime Minister pledged to reform.’ After Amīnī’s resignation Khāndanīhā reported that the press and political circles mentioned several names in the frame to succeed Amīnī, notably ‘Abd Allāh Intīzām, Asad Allāh ‘Alam, Jalāl ‘Abduh and Sharīf-Imāmī. When asked by the Shah for his opinion, Amīnī suggested Intīzām and ‘Alam in order of preference and the Shah in fact offered Intīzām the position first but the latter turned it down ‘on the grounds

802 Julius Holmes, Tehran, to Secretary of State, Washington D.C., Confidential, August 18, 1962, JFKL, NSF, Box 116.
803 James W. Swihart, Tehran, to Department of State, Washington, Confidential, August 26, 1962, JFKL, NSF, Box 116.
806 Khāndanīhā, 30 Tir 1341 [21 July 1962].
of ill health." The Shah then turned to Asad Allāh ‘Alam (pictured below). Although he believed his role in Amīnī’s departure had been carefully managed, the Shah was anxious to make sure his new Prime Minister was on good terms with Ambassador Holmes. ‘Alam was tasked with winning the ‘confidence of the Americans’ and keeping Holmes ‘fully in the picture.’ Unlike in November 1961, the Shah was now in a position to move forward with his own plan and team. However, the Shah’s role in Amīnī’s resignation is only half the story. Amīnī resigned, he was not dismissed, and could have continued if he wished, but this may have impacted on his chances of returning to power in the future.

5.2.2 Amīnī’s Decision to Resign

The key to Amīnī’s success was achieving a balanced, consolidated budget, along with fiscal and economic reforms to set the stage for the successful launch of the Third Plan. In November 1961, Amīnī gave written assurances to Ambassador Holmes underwriting his commitment to these goals in return for budgetary assistance. Whilst not discounting the economic crisis Amīnī inherited and his gains during the first six months, an objective assessment would conclude that Amīnī only belatedly addressed the budget and fiscal situation once he realised the impact it might have on his Government. Furthermore, Amīnī made a difficult situation worse by authorising additional operating expenditures after the 1340 budget had been finalised. Development expenditure also increased owing to his Government’s reform programme. This included additional money spent to help stimulate the economy, which had flat-lined owing to stringent, albeit necessary, measures to enforce the stabilisation programme. These factors weighed heavily on the 1341 budget and contributed to Amīnī’s decision to resign.

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Despite Amīnī stating that economic reform and financial affairs occupied the majority of his time,\textsuperscript{810} it appears he only began to devote his full attention to the budget in May 1962, which drew a comment by Secretary of State, Dean Rusk, to the effect that the US Government was still hoping Amīnī would demonstrate ‘genuine fiscal and financial responsibility.’\textsuperscript{811} A few weeks later more details emerged on the extent of Amīnī’s progress. Minister-Counselor at the US Embassy in Tehran, Stuart Rockwell, was less than sympathetic in his assessment of Amīnī’s problems. Rockwell reported that ‘the difficulties confronting him [Amini]… [were] due far more to actions or inactions of himself or his government than to [the] role of Shah.’\textsuperscript{812} Rockwell accused Amīnī of ‘drifting with [the] fiscal problem’ and not being ‘sufficiently aggressive in dealing with the underlying economic and fiscal situation… [and] the chickens have now come home to roost.’\textsuperscript{813} It was reported that ‘1340 operating expenditures increased 25 percent without compensating actions in [the] revenue field… [including] irrational wage increases for civil servants.’\textsuperscript{814,815} This additional expenditure, amounting to $60 million, created a ‘cash squeeze’ at the start of FY 1341 (21 March 1962).\textsuperscript{816} When Gen. Pākravān informed CAS (Controlled American Source) that Amīnī required ‘$80 million for [the] civilian budget and $20 million for [the] military budget in order to survive,’\textsuperscript{817} this illustrated the scale of the additional expenditures. This represented a considerable burden on Amīnī’s Government and, despite the latter’s focus on the military budget, was a key reason for his resignation.

\textsuperscript{810} \textit{Dunyā}, 19th Issue, 1342.
\textsuperscript{812} Stuart Rockwell, Tehran, to Secretary of State, Washington D.C., Secret, June 12, 1962, JFKL, NSF, Box 116.
\textsuperscript{813} Ibid.
\textsuperscript{814} Ibid.
\textsuperscript{816} Robert Macy, ‘USAID Program for Iran’, Confidential, August 31, 1962, NACPM, RG 59, NEA Iran Desk 58-63, Box 5.
\textsuperscript{817} Julius Holmes, Tehran, to Secretary of State, Washington D.C., Confidential, July 18, 1962, JFKL, NSF, Box 116.
With regards the military budget, Amīnī was hoping to persuade the Shah to go over and above his commitment to previous prime ministers. This was a big ask given that the Ministry of War was expecting at least a $22 million increase (16%) plus the $15 million in US supporting assistance received for 1340, giving a total of $175 million.\textsuperscript{818} The extent of Amīnī’s request was not lost on Rockwell who stated that the Shah agreeing to a reduction in the military budget would be ‘of considerable help to [the] Prime Minister… [but] it would probably be too much to expect Shah to bail Amini out of a situation essentially created by Amini himself.’\textsuperscript{819} Although the US had reaffirmed many times that the $15 million given in November 1961, was the last tranche, Amīnī still anticipated such assistance. However, even the activists were holding firm. Robert Komer wrote to President Kennedy that ‘all of us here believe Iran should be forced to dig itself out of this one instead of our bailing it out again.’\textsuperscript{820} The US accepted this would mean diverting oil revenues from the development budget, but were still prepared to support development. Dean Rusk wrote to Ambassador Holmes, stating that Amīnī remained ‘the best hope for [a] reasonable solution [of] Iranian internal problems and desires ensure that any possibility his remaining in office be exploited.’ It was suggested that Holmes should ‘by whatever channels you deem appropriate’\textsuperscript{821} make it clear to both Amīnī and the Shah US views on the diversion of oil revenues to cover the operating budget.

David Collier concludes that the US withdrew support for Amīnī in favour of the Shah and cites State Dept. ‘instructions to prompt the Shah to resume authority over the government and personally “enforce discipline and order”’.\textsuperscript{822} Collier is referring to Edward Mason’s suggestion that Shah should intervene to save the 1341 budget and ensure funds for development. However, the decision was left to Ambassador Holmes who countered that despite his troubles Amīnī ‘is still best man that we can see for job… [and] there is no crisis of affairs here at this time, which

\textsuperscript{818} Maurice J. Williams, Tehran to Mr. William S. Gaud, Washington, Secret, March 16, 1962, JFKL, NSF, Box 424.

\textsuperscript{819} Stuart Rockwell, Tehran, to Secretary of State, Washington D.C., Secret, June 12, 1962, JFKL, NSF, Box 116.


\textsuperscript{821} Dean Rusk, Washington D.C. to US Embassy, Tehran, Secret, July 18, 1962, JFKL, NSF, Box 116. – FOIA

\textsuperscript{822} Collier, 456-475 (p. 467).
calls for [the] dangerous step of Shah assuming direct control.

Nonetheless, the US remained firm on budgetary assistance, despite a suggestion that an attempt was made at the eleventh hour to save Amīnī. Deputy Prime Minister, Manūchīhr Gūdarzī, recalls that shortly after Amīnī submitted his resignation he received a phone call from a member of USOM in Iran. This person wished to see Gūdarzī immediately to say they were willing to help with $20 million for the military budget. Gūdarzī then arranged to see Amīnī immediately. However, Amīnī told Gūdarzī that he was late by one hour as the Shah had already chosen Asad Allāh ‘Alam as the new prime minister. Whether true or not, Holmes never received a direct request from Amīnī, only by way of back channels through Gen. Pākravān and Jahāṅgīr Āmūzīgār. The budget deficit as a whole was a key reason for Amīnī’s resignation. Another was that Amīnī lost the confidence of his Ministers.

Chapters 2 and 4 noted the divisions within Amīnī’s Government, the impact of several strong personalities, the animosity from the Ministries towards the Plan Organisation and Amīnī’s increasing inability to exert control over his Cabinet. In January 1962, Head of the second Harvard Group, Thomas McLeod, questioned Amīnī’s ‘ability to take a firm stand on fundamental issues,’ that ‘he does not seem to have control of his Cabinet… [and] his political position does not appear strong enough to enable him to force or to accept offered resignations.’ As time wore on Amīnī’s position appeared ever weaker as Ministries continued to fight with the Plan Organisation and observers like Geoffrey Wilson witnessed the Cabinet’s lack of faith in Amīnī. Khāndānihā reported that in the last formal session of the Cabinet there was fighting between Ministers over the budget to the extent that Amīnī became disappointed working with them. Whilst Amīnī was tired and frustrated, his Ministers, too, had reached a parting of the ways. Ambassador Holmes reported the day after Amīnī’s resignation that ‘almost all of [the] out-going government… appeared relieved, glad to escape responsibility, and anxious to go their separate

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824 FISOHA Gūdarzī, pp. 1-147 (pp. 46-47).
825 Julius Holmes, Tehran, to Secretary of State, Washington D.C., Confidential, July 16, 1962, JFKL, NSF, Box 116.
826 Thomas McLeod, Tehran to Edward Mason, Massachusetts, January 8, 1962, RAC, FFR, Reel R-0813, Grant File: PA 58-158.
827 Khāndānihā, 30 Tir 1341 [21 July 1962].
This simply underlined Amīnī’s lack of support inside as well as outside the Government.

Richard Cottam, Homa Katouzian and Abbas Milani note that Amīnī sought to ally himself with the National Front to form a power bloc to counter the Shah and give him a platform to continue with reform and his political ambitions. Chapter 2 discussed how the US hoped Amīnī would bridge the gap with the moderate opposition. However, this was not his only goal. In conversation with CAS, Dāryūsh Furūhar noted that Amīnī ‘has no roots among the people, and this prevents him from taking truly effective steps.’ Amīnī had no constituency, so approached the National Front, saying ‘we both want the same thing,’ offering them seats in the Majlis and Cabinet positions. Amīnī believed this would be ‘a way that they… could not be outmaneuvered by the Shah.’ However, it was soon apparent that even the moderates weren’t going to cooperate. Even if some like Allāhyār Ṣālīḥ and Ghulām-Ḥusayn Ṣādiqī may have been inclined to cooperate with Amīnī, they were ‘under the influence of the National Front’s hardliners,’ which ensured they did not. In the end both the nationalists and conservatives lined-up against Amīnī, which may be another reason why he chose to resign. As the month of Murdād approached it was rumoured among political circles in Tehran that Amīnī may leave office as he entered it; in ‘controversy and demonstration.’ There appeared the potential for anti-government demonstrations and speeches on 30 Tīr (21 July) and Constitution Day (5 August), but Amīnī resigned before this could impact on him.

Amīnī’s problems were not the fault of the US, nor was the Shah primarily to blame. Despite defending his economic thesis, a more critical analysis of Amīnī’s final months shows that he failed on many fronts. In the end Amīnī did not resign because of the military budget, the military budget became an issue and he resigned, allowing him to leave with a level of credibility and the possibility to return. The military budget ‘was relatively minor’ as it would have ‘accounted for 17% of the

830 CAS Information Report, 'Interview with Dariush Foruhar', Confidential, July 3, 1961, DNSA, Iran Revolution Collection, Item No. IR00415.
831 CIA Officer interview.
832 Ḩādā Amīnī email correspondence with Author, April 18, 2015.
833 Khāndanīhā, 30 Tir 1341 [21 July 1962].
[budget] deficit.'

However, Amīnī chose to make this the key issue, and explained as much in his memoirs. Amīnī even chose to scapegoat the US, stating: ‘the main reason for the fall of his Government… was the tardiness of the United States in sending aid to Persia.’ Amīnī’s dream of being prime minister ended with a mixed record, though the impact of his Government on various areas of reform, especially land reform, cannot be underestimated. In January 1963, Amīnī returned to Iran after a short break, in the wake of the referendum on the White Revolution. However, any hope he had of returning to the political limelight receded as the Shah took control. Amīnī’s reception was also not what he might have hoped. Amīnī was attacked in the press with Kayhān suggesting that ‘the Government should try and exile Dr. Amini’ and Ātash alleged that Amīnī ‘received a cheque whose sum is in “seven figures”’. Amīnī’s moment had gone and attention now turned to the realisation of the Shah’s plan for social justice linked with economic development.

If the previous chapters have shown that the Kennedy administration had less influence in the direction of reform under Amīnī than is believed, they were even less able to influence events now that the Shah had retaken control. The result was an Iranian reform programme suited to the Shah’s objectives, and the US had to sit back and accept it. The transition from Amīnī’s Cabinet and 15-point plan to the Shah’s Royal Farmān and preferred team was now complete.

835 Lājivardī, pp. 135-136.
Much of the earlier context and background of Iranian politics has disappeared, and the political process has moved into a new background, with new forces operating within new parameters. Only the most general outline of the future can be predicted, for the Shah’s politico-economic experimentation is without precedent.\footnote{William H. Brubeck, ‘Memorandum for McGeorge Bundy’, Secret, January 21, 1963, JFKL, NSF, Box 116a.}

With Amīnī gone the Shah could now proceed, with the help of his preferred team, to add further details to his ‘framework for a philosophy’ embodied in his Royal Farmān. Within this framework were various reforms, which the Shah saw as part of his plan for economic development linked with social justice. The task now was finalising the details of specific reforms, convincing people of the sincerity of his intentions and preparing for Majlis elections, which could not be postponed indefinitely. What transpired were not simply a few reforms and some new faces, but a significant rupture with the past. The United States, whose influence was limited even under Amīnī, was now a spectator as the White Revolution wore an Iranian mask. The United States entered an unknown future, though as long as Iran appeared stable and independent this would be enough to placate future US administrations.

To fully understand the Shah’s White Revolution it must be separated it into its component parts. Firstly, there are the reforms themselves, which stem from the Royal Farmān and were adapted into a particular six-point programme under Prime Minister ‘Alam. Secondly, there is the concept of a White Revolution, which differed among various actors. Lastly, there is the referendum itself. Together these form the six-point White Revolution of 6 Bahman 1341 (26 January 1963). Previous Chapters have focused on the extent of US influence in various areas on the road to the 6 Bahman referendum. The final chapter will show that now Amīnī had gone it was the Shah and his Government who were directing reform and established the six-points of the White Revolution. The United States watched with caution wondering whether to intervene. This will be examined with respect to the following questions. What were the details behind each of the six points of the Shah’s White Revolution? How did the
concept of a White Revolution differ among various actors? And, what was the Shah’s reasoning for holding a referendum on 6 Bahman 1341?

6.1 The 6-Point Programme

From the time the Shah issued his Royal Farmān, progress in each area was mixed. Under Amīnī a new Land Reform Law had been introduced, some measures were taken to tackle corruption and local elections had taken place. However, in areas such as tax reform, administration, improving conditions for workers in industry and education, not enough progress had been made. With Amīnī gone the Shah sought to formulate a specific programme based on social justice, which would be endorsed by the people thereby legitimising the Shah as a revolutionary monarch. Between August 1962 and January 1963 actions were taken to this effect. The following will look at each of the six points of the White Revolution in turn, based on the following questions. What were the changes between the Royal Farmān and the White Revolution? How was each point formulated? And, are there further indications of the agency of Iranians and limits of US influence?

6.1.1 Land Reform (Additional Articles)

According to Ardeshir I, the first Sassanian ruler, "There can be no power without an army, no army without money, no money without agriculture, and no agriculture without justice."839

A week before the 6 Bahman referendum it was reported in the Iranian press that Prime Minister ‘Alam announced that by 17 January a final decision would be made regarding changes to the January 1962 Land Reform Law. It was reported that a key change involved a limit on the amount of land each person could hold.840 As foretold, on 17 January ‘Alam’s Cabinet issued a decree named ‘Additional Articles to the Amended Land Reform Law.’841 This became known as ‘phase two’842 of the

839 Pahlavi, Mission for my Country, p. 31.
840 Īṭṭilā‘at, 27 Day 1341 [17 January 1963].
841 Majd, Resistance to the Shah, p. 117.
distribution of private holdings (the January 1962 Law being phase one). According to Ann Lambton, the additional 47 Articles constituted ‘virtually a new law’ and was a step back.\(^{843}\) In fact, the Additional Articles both extended the reach of distribution to include small holders, but also included amendments, which eased the process of distribution, which was slowed to allow for present capabilities. Once the direction of reform was fully under his control, with the Americans reluctant to get involved, land distribution was modified to fit the Shah’s plan.

The Shah reflected in his 1967 manuscript that as a result of limiting ownership to one village ‘it was possible for the old landlord-peasant relationship to linger on.’\(^{844}\) In pursuit of his plan for economic development linked with social justice the Shah adopted Arsanjānī’s approach. However, the payment to landlords was also extended from 10 to 15 years and there were more options open to the landlords. The latter now had the choice of leasing their lands to the peasants or dividing the land based on ‘the customary ratio of landlord peasant shares,’ plus ‘an important exemption permits the landlord to retain up to 500 hectares… if he is carrying on mechanized farming.’\(^{845}\) The Shah saw the future in mechanization and commercial farming, with peasant labourers moving to the cities where industrial growth would create jobs. Modifications were also made with present capabilities in mind. The Ford Foundation noted ‘the minimum requirement for agricultural extension agents, agricultural specialists and cooperative managers within the next few years will reach fifteen thousand… [but] there are barely one thousand active today.’\(^{846}\) The Shah went beyond the largest owners for social and political reasons, but slowed the pace to allow Iran to cope. Therefore, practicality formed only part of the Shah’s thinking, it was the idea of ending the landlord peasant relationship, which drove the Shah to Arsanjānī’s approach.

In March 1962, the Shah gave a public speech in Marāghīh, speaking ‘for about 20 minutes… extemporaneously and without notes, in a quiet, sincere manner’

\(^{843}\) Lambton, pp. 195-196.
\(^{844}\) Pahlavi, *White Revolution*, p. 35.
\(^{845}\) James W. Swihart, Tehran to Department of State, Washington D.C., Confidential, January 29, 1963, NACPM, RG 59, CDF 60-63, Box 2832, 888.00/1-2963.
on the subject of ‘social justice.’ The Shah described the path to the 1962 Law with the distribution of Crown lands, Public Domain lands, and private holdings. The Shah ended by repeating a remark he made after a tour of Āzarbāyjān in 1946, that ‘it was no great honor to be king to poor and hungry people.’ Ten months later, the Shah along with several of his Ministers spoke at the first National Congress of Farmers held at Muḥammad Rīzā Shāh Hall. The Shah was appealing to the soon to be emancipated peasant farmers for support and used more heady language towards those who had prevented change, calling them ‘destructive “red forces”’ and ‘agents of “Black Reaction’.” The former referred to the Communists and those on the Left whom the Shah stated wanted the destruction of the country, and the latter referred to landlords and religious leaders who resisted change. As Ansari states, this illustrated that the Shah had adopted the idea of a fully ‘liberated Iranian yeomanry.’

When Amīnī’s Government fell, the Shah chose to retain Arsanjānī as Minister of Agriculture. The latter proved a useful lightning rod and was saying things people wanted to hear. Arsanjānī was ‘continually making the point that the land reform program is entirely an Iranian idea and… misses few opportunities to ridicule not only the foreigner but the foreign trained Iranian.’ Retaining Arsanjānī was important until the White Revolution had been solidified. However, as with Amīnī, the Shah saw Arsanjānī as a threat, so once the pace of distribution and Arsanjānī’s popularity looked to be getting out of control the Shah pulled back. As Ahmad Ashraf points out, the Shah ‘resented and feared the power that Arsanjani was collecting independently of the throne, based on peasants and urban liberals’.

On 10 March 1963, Arsanjānī resigned saying he would not accept the position of Minister of Agriculture in ‘Alam’s new Cabinet. In reality he was forced out. Greater control over the implementation of land reform was given to the Ministry of Interior under Mahdī Pīrāstah without consulting Arsanjānī, and the latter refused to

847 Stuart Rockwell, Tehran to Department of State, Washington D.C., Confidential, March 19. 1962, NACPM, RG 59, CDF 60-63, Box 2834, 888.16/3-1962.
848 Ibid.
849 Ḩifūlā’āt, 19 Day 1341 [9 January 1963].
852 Hugh Arbuthnott interview.
853 Ashraf, pp. 21-44 (p. 26).
854 Ḩifūlā’āt, 20 Isfand 1341 [11 March 1963].
remain under such conditions.\textsuperscript{855} Arsanjānī was given a ‘private purse of $50,000, and the Shah figured that Rome would take care of him\textsuperscript{856} (Arsanjānī being given the Ambassadorship to Rome after his resignation).

The Shah did not want to alienate the future industrial class; those who would move capital from land to industry partly as a result of land distribution. In July 1963, the US Embassy in Tehran reported that the Iranian Government had taken several actions to ‘restore the confidence of present and former land owners… so that its agricultural and industrial investment activity will continue,’ one measure being that ‘the value of some of the distributed land… [was] recalculated upwards.'\textsuperscript{857} Social justice had to be tailored to economic development, the Shah’s primary goal. Land distribution, in its modified form, became the centrepiece of the Shah’s White Revolution. However, there were five other points, which will be discussed below. The first being the sale of shares in state-owned factories as compensation for land reform; a practical measure given the enormous financial burden of land reform and also another encouragement to industry.

6.1.2 Sale of Shares in State-Owned Factories

James Bill notes that by the late 1960s the Shah had ‘concentrated the aristocracy in the city by severing their connection with the countryside.'\textsuperscript{858} This was no accident, as the Shah wished to accelerate the pace of industrialisation and move capital tied up in farms to industry. Severing the link between landlord and peasant was not only a social but also an economic measure, but also given that implementing land reform would require a huge financial outlay a solution had to be found. In March 1959, during one of the Shah’s press conferences, the latter stated that aside from heavy industry and other areas such as railways, he was ‘studying the idea of arranging the purchases by a special bank of landed property in excess of certain limits… [that]

\textsuperscript{856} CIA Officer interview.
\textsuperscript{857} James W. Swihart, Tehran to Department of State, Washington D.C., Confidential, July 30, 1963, JFKL, NSF, Box 424.
\textsuperscript{858} Bill, ‘Modernization and Reform,’ 19-40 (p. 33).
would pay the landlords in shares in these newly emancipated industries.\footnote{Chancery, Tehran to Foreign Office, London, Unclassified, March 10, 1959, TNA, FO 371/140787, EP 1015/19.} Once the Shah had his preferred team an idea along such lines was considered. In fact, it was Arsanjānī who took credit for the idea of compensating the landlords with shares in state owned industries.

On 24 November 1962, the US Embassy reported that Arsanjānī had become ‘convinced that this amount of money [compensation for distribution] should not be permitted to be wasted by the former landlords, but should be channeled into industrial development.’\footnote{Julius Holmes, Tehran to Department of State, Washington D.C., Confidential, November 24, 1962, NACPM, RG 59, CDF 60-63, Box 2834, 888.16/11-2462.} A few days later the ‘Alam Government approved a law for the sale of government-owned factories to help finance the initial stages of land reform whereby former landlords would be given shares in return for promissory notes received for their former lands. In a television interview Arsanjānī stated the reason was so capital previously held in land was not wasted but re-invested in industry. Arsanjānī claimed it was he who had suggested to the government some time ago that a Union Company be formed in which all state-owned factories would be concentrated with the shareholders receiving at least six percent interest per year.\footnote{Iṭṭilāʿāt, 7 Āgar 1341 [28 November 1962].} Such a measure did not endear the landlords to the government. The International Basic Economy Corporation (IBEC) reported ‘general discontent among the landowners… by reason of the method of compensation.’ Only ten percent was given in cash with the remainder as promissory notes to be exchanged for shares in government-owned factories, which IBEC described as ‘badly run and practically bankrupt.’ This was viewed by IBEC as an adroit decision as ‘the Government gets rid of two headaches by a clever, if quite unscrupulous move.’\footnote{'Sales Program', February 12, 1963, RAC, IBEC, FA084, Box 78, Folder 1416: Bank Omran Legal.} This too was put to a public vote on 6 Bahman.

6.1.3 Literacy Corps

The Shah’s Royal Farmān spoke of education attuned to the country’s development, which focused on vocational schools and expanded primary and secondary education
to cover the entire country. However, present capabilities forced a re-appraisal. The result was something more practical for Iran and attuned to the Shah’s concept of a White Revolution. The roots of the Literacy Corps appear early in the Amīnī Government as both the Shah and the Prime Minister sought to fight illiteracy through a campaign urging literate Iranians to help their compatriots. In September 1961, the Shah and Amīnī launched a five-day campaign ‘whose end is the teaching of two million adult illiterates to read and write.’ Speaking via radio and television, both urged Iranians to ‘join in a crusade against illiteracy’ by asking the literate to ‘contribute time to the teaching of adult education classes, in mosques… [and] public buildings.’\textsuperscript{863} If not a formal programme, this was the start of a more practical effort given the present limitations on the Shah’s goal of achieving universal education. Amīnī’s Minister of Education, Muḥammad Dirakhshish, sought to devise a specific programme along such lines.

Although Dirakhshish caused much headache for the Ford Foundation, Near East Foundation and Iranian officials with his running of the Ministry, he did formulate a plan, which became a forerunner to the Literacy Corps. Under Dirakhshish a programme was formulated to ‘train 5,000 high school graduates in the various teacher colleges for one year and then to assign them for two years to various needy school districts in provincial Iran.’\textsuperscript{864} This programme was modified by his successor, Dr. Parvīz Nāṭīl-Khānlarī, to include oversight by the Iranian Army and 10,000 high school graduates. Farian Sabahi, who focuses on the origins and implementation of the Literacy Corps, doesn’t decisively conclude who was responsible for the Literacy Corps. Sabahi states that two interviewees gave credit to Dr. Khānlarī, while another cited the Undersecretary of the Ministry of Education, Dr. Amīr Bīrjandī.\textsuperscript{865} In fact, initial moves began with the Amīnī Government, with the support of the Shah, from which a plan was formulated by Dirakhshish that acted as a forerunner to the Literacy Corps, which was then modified by Dr. Khānlarī who presented this to the Shah and then instructed Dr. Bīrjandī and his colleagues to work out the finer details. Interestingly, the Literacy Corps bore similar resemblance to the first attempt by Mustafa Kemal Ataturk to solve illiteracy by taking ‘young villagers

\textsuperscript{863} Julius Holmes, Tehran to Secretary of State, Washington D.C., Official Use Only, September 20, 1961, NACPM, RG 59, CDF 60-63, Box 2836, 888.43/9-2061.
\textsuperscript{864} John Bowling to Robert Komer, November 9, 1962, JFKL, NSF, Box 424.
\textsuperscript{865} Sabahi, pp. 64-65.
who had learnt to read and write in the army… have them follow a six-month course and then… send them to their villages as "educators".866

The concept of a Literacy Corps began in early October 1961, as Dr. Khānlarī held meetings with officials in the Ministry of Education in the presence of advisers from the US, Britain, France and Germany. Khānlarī asked questions of the advisers and Dr. Laird of the USAID Education Division suggested present education should be upgraded to a higher standard. Khānlarī shot this down and ‘indicated it was more important to get education programs started in the rural areas’.867 Khānlarī explained that Mr. Mashāyikhī (Director General for General Education) and Mr. Kiyā (Head of a new section coordinating all foreign aid to the Ministry of Education) were in charge of final preparations of a plan whereby ‘every child could get at least 2 years of education’ and asked all concerned to discuss the matter with them.868 Over the following week a decision was made and on 13 October the Shah issued the order for the formation of the Literacy Corps. Dr. Khānlarī announced that ‘Army and Culture will unite for fighting with illiteracy’ in a programme where graduates with a high school diploma will be sent to villages to teach instead of military service.869 It was announced that both the Ministry of War and Ministry of Education were working together to prepare a bill and that the high school graduates would undergo a training course before being sent into the field.870

It was clearly decided that if Iran was to pursue a crusade against illiteracy it would have to do so in within current capabilities, and even though the US Government was skeptical the Near East Foundation agreed. Programme Director, Lyle J. Hayden, stated that ‘that the needs of the country are for more practical education…[and] the immense financial burden… to provide as many teachers as required for teaching all of the elementary pupils’871 was not feasible. Therefore, it was announced by an official at the Ministry of Education that the costly teacher training classes were no longer necessary as by the first year the Literacy Corps

866 Zurcher, p. 194.
868 Ibid.
869 Ittilāআt, 22 Mihr 1341 [14 October 1962].
870 Ittilā�t, 23 Mihr 1341 [15 October 1962].
871 Lyle J. Hayden, New York to William A. Fuller Jr., Tehran, October 22, 1962, RAC, NEF, FA406, Box 63.
would provide 10,000 people to teach in the provinces. It was also announced that Dr. Birjandi had been appointed Undersecretary of the Ministry of Education with ‘primary responsibility’ for working out the finer details of the Literacy Corps programme, assisted by Dr. Ikrami. Exactly one month later Prime Minister ‘Alam approved a bill for the formation of the Literacy Corps consisting of 8 articles and 4 notes. High school graduates would now be drafted to the Iranian Army, put through an ‘intensive four month training program,’ then sent out into the field for fourteen months.

In the second gathering at Muḥammad Rizā Shāh Hall, four days before the referendum, Dr. Khanlarī spoke to a crowd of workers’ representatives, including teachers, urging them to vote ‘yes’ in the referendum in order that a ‘great transformation’ may occur in the life of Iran. The first group of Corpsmen entered villages in May 1963 and in 1967 it was announced that women would be recruited into the Corps. In addition, it was mentioned that youngsters would form development and construction groups and work alongside municipalities building roads between villages and other tasks to aid rural development. As Brian Street writes, this was made the responsibility of the Literacy Corps, as village teachers would ‘be charged with the leadership of the village… the improvement of living conditions, the progress of society and in the development of the village.’ In the words of Amīr Bīrjandī, this made ‘the Education Corpsman essentially a multi-

872 Ittilā‘āt, 13 Ābān 1341 [4 November 1962].
874 Ittilā‘āt, 13 Āžar 1341 [4 December 1962].
876 Ibid., p. 20. – The picture below shows an Education Corpsman teaching in a co-educational village school.
877 Ittilā‘āt, 2 Bahman 1341 [22 January 1963].
878 Birjandi, p. 6.
879 Brian Street, ‘The Mullah, the Shahname and the Madrasseh,’ Asian Affairs, 6:3 (1975), 290-306 (p. 294).
purpose village-level worker.\textsuperscript{880} The Literacy Corps was another key element of the Shah’s plan for economic development linked with social justice; a plan attuned to Iranian development on the Shah’s terms, without US association.

6.1.4 Nationalisation of Forests and Pasturelands

The Shah mentioned in his manuscript that Iran’s forests have been ‘shamefully misused’ for centuries with some ‘over-exploited… [while] others have remained under-utilized.’\textsuperscript{881} It is perhaps no surprise, then, that the Third Plan contained a forestry programme, which aimed to bring ‘all the Caspian forest area under management plans by 1346, and… [the] information and personnel necessary to bring all other areas under planning.’\textsuperscript{882} However, the Shah chose to go further and expropriate all forest and pasturelands to the state. On 17 January 1963, the Council of Ministers passed a bill for the nationalisation of forests and charged the newly reorganised Forestry Department with their management, development and exploitation.\textsuperscript{883} The bill consisted of 14 articles and allocated compensation for each hectare in the north of the country at 500 rials and other areas at 100 rials.\textsuperscript{884} This has been criticised by Majd as an ‘immensely important action’ where compensation was ‘so negligible and the conditions so stringent that practically no one received anything.’\textsuperscript{885} However, the nationalisation of forests and pasturelands was for more than simply good management, it was also part of the concept of social justice and, like land distribution, intended to promote industrialisation and commercial farming.

During Prime Minister ‘Alam’s speech to the nation marking the end of his first year as Prime Minister, he stated that ‘All must share in the country’s wealth. This is why the country’s forests must be nationalized.’\textsuperscript{886} This was echoed by the Shah in his final manuscript, stating: ‘The forest is natural wealth to whose creation and development no person has contributed… it is only just that it should belong to

\textsuperscript{880} Birjandi, p. 15.
\textsuperscript{881} Pahlavi, \textit{Mission for my Country}, p. 198.
\textsuperscript{882} ‘Outline of the Third Plan (1341-1346)’, July, 1961, TNA, FO 371/157625, EP 1102/27.
\textsuperscript{883} \textit{Iftilāʾāt}, 27 Day 1341 [17 January 1963].
\textsuperscript{884} \textit{Iftilāʾāt}, 29 Day 1341 [19 January 1963].
\textsuperscript{885} Majd, \textit{Resistance to the Shah}, p. 122.
all the inhabitants of the country. As an extension of the idea of emancipating the peasant with the end of the traditional landlord-peasant relationship, the idea of all forestlands being in the hands of the people further enunciated the notion of social justice. However, as with land reform, the Shah also remained focused on the development of his country. The Kennedy administration reported that this action ‘paved the way for a more rational control and use of this resource,’ which could ‘have a significant bearing upon certain industrial development activity.’ For instance, with pasturelands under supervision of the Forestry Department, land was ‘leased by the state as large tracts to commercial livestock ventures,’ consequently depriving the peasants of a living in what were previously ‘considered common pastures.’ Irrespective, this became part of the Shah’s White Revolution.

6.1.5 Profit Sharing for Workers in Industry

As a result of the Shah’s Farmān the Minister of Labour, ‘Aṭā Allāh Khusравānī, began reviewing the process for allocating shares to factory workers, and a commission was formed to look at examples from abroad. The Shah as part of his new team retained Khusравānī, but the idea for profit sharing had yet to be implemented and conditions for workers remained poor. James Bill notes that by 1960 ‘the urban industrial working class… [was] still in its embryonic stage’ as there were ‘4,430 industrial units in Iran… [and] of these, 3,133 employed ten or fewer workers.’ However, within these units workers were ‘subjected to severe exploitation’ as, despite the efforts of Khusравānī’s predecessor, Aḥmad-ʻAlī Bahrāmī, labour laws were ignored, such as the ‘refusal to pay promised bonuses or to contribute to government Workers Social Insurance.’ In July 1962, Victor Wolf, a US Official at their Consulate in Iṣfāhān, reported that ‘after 20 months of observing the situation here, I am forced to conclude that several provisions of the Labor Law are generally and regularly violated by the management of the Isfahan

887 Pahlavi, Answer to History, p. 105.
888 'Implementation of Strategic Objectives Contained in reply to NSAM 228', Secret, April 20, 1963, JFKL, NSF, Box 424.
889 Najmabadi, p. 125.
890 Bill, 'Foundations of Power in Contemporary Iran,' 400-418 (p. 405).
891 Ibid.
textile factories.' Therefore, although the industrial working class was still in its ‘embryonic stage’ the situation offered the opportunity for both a practical response to present conditions and an opportunity to demonstrate that the Shah was the purveyor of social justice by incorporating profit sharing in the White Revolution.

By September 1962, profit sharing was back on the agenda. During a press conference Khusravānī recalled point 4 of the Shah’s Farmān in which he stated that ‘if the workers desire, up to 25 per cent of the shares should be sold to them in installments’ to both improve conditions (ensuring stability) and increase productivity. Khusravānī was now able to confirm that a profit sharing plan for workers had been drafted, would be submitted to the new Economic Advisory Council and within a month the Ministry of Labour ‘would be prepared to receive suggestions for the execution of the plan.’ A month later it was reported that the plan had now been submitted to Sharīf-Imāmī, the President of the Chamber of Industry and Mines. Several weeks later it was confirmed that the Ministry of Labour and Chamber of Industry and Mines had prepared the plan for workers to become partners in the benefit of factories. The plan was to be presented to the Shah before final approval by the government. While focusing on the condition of workers, the new plan was not to have a detrimental effect on investment in industry. The plan would see owners of industry paying an amount of money as a reward in return for an increase in production and benefit for the factories. It was hoped that both employee and employer would benefit.

The reaction by industry was mixed. The measure was seen as ‘long overdue… [and] a step in the right direction’ as industry in Iran faced ‘a serious problem… [owing to] lack of interest on the part of the workers to learn any skills and their tendency to dodge work’; in part caused by a rise in the cost of living while

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892 Victor Wolf, Isfahan to Department of State, Washington D.C., Confidential, July 24. 1962, NACPM, RG 59, CDF 60-63, Box 2833, 888.06/7-2462.
894 US Embassy, Tehran to Department of State, Washington D.C., Limited Official Use, September 29. 1962, NACPM, RG 59, CDF 60-63, Box 2835, 888.06/9-2662.
896 İtfilāʾ āt, 19 Azar 1341 [10 December 1962].
897 İtfilāʾ āt, 21 Azar 1341 [12 December 1962].
wages failed to keep pace. Therefore, it was hoped that profit sharing would instill greater interest in the workers. However, owners of private industry believed the measure to be ‘ill conceived… [and] excludes workers in Government industries and monopolies, and employees in commercial entities’ leading to a great outcry by owners of industrial ventures. As this was a plan for social justice linked with economic development, it is not surprising that once the referendum had taken place such grievances were taken into account. By July 1963, the US Embassy in Tehran reported that profit sharing ‘has turned out not to be the monster which many businessmen feared… [as] it is being administered “flexibly” and with due regard for the interests of management as well as labor.’ The Shah and Iranian Government did not want to put industrial development at risk. Therefore, profit sharing was in part a practical measure to improve the condition of workers; a political measure as the Shah sought the support of the working class; and, an economic measure to try and stimulate productivity, so the interests of the owners of industry were taken into account. Again, this was an Iranian programme, with the Shah and others dictating the specifics of the measure.

6.1.6 Election Law (Female Suffrage)

Chapter 3 detailed the Shah’s plans for devolution of power at the provincial, municipal, and village level. It was explained that such measures along with elections at a local level were a pre-requisite for elections to the 21st Majlis. In the months after the Shah’s Farmān a number of elections were held for village and town councils, a new Municipal Council Law was drafted and elections for such councils were forecast for the near future. However, in late November 1962, the Iranian Government and the Shah made the decision that ‘greater autonomy in local government has been postponed in favor of parliamentary elections.’ Attention

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899 'Sales Program', February 12, 1963, RAC, IBEC, FA084, Box 78.
901 Julius Holmes, Tehran to Department of State, Washington D.C., Confidential, November 28, 1962, NACPM, RG 59, CDF 60-63, Box 2091, 788.00/11-2862.
now turned to another measure deemed necessary before Maljís elections could take place; a change in the Election Law.

In November 1962, a draft Electoral Law was in the works. Key changes in the law included ‘a more accurate system of voter registration and identification… acceleration of the election process’ and a ‘reduction of landlord and government influence on election supervisory boards.’\textsuperscript{902} Article 4 of the Decree approved by the ‘Alam Cabinet on 14 January placed ‘workers and farmers on the [election] supervisory councils and ousts landlords and aristocrats as definite classes on the council.’\textsuperscript{903} Therefore, the change in the Electoral law was another measure that on a practical level needed adjusting, but at the same time played to the concept of social justice for the peasant farmers and industrial workers and laid the groundwork for a political shift as the Shah allied himself with these groups against the destructive ‘red forces’ and ‘agents of ‘Black Reaction.’ It appears the Shah, at the apex of his White Revolution, was seriously considering free elections. A newly released CIA report details the Shah’s thoughts and is worth quoting in full.

Now that referendum taken care of, Shah thinks that for first time in its history Iran might benefit from truly free Majlís elections. Experiment would probably work successfully at this stage because general public would be still under influence of revolutionary program but not yet under influence any opposition groups, which may pull themselves together in future and develop capability to influence newly liberated masses... [such as] old type Majlís deputies, feudal landlords, reactionary upper class bureaucrats, National Front, and Tudeh. Fully free elections may be safer in next six months than four years hence for this reason. Representation new Majlís will be based largely on new Agricultural Society, industrial workers, guilds, industrialists, and other elements of society rather than on political party basis... idea receiving serious consideration.\textsuperscript{904}

Whilst the elections for the 21\textsuperscript{st} Majlís in September 1963, replaced the two-party system with groups the Shah now allied himself with, elections were certainly not free. The protests in June and activities of the National Front, students and others may have contributed to the Shah’s decision that the general public were not sufficiently ‘under influence of [his] revolutionary program’ to be trusted. However, The 21\textsuperscript{st}

\textsuperscript{902} CIA Report, ‘Shah’s Reforms to be Given Election Test in Iran’, Secret, September 6, 1963, JFKL, NSF, Box 116a.


\textsuperscript{904} CIA Report, ‘Views of the Shah of Iran on Various Foreign and Domestic Matters’, Secret, January 12, 1963, JFKL, NSF, Box 116a. – FOIA
Majlis was still ‘largely composed of civil servants, academics, professional men, workers and peasants who could be relied on to support the reform programme.’\textsuperscript{905} One group that also benefited from the elections was women, with six elected deputies. Female suffrage is often associated with the 6-point referendum, but the Iranian public only voted for a change to the Electoral Law; female suffrage was not granted until February 1963. Women were allowed to vote in the referendum, but only symbolically. However, they too became part of the concept of social justice and a group the Shah sought to ally himself with along with the peasants and industrial workers. This came about through a combination of the Shah’s aims and the demands of women’s groups, not US pressure.

In September 1959, during a more concerted effort to enact reforms, the Shah implied that social justice should also apply to women. The Shah informed Iqbāl’s Cabinet that ‘the world had changed… [and] government should give them [women] the right to vote so that they could participate in social and political affairs.’\textsuperscript{906} In his manuscript the Shah talked more broadly about women’s role in society. The Shah stated that ‘the time is opportune for Iran's women to reappraise their needs and potentialities if they are most fully to enrich their own lives and those of their husbands, their children and their fellow countrymen.’\textsuperscript{907} Words were followed-up with some action. In March 1960 the US Embassy in Tehran reported the active and unlimited participation of women delegates’ at the Mardum Party political convention with one woman elected to the Central High Council for the first time.\textsuperscript{908} In addition, the Iranian Government promoted equal pay for equal work and women could combine marriage with outside work. However, as with industrial labour laws, these were not properly adhered to or enforced and ‘women still… [had] few political or religious rights.’\textsuperscript{909} There followed increased activity by women’s’ groups.

In 1960 it was reported that the ‘tempo of women’s activities… stepped up considerably… [with] declarations demanding the right to vote and hold office’ published in the Iranian press. However, any attempt to demonstrate was prevented

\textsuperscript{906} Afkhami, \textit{The Life and Times of the Shah}, p. 243.
\textsuperscript{907} Pahlavi, \textit{Mission for my Country}, p. 227.
\textsuperscript{908} Robert R. Schott, Tehran to Department of State, Washington D.C., Confidential, March 5, 1960, NACPM, RG 59, CDF 60-63, Box 2088, 788.00/3-560.
\textsuperscript{909} Martin Ackerman, Tehran to Secretary of State, Washington D.C., Unclassified, September 13, 1960, NACPM, RG 59, CDF 60-63, Box 2089, 788.00/9-1360.
by the police.\textsuperscript{910} This did not stop women’s’ organizations, such as the Council of Women, seeking to get their voice heard. On 7 October 1962, the Iranian Government issued a decree for local elections allowing women along with religious minorities the right to vote in ‘forthcoming elections to provincial and departmental assemblies.’\textsuperscript{911} However, as with land reform, the issue of women and minorities voting on a par with Muslims angered the leading Ulama. One cleric, Ayatollah Khumaynî, threatened Prime Minister ‘Alam, stating: ‘Deviating from the laws of Islam, the constitution, and the laws made by the Majlis will surely make you personally responsible.’\textsuperscript{912} The Iranian Government backed-down and on 29 November ‘Alam informed the clergy that ‘women would not participate in local elections,’\textsuperscript{913} diminishing hope for full female suffrage. However, women would not retreat and demanded the Government stand up for their rights.

On 7 January 1963, the Iranian press reported that different groups of women, including students, athletes and nurses gathered at the tomb of the late Râžâ Shâh who had ordered the shedding of the veil on that day in 1936. The women ‘drowned’ the tomb in flowers and those who addressed the crowd demanded that women ‘rise’ and obtain their freedom. The issue of the suspension of the decree of 7 October was mentioned with a warning that if this were not addressed they would start other actions.\textsuperscript{914} Reporting on a visit to Iran, British representative Miss E. Waller stated that the women’s movement was ‘very well organised in Tehran and spreading to the provinces,’ and had the backing of the Shah’s twin-sister, Princess Ashraf. For the Shah, the aims of women’s’ societies fit well with the concept of social justice as

\begin{itemize}
  \item \textsuperscript{910} Ibid.
  \item \textsuperscript{911} 'Persian Women Vote', \textit{The Telegraph}, October 9, 1962.
  \item \textsuperscript{912} Afkhami, \textit{The Life and Times of the Shah}, p. 228.
  \item \textsuperscript{913} Ibid., p. 28.
  \item \textsuperscript{914} \textit{Iftilâ‘ät}, 17 Day 1341 [7 January 1963] – Picture shows women outside the tomb of Râžâ Shâh.
\end{itemize}
their demands included more education, child welfare and social reform. Living up to their promise, the press also reported an incident on 22 January, at the second gathering at Muḥammad Rīzbā Shāh Hall with a high school teacher entering the hall by force demanding that women had a right to be at such gatherings and they could remove her over her dead body. As with the peasant farmers who were denied their own land under the 1962 Law, pressure was gathering to include women in the Shah’s social revolution.

A decision was made at the eleventh hour to allow women to vote in the referendum, confirmed by the Minister of Interior, with Arsanjānī stating that 'women can participate in voting to the six items because in the villages both women and men do farming.' The result was further support for the Shah’s reforms with ‘carloads of women with loudspeakers cruising streets urging men and women vote yes.’ The response was emphatic and on 27 February the Shah declared in a speech at the opening of the Economic Congress in the Senate Palace that both ‘men and women will participate in the next election’ (picture below).

In the period after the referendum female emancipation became a key part of the White Revolution with the Shah championing the rights of women as well as peasant farmers and industrial workers. The Shah declared that ‘new social conditions will now allow Iranian men and women to work side by side to build up a new prosperous country.’

916 Ḥiftilā āṭ, 2 Bahman 1341 [22 January 1963].
917 Ḥiftilā āṭ, 6 Bahman 1341 [26 January 1963].
918 Julius Holmes, Tehran to Secretary of State, Washington D.C., Confidential, January 26, 1963, NACPM, RG 59, CDF 60-63, Box 2091, 788.00/1-2663.
This concludes the six-points, which the Shah put to a referendum on 26 January 1963. These link to the Shah’s Farmān of November 1961, but are more focused on social justice and politically motivated than areas such as tax and administrative reform. In explaining the background to each measure, this adds further weight to the argument that this was an Iranian programme. There is no significant evidence that any of these measures were forced on Iran, or that the Shah instigated the White Revolution at the behest of the United States. US opinion was certainly one factor the Shah considered, but this was his choice and his reasons for doing so will be further explained in the following sections concerning the framework of the White Revolution.

6.2 Framework of the White Revolution

The conclusion here is that agency for the reforms themselves, whether associated with Amīnī and his Cabinet, the Shah, or other Iranians, lies with Iran. However, to fully conclude whether agency for the White Revolution as a whole lies with Iran one must also look at its other components, namely the concept of a White Revolution and the referendum. It is these points, which will be discussed below, beginning with the concept. The questions to answer are: Was the Shah’s concept of a White Revolution an Iranian idea? And, was the referendum to consolidate the White Revolution the result of US pressure and influence?

6.2.1 Concept

The White Revolution is primarily viewed in the historiography as a political move by the Shah to consolidate his position. For instance, both Ali Ansari and Claudia Castiglioni conclude that this was a plan ‘to secure dynastic legitimacy… [and] the institutionalization of his monarchy’\(^{921}\) to ‘consolidate the regime’.\(^{922}\) Ansari goes on to say that the White Revolution was a ‘legitimating myth’ for a Shah tainted by illegitimacy in the shadow of Mūṣaddiq.\(^{923}\) In contrast, Gholam Afkhami focuses on the reforms rather than the rhetoric concluding that ‘the White Revolution provided

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\(^{921}\) Ansari, ‘The Myth of the White revolution,’ 1-24 (p. 2).
\(^{923}\) Ansari, ‘The Myth of the White revolution,’ 1-24 (pp. 2+8).
the framework for equity and justice within which economic growth was to take place. This thesis will argue that both are correct, however, Ansari and Castiglioni, by overemphasising the political motivation miss important aspects, including the perception of United States influence in Iran. In order to explain the concept of the White Revolution this section will answer the following questions: When did the term first appear and how was it conceptualised by different individuals? What was the US position and whose concept did they support? And, what facets constituted the Shah’s concept of the White Revolution of January 1963?

‘Alī Amīnī states in his memoirs that it was the Shah who ‘introduced the term “White Revolution”’. Indeed, it may have been that the Shah and his close associates had such idea in mind previous to 14 July 1958, but it is the Iraqi Revolution, which appears to have been a watershed moment. It is after this date when the term first appears in conversation between Asad Allāh ‘Alam and British Ambassador Sir Roger Stevens. ‘Alam stated that he had spoken to Prime Minister Ḥabīb, Gen. Tiymūr Bakhtīyār and the Shah advocating what he called a White Revolution. The term then reappears on numerous occasions in reports, correspondence and press articles and there are periods when the term is used more frequently. The term first gained prominence near the end of 1958, when the Shah inaugurated several reforms and publicly ‘encouraged the use of the term "white revolution" to describe his actions.’ The term became more pronounced during the elections for the 20th Majlis, then again in the spring of 1961 when the Shah was considering a plan for economic development linked with social justice. The term was a permanent feature during Amīnī’s Government, until giving its name to the referendum for the Shah’s six-point plan for social justice linked with economic development. Thus, by 1961 the term had become commonplace in Iran, the question is what did it stand for?

In political science the term revolution means ‘a major, sudden, and hence typically violent alteration in government and in related associations and structures… [with] the eventual establishment of a new order radically different from the

925 Lājivardī, p. 111.
927 John Bowling, Tehran to Department of State, Washington D.C., Confidential, October 28, 1958, NACPM, RG 59, CDF 55-59, Box 3811, 788.00/10-2858.
preceding one.’ Therefore, the purpose of a White Revolution is to prevent a red (bloody) revolution by responding to changes and pressures emanating from the current ‘economic system… social structure, and the cultural values’ of society.\textsuperscript{928} If violent revolution involves the masses against the state then a White Revolution preempts this by responding to the needs of the masses. In this vein, although White Revolution was the most common term, others included, bloodless revolution, controlled revolution, peaceful revolution, and revolution from the top. One other term used occasionally in relation to Amīnī is that of a white coup as opposed to a coup by other means (military or nationalist). All are variations on the term White Revolution. However, what constituted a White Revolution differed among key actors.

Ali Ansari names four individuals who conceptualised a White Revolution. These were Asad Allāh ‘Alam, ‘Alī Amīnī, Ḩasan Arsanjānī and the Shāh. Ansari states that ‘Alam’s concept was ‘a vehicle for consolidating the power and authority of the Shah.’\textsuperscript{929} This appears to be ‘Alam’s primary motivation and he was in a position to advise the Shah and shape developments. Milani notes that ‘Alam ‘had earned his power… [and] played a key role in shaping Iranian politics.’\textsuperscript{930} In August 1958, ‘Alam described his concept of a White Revolution to the British. ‘Alam’s approach was Machiavellian in that he sought to invent a scenario, which would bring the Shah popularity. Firstly, ‘Alam stated that specific ‘measures [reforms]… were relatively unimportant, what mattered were new faces… [as] the Government must be chosen from a wider group not associated with the privileged classes.’\textsuperscript{931} ‘Alam also suggested the Shāh ‘dissolve the Majlis, dismiss the government and liquidate the ruling classes on the grounds that they were obstructing the necessary reforms and inhibiting the realisation of national aspirations.’\textsuperscript{932} ‘Alam believed it was ‘psychology and public relations,’ which were important and the Shah must ‘take the lead of a popular and national crusade’ to gain public support.\textsuperscript{933}

\textsuperscript{928} ‘Revolution’, \textit{Encyclopedia Britannica}, \url{http://www.britannica.com}.
\textsuperscript{929} Ansari, ‘The Myth of the White revolution,’ I-24 (p. 2).
\textsuperscript{930} A. Milani, \textit{Eminent Persians}, p. 49.
\textsuperscript{931} Sir Roger Stevens, Tehran to D. M. H. Riches, London, Confidential, August 11, 1958, TNA, FO 371/133006, EP 1015/34.
\textsuperscript{932} Arthur R. H. Kellas, Confidential, August 11, 1958, TNA, FO 371/133006, EP 1015/34.
\textsuperscript{933} Ibid.
Muṣaddiq had gained support and a mythical reputation by attacking foreign interests, so in ‘Alam’s concept ‘they would have to find something to attack.’ Ansari states this in his article, but only refers to the ruling elite as the enemy,934 failing to mention that ‘his prospective victims were the Plan Organisation and S.A.V.A.K.’935 British officials were obviously perturbed by this as they added two exclamation marks after this comment. Interestingly, these suggestions did play themselves out in some form. In March 1961, the Shah changed the leadership of SAVAK; the Majlis was dissolved under Amīnī; the Plan Organisation’s role was altered; US advisers were publicly chastised; and the Shah appealed to the peasants and working class while demonising the ruling class. However, it is not as simple as the Shah and ‘Alam implementing this plan as other factors were involved. In February 1963, former Ambassador Sir Roger Stevens spoke to General Ḥasan Arfa’ and asked him about ‘Alam’s concept of August 1958. Arfa’ stated that he believed the Shah had considered ‘Alam ‘insufficiently mature’ at that time to be prime minister, so had ‘shot him down on ideas about a white revolution, which might well really have emanated from the Shah himself.’936 In addition, once Amīnī became Prime Minister the concept of a White Revolution changed.

The Iranian press reported how social gatherings in Iran as well as foreign press described Amīnī’s coming to power as a ‘white coup.’937 Amīnī’s Government and his reforms also became associated with the terms White Revolution and controlled revolution with the Kennedy administration viewing Amīnī as a ‘moderate reformist’938 who would focus on achieving real results in social and economic reforms. Therefore, in contrast to ‘Alam’s Machiavellian plans, Amīnī’s concept focused on producing ‘concrete benefits for the public’939 in economic and social reforms and development. However, while Amīnī’s focus was on achieving concrete results with unspectacular measures in the day-to-day business of government, he also accepted that some dramatic and spectacular moves were required such as

937 ʻItīlāʻāt, 27 Urdībihisht 1340 [17 May 1961]; Khāndanībāhā, 26 Urdībihisht 1340 [16 May 1961].
scapegoating certain high-ranking officials on charges of corruption. In contrast, Arsanjānī focused primarily on the spectacular, so was more in line with ‘Alam’s concept, but with one key difference; his programme was not for consolidating the power of the Shah, but ending it.

Ansari concludes that Arsanjānī’s concept of a White Revolution was ‘the imposition of a social and economic revolution, in which the monarchy would become a welcome and long overdue casualty.’\(^940\) This is true, however, Ansari provides no evidence of the term White Revolution in connection with Arsanjānī, aside from the fact that he was a key part of Amīnī’s team. Arsanjānī’s motives can best be described as promoting a revolution from below, which had the potential to be uncontrolled. Arsanjānī’s approach was to appeal to the peasants and working class and use their support to further his political ambitions with the formation of a Peasants Party. Arsanjānī was also determined that reforms, specifically land reform, be seen as an Iranian program, without foreign interference. Iran Desk Office, John Bowling, stated that ‘Arsanjani is a good politician… [and] one thing he is determined to put across to the Iranian people is that this is an Iranian program, determined and executed by the Iranian people, without foreign guidance or interference.’\(^941\) Given the ideas expressed thus far, it is perhaps no surprise that the Kennedy administration favoured Amīnī’s concept.

In order to ‘win the Cold War’ the Kennedy administration favoured peaceful revolutions through economic development and political and social reform reform.\(^942\) Vice President Lyndon Johnson echoed this during his short stay in Iran on his tour of Southern Europe and the Middle East in August 1962. Johnson reiterated that ‘Khrushchev’s main hope now is for a failure on the part of free men to provide for the crying needs of billions of hungry and deprived people for a better life… if their needs are not met by a peaceful and progressive revolution, they will be met by a violent revolution.’\(^943\) Therefore, official policy was to support Amīnī’s concept with the US hoping to influence development via the Third Plan. Hence, the US was

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\(^940\) Ansari, ‘The Myth of the White revolution,’ 1-24 (p. 2).
\(^941\) John Bowling to Mr. Cottam, Confidential, May 24, 1962, NACPM, RG 59, NEA Iran Desk 58-63, Box 5.
\(^943\) Julius Holmes, Tehran to Secretary of State, Washington D.C., Secret, September 3, 1962, JFKL, NSF, Box 243. – FOIA
associated with a white, controlled, peaceful revolution, although it was accepted that some political measures such as attacking the largest landowners and corrupt officials was necessary. When the Shah introduced his concept, which was a synthesis of the approaches of ‘Alam’ and Arsanjānī’s, the activists were unhappy that the Shah had implemented a White Revolution in a ‘purely political manner, with scant attention to the economic repercussions.’

This was an important distinction between Cold War allies, the United States and Britain. The US was aware of the term White Revolution as it was reported in the Iranian press and became more commonplace from July 1958. However, there is no indication that they were aware, as the British were, of ‘Alam’s Machiavellian intentions. It is only in British sources that Alam’s concept of a White Revolution is reported in detail. Interestingly, while the British did not discount the necessity of social and economic reforms, their views aligned more with ‘Alam than Amīnī. British officials saw the importance of the psychological over the material, myth over reality. Ambassador Stevens wrote to Foreign Secretary Selwyn Lloyd, stating that, in his view, public dissatisfaction cannot be eliminated by economic development and a decrease in the cost of living, as inequality, whether high or low, will ‘inevitably breed discontent.’ Stevens believed the ‘unsettling effect of social and economic changes as a result of development’ could only be arrested by the perception of a ‘“popular” government… that has established certain myths.’ This was the core of the Shah’s White Revolution. The Shah was initially closer to Amīnī’s concept than ‘Alam or Arsanjānī’s, but as events unfolded he turned towards a combination of the latter’s ideas.

Ansari concludes that the Shah chose ‘Alam’s concept as a ‘political exercise… to secure dynastic legitimacy.’ In contrast, Richard Cottam argues that the Shah adopted Arsanjānī’s approach. In fact, the Shah’s White Revolution was an amalgamation of both, but less Machiavellian than ‘Alam and with peasant and working class support directed towards the monarchy. Ansari concludes that

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944 Robert Komer, 'Memorandum for Governor Harriman', Secret, June 20, 1963, LOC, AHPP, Box 473.
946 Ibid.
948 Cottam, Iran and the United States, p. 129.
arguably, it was an appreciation of Mossadeq's ability to captivate the masses and a desire to emulate (and indeed surpass) this achievement, which led the Shah to pursue the White Revolution. Ansari gives no citation but his argument is very similar to Ambassador Harrison’s notes on ‘Alam’s suggestions. It is likely that Ansari is paraphrasing Harrison and has made this link based on ‘Alam’s intentions. No doubt the Shah took ‘Alam’s recommendations into account but it was not the case that he desired to emulate Mūṣaddiq through popular and nationalistic policies. Claudia Castiglioni makes a similar mistake, pointing out that despite the White Revolution’s focus on ‘land reform and social renewal’ the Shāh’s programme soon gave ‘priority… [to] economic growth and the imperative for rapid industrialisation.’ This is true, but Castiglioni is wrong to assume that the Shah’s priorities changed. In August 1958, ‘Alam mentioned to Arthur Kellas that he was having difficulty promoting his concept of a White Revolution to the Shah. The latter was apparently ‘afraid… that popular and nationalistic policies, however well controlled, might endanger stability and frighten foreign capital.’ The White Revolution became a necessary interlude in the Shah’s focus on economic development and industrialisation and an important part of the Shāh’s ability to continue to pursue such plans.

A key part of the Shah’s White Revolution, which Ansari and others do not emphasise, is the attack on foreign influence. Even if it was for Iran’s own benefit, by aligning himself with the West and accepting US aid, the Shah, as Cottam states, ‘had become the symbol of American domination of Iran.’ Therefore, as Roby Barrett writes, the Shah’s support for the Plan Organisation had become a ‘propaganda gold mine’ for the opposition, especially by handing back oil revenues to ‘Western firms by favoring them for large-scale development projects.’ Anti-American feeling was ‘very strong’ at the time and the Shah needed to counter this. Therefore, part of his

949 Ansari, Modern Iran, p. 140.
950 Sir Geoffrey Harrison, Tehran to Selwyn Lloyd, London, Confidential, November 4, 1959, TNA, FO 371/140790, EP 1015/78. – Harrison states: ‘He [Alam] recognises that Dr. Musaddeq had acquired… the devotion of the masses to a degree unequalled by any Iranian Government before or since, and he would like to emulate the success… in the interest… of the Shah and the existing order.’
951 Castiglioni, ‘Economic Development and Political Authoritarianism,’ 189-200 (p. 197).
952 Minute by Arthur R. H. Kellas, Confidential, August 11, 1958, TNA, FO 371/133006, EP 1015/34.
953 Cottam, ‘Goodbye to America’s Shah,’ 3-14 (p. 7).
954 Barrett, p. 83.
955 Hugh Arbuthnott interview.
concept became turning public ire away from the establishment by making the country feel independent of foreign influence. The perception of foreign influence, advisers and economic assistance were fertile ground for attack to dispel the notion that no reform was ever initiated except by foreigners. Hence, the narrative of the White Revolution was that this was an Iranian programme, with the Shah later writing that ‘we had not delivered this revolution to the people as an imported item.’

An interesting point is that the Shah may well have encouraged the very sentiment he was looking to dispel. Richard Cottam notes that in 1958 the Shah attempted to attract ‘nationalist (not necessarily Nationalist) support’ through speeches and press coverage, but also by sponsoring a nationalist opposition group. This group was called the Devotees of Progress and was led by one Ahmad Aramesh. Cottam explains how, ‘with tacit royal approval,’ Aramesh traversed Tehran ‘speaking the language of the extremist wing of the Mossadeq coalition with impunity,’ denouncing the United States in the Iranian press. Then, in June 1961, the British Embassy reported that Aramesh had revived his ‘Progressive Group’ and had given a statement to the Iranian press that ‘when foreign advisors interfere in all our affairs… when the greater part of Iranian revenue… is returned to foreign coffers through the Plan Organisation, how can we claim that we are independent?’ Once again it appeared Aramesh was acting with tacit approval of the Shah. The US reported that the ‘most disturbing feature of Aramesh’s fulminations is [the] Shah’s evident reluctance to silence him despite apparent disagreement with his views.’

Aramesh stated publicly that ‘for years the United States Government have with full force and under various pretexts, interfered in all our affairs.’ Amīnī could see the agenda behind the rhetoric, reporting to Ambassador Holmes that ‘Aramesh [was] attempting [to] blacken [‘Abū al-Ḥasan] Ebtehaj to further his anti-

956 Pahlavi, White Revolution, p. 17.
957 Cottam, Nationalism in Iran, p. 291.
958 Ibid., p. 292.
960 SANA, Tehran to DA, Washington D.C., Secret, June 17, 1961, NACPM, RG 59, CDF 60-63, Box 2091, 788.00(W)/6-1761.
American campaign and threatened to have him arrested. Ibtihāj, former Head of the Plan Organisation who had invited the Harvard advisers in, was attacked as the symbol of foreign influence. On 11 November 1961, Ibtihāj was arrested after five hours of interrogation over claims of misuse of funds amounting to 700 million tumāns from his time in charge of the Plan Organisation. Former US Ambassador to Iran John C. Wiley later speculated in a letter to Justice William O’Douglas that his arrest was provoked by ‘open and derogatory criticisms of the Shah’ in a speech he gave before the International Industrial Conference in San Francisco in which Ibtihāj urged foreign aid be made available through an international organisation to ‘prevent misuse of funds.’ However, the real reason had to do with Ārāmish’s campaign and the attack on foreign influence.

Tom McLeod, Head of the second Harvard Advisory Group, wrote to Edward Mason at Harvard University, expressing his views on recent events. The theme of the day was foreign advisers, consultants, technicians and Western funded development projects. McLeod stated that ‘there is a popular conviction that Ebtehaj’s major sin… [aside] one or two unwise speeches… is that of making firm administrative decisions… particularly when these decisions involve planning… and - God forbid - foreign advisors.’ In McLeod’s estimation ‘it is not Ebtehaj but his ideas and the things he has been associated with [emphasis added] that are being tried in public discussion.’ Ford’s representative in Iran Rey Hill also weighed-in. In Hill’s view ‘the jailing of Ebtehaj symbolizes the effort to criticise not only foreign advisers, but also ‘American trained Iranians.’ The Shah even stated to a confidential source prior to his state visit to Washington D.C. that one of his concerns was the position of ‘American-trained Iranians’ given the fact that the ‘rumor mill… consistently attributes [the] appointment of American-trained Persians to American influence.’ It appears the Shah positioned himself at the vanguard of the effort to

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962 Julius Holmes, Tehran to Secretary of State, Washington D.C., Confidential, November 14, 1961, JFKL, NSF, Box 116. – FOIA
963 Iḥṭīlā’āt, 20 Ābān 1340 [11 November 1961].
964 Iḥṭīlā’āt, 21 Ābān 1340 [12 November 1961].
968 Stuart Rockwell, Tehran to Secretary of State, Washington D.C., Secret, April 10, 1962, NACPM, RG 59, CDF 60-63, Box 2093, 788.11/4-1062. – FOIA
rid Iran of foreign influence by both cleverly increasing the perception of and publicly deriding foreign influence.

After Amīnī resigned the Shah explained one of the key reasons for a change in the role of the Plan Organisation to a technical bureau was that ‘steps must be taken to dissipate the opinion widely held in Iran that Plan Org was a foreign instrument dominated by foreign advisors.’\textsuperscript{969} In conversation with Col. Yatsevitch, the Shah explained that due to ‘exaggerated reports and widespread sentiment concerning the amount of American influence in the Amini Government… certain officially approved measures to soft-pedal American influences may have to be taken.’\textsuperscript{970} Such measures included public criticism of US advice and American contractors. However, the Shah told Yatsevitch that ‘such manifestations are not a reflection of anti-American attitudes on his part or on the part of the Government, but merely a device required for internal political purposes [emphasis added].’\textsuperscript{971} This device formed an integral part of the Shah’s concept of a White Revolution. The reforms themselves also intended to dispel the idea of foreign influence. A prime example was the Literacy Corps. John Howison at the US Consulate in Tabrīz stated that ‘there has been no discernable tendency here to regard the Literacy Corps as the policy idea of foreigners.’\textsuperscript{972} Amīr Bīrjandī was also keen to point out that the Literacy Corps had been introduced and implemented ‘without foreign financial or technical aid.’\textsuperscript{973}

It was now a key stratagem of the Shah to maintain the perception of himself as a revolutionary monarch on the side of progress. The White Revolution and the Shah became one and the same. As the Shah’s wife stated in her autobiography: ‘To criticise the bloodless revolution is to criticise the King.’\textsuperscript{974} The Shah and his loyal associates took the opportunity to remind the people of the Shah’s revolution in speeches and manuscripts. ‘Alam recalls in his diaries that the Shah ordered that his coronation in 1967 take place in part so that ‘the memories of the Shah’s revolution

\textsuperscript{969} Julius Holmes, Tehran to Secretary of State, Washington D.C., Secret, August 11, 1962, NACPM, RG 59, CDF 60-63, Box 2834, 888.10/8-1162.
\textsuperscript{970} ’Gratian Yatsevitch Talk with the Shah’, Secret, August 13, 1962, NACPM, RG 59, NEA Iran Desk 58-63, Box 4.
\textsuperscript{971} Ibid.
\textsuperscript{972} John M. Howison, Tabriz to Department of State, Washington D.C., Confidential, January 13, 1963, NACPM, RG 59, CDF 60-63, Box 2836, 888.43/1-1363.
\textsuperscript{973} Birjandi, p. 24.
The Shah’s concept endured for a long time, in part thanks to a thriving economy. However, along with the concept and the reforms themselves, there was also the matter of the referendum. All three parts constitute the White Revolution of 1963. The referendum was not a certainty, but it became the stamp of approval necessary for both the domestic audience and any doubters in the US. It is the referendum, rather than the reforms or concept, which may be attributable to US influence.

### 6.2.2 Referendum

The Shah was not alone in appealing to the people over the ruling class. Tim McDaniel states it is a ‘classic tactic of autocratic regimes’ to bypass the ‘landed elite’ and accentuate the ‘close and direct bonds between the ruler and his people.’

Roger Owen connects this with a vision of the future put forth by the nation’s father figure, more ‘presentation than of reality’ based on how ‘regimes wished things to be’ leading their people on a ‘well-defined path.’ The sagacious leader invented the future, and the people were expected to follow. In the case of Iran, with the reforms in place and the concept defined, what was required was an expression of support from the masses. The Shah’s answer was a national plebiscite.

Between 23 September and 10 October 1962, the Shah undertook a 19-day tour of North Western Iran; the longest provincial tour he had taken to date. Like his speech on 28 Murdād 1340, the impact on the Shah appears profound. On 10 October the Shah returned to Tehran from Gilân province by car as his plane crashed in a storm on route to pick him up. Upon his return the Shah was overwhelmed by the ‘show of emotion and the reception’ he received, stating: ‘this has been so magnificent and so universal… I can never remember anything like it.’

John Howison at the US Consulate in Tabriz reported that the Shah had been ‘deeply impressed by the public impressions of mass support,’ and made his feelings clear, stating: ‘These are the real Iranians… pay no attention to the rich, the upper classes…

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975 Āliḵhānī, p. 151.
977 Owen, p. 37.
they are self-seeking, hypocritical, and negative.' A year and a half after the events of May 1961, it seemed the Shah was confident and determined to pursue his plan for social justice linked with economic development. However, elections were a while away, the opposition was still present, and there were still doubters in the US. What the Shah required was a measure to rubber-stamp his credentials as a reformist monarch, the people’s king.

Richard Cottam encapsulates the significance of the referendum of 6 Bahman 1341 (26 January 1963), stating its purpose was to ‘dramatize’ the Shah’s plan for social justice and his credentials as a revolutionary monarch. Ghulām-Ḥusayn Jahānshāhī, Minister of Commerce under Prime Minister ‘Alam, states that a successful referendum with an overwhelming endorsement of the Shah’s plan would be like an ‘iron fist’ against opposition to the Shah’s rule both at home and in the United States. The aim was to take the sting out of the Left-Wing opposition (National Front and Communists) and hit at the New Frontiersmen whom the Shah feared sought radical action. This thesis has argued that neither the reforms themselves nor the concept were American made. Likewise, the decision to hold a referendum was not due to US pressure, but it appears the Shah felt that he had to dramatise his credentials in part for any doubters in the US. Thus, the referendum can be explained in part by the relationship between the United States and Iran at this juncture. However, this was still the Shah’s decision and the US wished to make this clear when the Shah informed them of his plan.

Upon succeeding Amīnī, Asad Allāh ‘Alam spoke to a US Embassy Officer, stating that ‘it will be necessary to win some measure of public support before pushing such reforms too hard.’ It appears that the Shah came to a decision by mid-November 1962, as on 26 November the Shah was eager to discuss his plan with Ambassador Holmes.

A new idea had occurred to him in the past 48 hours and that I [Holmes] was the first person to whom he had mentioned it… to hold a national referendum possibly

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979 John M. Howison, Tabriz to Department of State, Washington D.C., Confidential, October 16, 1962, NACPM, RG 59, CDF 60-63, Box 2091, 788.00/10-1162.
980 Cottam, Nationalism in Iran, p. 306.
prior to the elections to determine the public reaction... for support of his reform program... consistent with the enthusiastic reception he had been receiving in his journeys throughout the country.\textsuperscript{983}

The Shah spoke to Ambassador Harrison a week after informing Holmes, reiterating his idea for a referendum as an expression of support for his reforms ‘as embodied in his six-point firman of November 11, 1961.’\textsuperscript{984} However, aside from informing both Ambassadors, the Shah also wanted their views on his plan. The Shah was again attempting to place responsibility on his allies. On 1 December Holmes telegraphed Dean Rusk, informing him that the Shah’s views on the referendum were now ‘somewhat clearer and more specific’ and that he was seeking both US and British advice ‘as to whether [a] referendum is wise.’\textsuperscript{985} On 3 December Rusk replied, recommending caution. Rusk stated: ‘Our views should be no more than points to be brought up for Shah’s consideration, with clear understanding that he and his people comprehend factors involved far better than we do, and that decision is his.’\textsuperscript{986} Rusk believed the Shah was in the best position to determine whether a referendum would be enthusiastically received. Regardless, the Shah had clearly made up his mind and was looking to move quickly before the start of Ramadan on 27 January. Therefore, an official announcement would have to be made soon, but the matter was being tightly held within a small circle.

A CIA report states that until 8 January 1963, knowledge of the referendum was confined to the Shah, Prime Minister ‘Alam and Minister of Agriculture Arsanjānī, although the matter was also ‘mentioned to Gen. Pakravan’\textsuperscript{987} On the afternoon of 8 January the plan was presented to the rest of the Cabinet, ‘under mistaken impression [the] Shah wanted to consult them, [and] attempted to dissuade him.’\textsuperscript{988} The Shah stood firm. Minister of Commerce, Ghulām-Ḥusayn Jahānshāhī, recalls this meeting and those before it. Jahānshāhī states that the Government

\textsuperscript{983} Julius C. Holmes, Tehran to Department of State, Washington D.C., Secret, November 26, 1962, JFKL, NSF, Box 116a.
\textsuperscript{985} Julius Holmes, Tehran to Secretary of State, Washington D.C., Secret, December 1, 1962, JFKL, NSF, Box 116a. – FOIA
\textsuperscript{986} Dean Rusk, Washington D.C. to US Embassy, Tehran, Secret, December 3, 1962, JFKL, NSF, Box 116a. – FOIA
\textsuperscript{988} Ibid.
Committee never formed in the presence of the Shah, but a few Ministers had a private meeting with the Shah once a week to discuss economic and social issues. These were Prime Minister ʻAlam, Foreign Minister ʻAbbās Ārām, Finance Minister ʻAbd al-Ḥusayn Bihniyā, Director of the Plan Organisation Ṣafī Asfiyā, Consultant Minister ʻAbd Allāh Intīzām and Jahānshāhī. The latter recalls the day the Government Committee was formed in the presence of the Shah who confirmed that he had decided to give a speech where he would announce a referendum and put to a public vote the six-bills, which the Ministers where aware. Jahānshāhī states that there was no belief that the Kennedy administration had imposed this referendum on Iran. The speech occurred the following day at the National Congress of Farmers for which Arsanjānī did all the planning.

The event took place at Muḥammad Rizā Shāh Hall and was chaired by the Shah who announced his six-point plan to be put to a referendum. The Shah requested the vote of the Iranian nation but did not yet set a date. There was speculation that this would be 19 January, but the final date was set at 26 January (6 Bahman). On 11 January the Shah received a letter from New York Governor, Nelson A. Rockefeller, expressing gratitude for the Shah’s acknowledgement of his recent reelection and hoping that ‘1963 will be a happy fruitful one for you and your great country.’ In many ways this would be a defining year for the Shah with the White Revolution

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989 FISOHA Jahānshāhī, pp. 1-48 (pp. 6-7).
990 ʻĪjlīʿāt, 19 Dāy 1341 [9 January 1963] – The above picture shows the Shah waving during the event at Muḥammad Rizā Shāh Hall. The caption reads: ‘Shah requests the vote of the Iranian nation.’
legitimised via public vote, the armed forces proving itself loyal in June, and the Kennedy administration finished by November. This was also the end of the resurgence of the National Front.

The days leading to the vote were met with some resistance although the potential for disturbance was used as a guise to arrest what amounted to the entire leadership of the National Front. On 22 January Messer’s Allāhyār Šālih, Shāpūr Bakhtīyār, Dāryūsh Furūhar and others, including many student leaders, were jailed. In addition, several religious leaders, including Ayatollah Falsafī and Ayatollah Bihbahānī were confined to the latter’s house with the telephone wires cut and access prevented except for women. In addition, the Iranian Government positioned crowds of pro-Shah demonstrators against the opposition. It was reported that ‘500 peasants from Varamin have been brought into city… headed by several pro-referendum mullahs,’ and 5,000 pro-referendum demonstrators dispersed anti-referendum demonstrators in the religious city of Qum. No chances were taken to ensure success in this key endorsement of the Shah’s plan. The Cabinet cast their votes, including the Foreign Minister ‘Abbās Ārām, and Minister of Agriculture Ḥasan Arsanjānī. When the votes were counted the result was overwhelming support for the Shah’s White Revolution.

On 29 January President Kennedy wrote to the Shah, stating: ‘This demonstration of support should renew your confidence in the rightness of your course and strengthen your resolve to lead Iran to further developments in the struggle to better the lot of your people.’ The Shah had defined his own future
though a ratification of the connection between him and his people. Ansari writes that the Shah’s vision of the future was both an ideological and material paradise led by a divine leader who became the nation. However, was the Shah the nation, or did he position himself above it? On 3 February ‘Alam gave an interview in which he used a phrase other than White Revolution. ‘Alam stated: ‘There should be a new mentality in our judicial, security and development agencies... to coordinate the Government Administration with the great and comprehensive plan of the Shah and the people [emphasis added].’ John Howison at the US Consulate in Tabrīz noticed that during his tour of North Western Iran ‘the Shah verbally distinguished between himself and the Iranian nation, saying, “Yes, in this they have no equal” and continuing to use “they” and “them” through several other observations [sic].’ It was a strange contradiction that the Shah positioned himself above the nation whilst seeking to close the gap between him and his people. The path to legitimacy resulted in further alienation. As Ali Mirsepassi concludes: ‘People who were affected by the modernization programs and policies were in large numbers alienated from the process, and in many respects an attitude of resistance to and even hostility toward modernization developed.’ The consequences were felt a decade and a half later.

As for the United States, the Kennedy administration had to live with a White Revolution both instigated and designed by Iranians. US influence with respect to the reforms, concept and referendum was limited. However, stability remained key, and the Shah had done enough to placate US fears and curtail the ambitions of the activists in Washington. The unknown future now rested with the Shah.

998 John M. Howison, Tabriz to Department of State, Washington D.C., Confidential, October 16, 1962, NACPM, RG 59, CDF 60-63, Box 2091, 788.00/10-1162.
Epilogue

Future Echoes

In the aftermath of the referendum on the White Revolution the Shah no doubt hoped that the reforms would bring him support and appease those calling for social justice. However, there is good reason why he sought to implement a plan of stability, security and reform, as the reforms themselves would likely bring the wrath of the conservative alliance, which had thus far supported him. Indeed, it wasn’t long before such a collision transpired. The revolt was led by religious leaders in league with bazaar merchants, landowners and guild leaders unhappy about the attack on their traditional position in society.\(^{1000}\) In April it was reported that the leading ‘ulamā in Qum, Shīrāz and Mashhad were ‘inciting their followers to resistance’ against the White Revolution.\(^{1001}\) However, the confrontation came in early June during Muharram (the month of mourning in Shia Islam). A leading ‘ulamā, Ayatollah Khumaynī, spoke out against the Shah and his White Revolution, which led to demonstrations and disturbances in Tehran.\(^{1002}\) Though, it was the arrest of Khumaynī along with other religious leaders on 5 June (15 Khurdād), which sparked serious rioting in Tehran, Shīrāz, Mashhad and elsewhere.\(^{1003}\) In this instance, there were clear differences between the riots in June 1963 and the demonstrations of May 1961.

The demonstrations in May 1961 involved mainly teachers and students, with the potential for other sections of society to join them. In June 1963, the crowds constituted a much wider spectrum of society. The call to protest was led by a ‘ulamā-landlord coalition, but the riots and demonstrations also involved the cooperation or participation of bazaar merchants,\(^{1004}\) office workers, students, teachers and the unemployed.\(^{1005}\) Another key difference was the Iranian Government’s response to the unrest. Unlike in May 1961, the Iranian armed forces

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\(^{1000}\) Abrahamian, *Iran Between Two Revolutions*, p. 424.


\(^{1003}\) Kazemi, pp. 217-240 (p. 224).

\(^{1004}\) Mozaffari, 377-391 (p. 380).

\(^{1005}\) Abrahamian, *Iran Between Two Revolutions*, p. 424.
were given the order ‘shoot to kill’ and when tested proved themselves loyal to the regime with between hundreds and thousands killed as a result.\footnote{Goode, ‘Reforming Iran,’ 13-29 (p. 26).} Finally, a prominent, charismatic figure emerged, uniting various opposition elements against the Shah’s regime; something previous demonstrations lacked. Ayatollah Khumaynî was eventually released, but later exiled to Turkey in November 1964 after he opposed the granting of immunity to US military personnel and their families stationed in Iran.\footnote{Barbara Slavin, \textit{Bitter Friends, Bosom Enemies: Iran, the United States, and the Twisted Path to Confrontation} (New York: St Martin's Press, 2007), p. 16.} Khumaynî spent most of his life in Iraq before moving to France then returning triumphantly to Iran on 1 February 1979.

Many authors view 15 Khurdād as a prelude to the 1978-79 Revolution. Ervand Abrahamian and Nikki Keddie note similarities between the periods 1961-63 and 1978-79, such as the economic crisis, the Shah’s response through liberalisation and reforms and the fact that the riots used ‘the language… of Islam.’\footnote{Abrahamian, \textit{Roots of Modern U.S.-Iranian Relations}, pp. 215-216; Keddie, \textit{Roots of Revolution}, p. 147.} However, as Homa Katouzian argues, the key comparison was that both 15 Khurdād and the 1978-79 Revolution involved not a specific group, nor a specific issue, but a clash between the government and the people, or rather ‘an insurrection of the people against the state.’\footnote{Katouzian, \textit{Political Economy}, p. 228.} Although successfully countered by the Shah’s security forces, the consequences of 15 Khurdād would be fatal for the Shah’s regime. The potential for an even bigger clash was facilitated by the implementation of the White Revolution, further development and lack of political freedom. After 1963 the Shah and the Iranian Government pressed ahead with development and reform with various degrees of success, significantly altering Iranian society.

Over the following decade and a half the number of reforms enacted under the banner of the White Revolution increased to include, among others, a Health Corps and Reconstruction and Development Corps. A complete list of all the reforms enacted between 1963-1978 is given in Appendix J. Of the original six points it would be fair to say that results were mixed. Arguably the most successful was the Literacy Corps. As James Bill points out, the fact that villagers had increasing demands and expectations, including for further education, was evidence itself that
the Literacy Corps was working. Both the Health and the Reconstruction and Development Corps were a consequence of the Literacy Corps. It can also be said that women saw their position in society improve after becoming part of the Shah’s White Revolution. In 1967 men were no longer able to practice polygamy unless their first partner agreed and in 1969 the first women joined the Literacy Corps. However, in most areas results were mixed; none more so than land reform.

Land reform was declared complete on 23 September 1971. The Shah proclaimed this date ‘Farmer’s Day,’ when all farmers now owned their own land. However, in terms of production Iran fell far short of its targets, achieving an average growth rate of 3.9 percent between 1963-72 versus a 5.4 percent target, leading to a rise in imports. Factors included insufficient credit, skills and manpower, with Iran failing to meet the requirement of assisting its 3.6 million farmers. There was also the difficulty of educating the farmers to replace the landlords and run the cooperatives. Nonetheless, the impact on society was profound. Notably, it encouraged an even larger migration to urban areas, especially for landless labourers who did not benefit from land distribution. Just as the Mullahs had taken advantage of the urban slum-dwellers on 15 Khurdād, there was an even bigger pool from which to take advantage in 1978-79. The Shah’s hope was that urban development would pick up the slack as industrialisation created jobs, but an economic downturn put pay to this plan. However, until the Shah felt the heat in the late 1970s, nothing was to stand in the way of industrialisation.

The Shah pursued industrial development on a grand scale resulting in a ‘six-fold increase in… industrial firms,’ earning the Newsweek accolade ‘the most economically successful nation in the Moslem Middle East.’ The Shah took great personal interest and delight in the country’s development. In November 1967, Asad

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1010 Bill, The Politics of Iran, p. 154.
1011 Birjandi, p. 16.
1012 Savory, (pp. 112+116).
1013 Ibid., pp. 109-110.
1014 Amuzegar, p. 48.
1015 Ibid.
1016 Denman, The King’s Vista, p. 190.
1017 Mirsepassi, p. 73.
1018 Pahlavi, White Revolution, p. 42.
Allāh ‘Alam recalls visiting an industrial exhibition with the Shah where the latter saw every stand and took joy in Iran’s industrial development.¹⁰²¹ The sale of state-owned industries had been incorporated into the White Revolution as a by-product of land reform and was part of the plan to transfer capital to industry. The result was to convert landed bourgeoisie into ‘industrial capitalists.’¹⁰²² It has also been noted that profit sharing was administered flexibly with token compliance required by employers. It was only in 1975 when profit sharing was ‘given the force of law… [with] manufacturing companies being legally required to sell 49 per cent of their shares to their employees.’¹⁰²³ The Shah went so far as to protect the industrial bourgeoisie through ‘large scale’¹⁰²⁴ state intervention in the economy, which he could do because of increasing oil revenues. This alludes to the nature of the Shah’s rule during the 1960s and 1970s.

From 1963 onwards power became centralised in Tehran, specifically in the hands of the Shah. A Town and Provincial Councils Law was passed in 1971, but power emanated from a vast bureaucracy located in Tehran, to the detriment of regional autonomy.¹⁰²⁵ Villages were also supposed to see greater autonomy as a result of land reform, but the government increased its presence and authority after the landlords departed.¹⁰²⁶ Tehran became not only the centre of politics and a burgeoning bureaucracy, but ‘economic, social and cultural life,’¹⁰²⁷ as well as an expanding industrial sector made possible by oil revenues. Oil revenues may have been increasing in the early 1960s, but rose significantly by the end of the decade and again in the early 1970s. Oil revenues jumped from ‘$22.5 million in 1954 to $20 billion in 1977’¹⁰²⁸ allowing the Shah to pursue development under a centralised bureaucratic system where the only limit appeared his imagination. This also meant Iran was less dependent on loans and grants from the United States. By the early 1970s Iran was in the midst of an ‘economic revolution’ with a projected growth rate

¹⁰²¹ Ālikhānī, pp. 152+155-156.
¹⁰²³ Bostock, p. 175.
¹⁰²⁴ Bashiriyeh, p. 21.
¹⁰²⁶ Hooglund, p. 130.
¹⁰²⁷ Graham, pp. 24-25.
¹⁰²⁸ Foran, p. 312.
Although there remained much more to do in education, health and elsewhere, the Shah was determined to move Iran rapidly towards what he called the ‘great civilization.’\(^{1029}\) Everything was subservient to development until the internal situation again turned shaky in the late 1970s.

The Shah’s dreams collapsed as an array of problems set-off a chain of events that culminated in his downfall. To safeguard his position, the Shah continued to rely on the army and security services, along with a large bureaucracy and oil wealth.\(^{1031}\) The political scene was carefully managed, with rigged elections and one party rule. Along with a highly centralised, bureaucratic state, rife with corruption and inefficiency, the Shah’s arbitrary rule increased the gap between himself and his people. Because the regime was not accountable to the people, owing to vast oil wealth, the Shah became ‘insulated,’ relying on a small group of advisers, so was ‘blinded’ to the looming confrontation.\(^{1032}\) By the late 1970s Iran faced another economic crisis just as it had in the early 1960s. The economy again overheated, partly due to poor management, but also because the Shah moved too far too fast so even oil revenues could not keep pace with development.\(^{1033}\) Former British Ambassador to Iran Sir Denis Wright, recalled the Shah’s ‘obstinacy in accelerating his development and military programmes… [without] the necessary infrastructure.’\(^{1034}\) An isolated, autocratic Shah now faced another acute economic crisis and increased opposition, and like the early 1960s he responded with liberalisation measures and reforms.

Once again the Shah relaxed his tight grip on Iranian affairs and allowed greater freedom. As in 1960, this only encouraged the opposition. The ‘politically-minded’\(^{1035}\) students began to stir and the National Front reared its head. The Shah responded with various reforms, hoping to recapture the essence of his White Revolution. However, instead of feudal landlords, the Shah attacked ‘industrial feudalism.’\(^{1036}\) Measures to enforce price stabilisation, tackle profiteering, along with

\(^{1030}\) Foran, p. 309.
\(^{1031}\) Ghods, p. 197.
\(^{1032}\) McDaniel, p. 100.
\(^{1033}\) Graham, pp. 19-20.
\(^{1034}\) Wright, p. 157.
\(^{1035}\) Cottam, *Nationalism in Iran*, p. 301.
\(^{1036}\) McDaniel, p. 95.
the cost of rent and corruption became part of a renewed effort to continue the spirit of social justice. However, this time it wasn’t simply the students and nationalists that the Shah had to contend with but the forces unleashed by the 6 Bahman Revolution and the consequences of 15 years of development. The Shah had to contend with the ‘ulamā, the bazaar, a more educated population, expectant middle class and large numbers of jobless slum-dwellers in towns, which could be mobilised by the ‘politically active’ under the charismatic leadership of Ayatollah Khumaynī. The lack of political pluralism was certainly a factor, along with the economy and rising expectations, but the significant break with the past as a result of the White Revolution left its mark, foreshadowed by the events of 15 Khurdād, and the Shah faced the consequences in 1978.

The 1978-79 Revolution sent a shockwave not only around the Middle East, but the West as well. The United States faced the reality of losing an important Cold War ally to a neutralist Islamic Republic. Part of the narrative extolled by the new Islamic Republic was a rejection of the West, encapsulated by the Shah’s relationship with the United States during the Cold War. The United States was now enemy number one and a key justification for the new leadership in Iran. Ayatollah Khumaynī, now the Supreme Leader of the Islamic Republic, labeled America ‘the Great Satan’ and diplomatic relations were severed after the hostage crisis of 1979-81. Thirty-five years later US-Iranian relations remain acrimonious and tense on several issues. While historians have focused on the downfall of Mūḥammad Muṣaddīq and the 1978-79 Revolution, the White Revolution is another key moment both in US-Iranian relations and in modern Iranian history. The purpose of this thesis has been to shed new light on this event with respect to US influence. It is hoped that this may raise further questions about the nature of the US-Iranian relationship during the Cold War and challenge the perception of US omnipotence, which is prevalent in the literature and especially the narrative promulgated by the Islamic Republic.

1037 Moghadam, p. 197.
1038 Grayson, p. 1.
Conclusion

I acquired considerable evidence on my topic from a vast array of archival sources from several locations; more than expected due to additional funding. In addition, the evidence gathered from the Rockefeller Archive Center added a different dimension, complementing the diplomatic correspondence. I discovered many documents released in the past few years, in addition to numerous documents released as a result of my numerous freedom of information requests. Persian language sources such as *Khāndanīhā* and titles released during my PhD, including *Zīr-i Sāyih-yi Alburz*, added new perspective to events. If time and other factors had allowed, the inclusion of more Persian sources, personal interviews and visits to other archives, such as USAID and World Bank, would have added to the study. Nonetheless, the sources included made for a detailed analysis, placing me at the forefront of studies in this area. This enabled me to give detailed answers to my research questions and the following is a summary of the answers, which were given more critical analysis in the thesis.

What was US policy towards Iran during the John F. Kennedy administration?

The Kennedy administration initially sought a review of US policy toward Iran. Some reports were produced and future scenarios outlined, such as the Shah moving into the background and Iran making greater strides in reform. However, the most notable report by Iran Desk Officer John Bowling concluded that it would be best to continue as President Eisenhower had left-off. This meant short-term stability remained preferable to risker ventures, with the monarchy viewed as a stabilising force. Iran was not yet in a crisis situation, so no further action was taken. However, the Kennedy administration still kept abreast of developments, especially after Khrushchev’s comments to Walter Lippmann. It was also the case that while any shift in US policy more generally might affect Iran, this was the same for other states as well. Iran was not targeted specifically, even though the Shah and the Iranian Government were concerned that the Kennedy administration was focusing on Iran with respect to changes in economic assistance.
A significant policy shift came with the creation of the Iran Task Force in response to the crisis of May 1961. This brought a thorough review and reassessment of US policy towards Iran. For a period of around six months official policy was not only to support Amīnī’s Government and his reform program, but Amīnī personally as a possible alternative to the Shah with the latter moved into a ceremonial role. However, there were clear divisions between traditionalists and activists on how far to back Amīnī and intervene in Iranian affairs. The traditionalists won the argument and by the end of 1961 the administration had lost faith in Amīnī as a solution to Iran’s long-term political problems. Nonetheless, both the traditionalists and activists still believed Amīnī had an important role in managing the economy and pursuing social and economic reforms, paving the way for the launch of the Third Plan. However, when Amīnī resigned and the Shah came to the forefront of the reform programme the Kennedy administration resigned itself to making the best of the situation now that the crisis period had passed. When the referendum on the White Revolution took place, President Kennedy and most of his administration was satisfied, even if Iran wasn’t progressing exactly as hoped. Several activists remained unhappy, but they had lost the argument and by the end of the Kennedy Presidency, the US had decided to live with the Shah and his White Revolution.

How much influence did the US have to pressure Iran to implement various measures and reforms?

The US appeared to have several levers at its disposal to influence Iranian development: Economic aid in loans and grants; Military assistance (ARMISH-MAAG, aid and equipment); Advisers attached to Ministries, the Plan Organisation and other areas; and, the option to withdraw support for the Shah and/or support other individuals if they wished. However, the crucial point is that once the US decided that withdrawing support for the Shah was too risky given their interests in Iran and the wider area, their capacity to utilise such levers diminished. The Shah and other Iranians chose whether to act on any advice, demanded more economic and military aid, and there was no guarantee that advice or aid would be wasted or promises kept. There was also the quagmire of US and Iranian administration, along with necessary skills, manpower and other issues such as divisions within the Iranian Government, rivalries and animosity toward the Plan Organisation, which impacted on US ability
to direct reform. The US position did not quite amount to merely reporting on events and hoping for the best, but the level of US influence and interference during the Kennedy administration has been greatly exaggerated.

There is no evidence of US interference in the appointment of Amīnī along with his plan and team. The relative strength of Amīnī’s position is also an indication of the extent of US influence, reflected in the US’s inability to pressure the Shah and influence reform and development through Amīnī and his government. There is greater evidence of a reverse influence, with Amīnī choosing the US as his instrument to gain and retain power. Iran also acquired more in terms of aid and military equipment and gained at the expense of the US Government, Ford Foundation and other agencies, choosing whether to use any of their advice or projects for their own ends, pursuing their own path. The actions and agenda of individuals, such as Dirakhshish and Arsanjānī, dictated the course of events and illustrated the limits of US influence. In addition, the US was also to blame for failing to achieve its aims, with convoluted processes and poor coordination. The US was partly to blame for its failure to implement policy regardless of Iranian agency in instigating and directing reform, though the latter was more significant.

Was the United States responsible for specific reforms that were introduced in Iran between 1961-63?

There are various reforms and plans that paved the way for the White Revolution and despite the perception of the US influencing events it was Iranians who directed each step. Amīnī arrived with his own plan. This was not planted on him by the United States nor was Amini and his team forced on the Shah by the US. Land reform, anti-corruption measures, education and other reforms were instigated and pursued by Iranians. Amīnī and his Ministers had their own ideas and ambitions. Any similarities between Amīnī’s plan and US aims does not equate to responsibility on the part of the United States. The Task Force agreed with Amīnī’s objectives, so policy became to support his government. Policy then shifted to support the Shah’s White Revolution, which had its foundation in the Royal Ferman of November 1961, and cautious and exploratory steps of earlier years. Evidence suggests that the Shah and other Iranians aspired to such reforms anyway while US ability to pressure Iran and influence events was limited. Reform advanced according to the Shah’s wishes and
those of the Iranian Government. With reference to the Shah, there is also a clear line of progression leading from the Royal Reform Farman in November 1961 to the 6 Bahman (26 January 1963) referendum.

Each of the reforms of the White Revolution were tailored to Iranian requirements according to the Shah’s plan with the help of close associates and the Iranian Government. In land reform US and Iranian objectives differed and Arsanjānī led the effort without desiring outside assistance (bar Israeli); There is no evidence of the US influencing the idea of profit sharing; The Literacy Corps was an idea that suited Iranian capabilities and needs at the time, with the Minister of Culture completely rejecting US advice. As for the enfranchisement of women, the Shah and the Iranian Government had felt greater pressure from women’s organizations than from the US on this issue, and the Shah’s own ideas were in the direction of emancipation and greater rights. The Nationalisation of Forests and Pasturelands and Sale of Government owned Factories were specific reforms tailored to the Shah’s plans for social justice linked with economic development. In sum, it was Iranians themselves taking the lead in promoting reform; it was they who dictated the direction of reform and development in Iran. The similarities in the goals of the Kennedy administration and the plans of Amīnī and the Shah might have aroused suspicion, but my detailed analysis has laid such suspicion to rest.

To what extent can the White Revolution in all its various facets be attributable to US influence?

The White Revolution was not instigated or designed by Americans (or the British). However, one aspect of the White Revolution, which comprises the concept, reforms and referendum, was due in part to the nature of the US-Iranian relationship under the Kennedy administration. With regard the concept, the Kennedy administration and prominent Iranians held similar ideas, but evidence points to an evolution within Iranian minds that took shape according to developments in Iran. With respect to the six reform areas, weight of evidence is against attributing these, along with other reforms that paved the way for the White Revolution, to the United States. However, the referendum is the one area where the nature of the US-Iranian relationship under President Kennedy drew the Shah to deduce that, regardless of whether he wished to pursue reforms or not, he must cloak himself in the mantle of a reformer. The
referendum acted as an iron fist against any doubters in the United States who might risk greater intervention. Nonetheless, the idea to hold a referendum was the Shah’s, with the US having been careful not to take responsibility. Had the Shah not held the referendum, the evidence suggests the Kennedy administration would not have taken any action and would doubtless have seen the reforms being introduced and consolidated by elections for the 21st Majlis. Iranians not the United States instigated the White Revolution.

Reflecting on my hypothesis, my thesis was that US influence has been overstated. Having completed my analysis and answered my research questions, I continue concluding that US influence has been overstated. This is not to downplay the nature of the US-Iranian relationship at the time, but once the US tied itself to Iran militarily for its greater interests in the context of the Cold War, the Iranians had greater sway in other matters, such as reform. I am therefore at odds with authors claiming significant US influence, such as in land reform, the appointment of Amīnī, and the concept of a white revolution. I have shown that Iranians instigated and were in control of the reform process, despite the illusion of aid, advisers and the alleged agent-client relationship implying significant leverage on the part of the United States. In closing, as stated in the introduction, I hope my attempt to bridge the gap on this topic between the trends personified by the works of James Goode and Homa Katouzian will encourage others to do the same so that, as far as the study of US-Iranian relations is concerned, scholars can bridge the gap of mistrust by producing an East-West world synthesis.
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CREST  CIA Records Search Tool, Maryland
DNSA  Digital National Security Archive
DUSED  Documents of the US Espionage Den
EXIM  Records of the Export-Import Bank
FFR  Ford Foundation Records
FISOHA  Foundation of Iranian Studies Oral History Archives
FRUS  Foreign Relations of the United States Records
GBPP  George Ball Personal Papers
GOA  General Accounting Office Records
HIA  Hoover Institution Archives, California
HIOHP  Harvard Iranian Oral History Program
IBEC  International Basic Economy Corporation Records
IMF  International Monetary Fund Records
IOP  Iranian Oil Participants Records
JFKL  John F. Kennedy Library, Boston
KHPP  Kenneth Hansen Personal Papers
LHPP  Loy Henderson Personal Papers
LOC  Library of Congress, Washington D.C.
NACPM  National Archives College Park, Maryland
NARGR  Nelson A. Rockefeller Gubernatorial Records
NARPP  Nelson A. Rockefeller Personal Papers
NEF  Near East Foundation Records
NSA  National Security Archive, Washington D.C.
NSF  National Security Files
RAC  Rockefeller Archive Center, New York
RFKPP  Attorney General Robert F. Kennedy Personal Papers
TNA  The National Archives of Britain, London
WDPP  William O'Douglas Personal Papers
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Appendix A:

Edward Wailes, Tehran to Secretary of State, Washington D.C., 'Program of Amini Government', Confidential, May 15, 1961, NACPM, RG 59, CDF 60-63, Box 2831, 888.00/5-1561.

As reported in ref tel, the Amini government announced a 15 point program on May 11. The new government's goals were couched in general terms but differed in a number of ways, both in content and emphasis, from those of the Shahpur Amni government. This airgram provides a summary of the new program, together with comments as appropriate.

After stating that the new government's program was designed to carry out essential reforms, the following policies were announced:

1. Prices. Action is promised to bring down prices and thereby reduce the cost of living. Currents The "action" to be taken is not specified. Amini knows that the inflation of the past two years has occurred basically because of financial expansion and the over-rapid increase in demand. Practically speaking, one of his first steps will be to increase teachers' and perhaps others') salaries, which could fan the inflationary flames unless countered by savings elsewhere. There is danger that the government might be tempted to place undue emphasis on administrative price control efforts, which might have the effect of victimizing an essentially innocent class, i.e., small shopkeepers. Nevertheless, normal seasonal drops in food prices as well as the longer-range effect of this year's expected good harvest could play into the government's hands by bringing about a more stable price level, which might be attributed to government action.

2. Corruption. It is stated that the judicial power will be strengthened and, to the extent possible, persons who have embezzled public property or misused the public trust will be prosecuted. Comment: This is a key point and, despite the fact that the wording is harder stronger than that contained in Shapoor-Amini's first program (emb. G-73, September 10, 1960), it is clear now that this means the
government intends to prosecute a number of former high officials and perhaps some leading businessmen who allegedly made fortunes at government expense. Also some persons connected with the recent election rigging may undergo trial. The recent arrests, as well as Amin's order requiring all exit visas for former high officials to clear through him, support this conclusion.

3. Land Reform. The program promises land reform, including the breaking-up of large estates and the establishment of cooperatives and credit facilities for the new landlords. Comment: This is in contrast to the predecessor government, which consistently opposed land reform. Even given the will to proceed with the implementation of the 1960 land distribution law, the new government will be faced with the necessity of finding the considerable sums of money needed if the program is to be effective.

4. Industry and Agriculture. Steps to create new industries, particularly those which benefit agriculture, are promised.

5. Teachers, Factory Workers. Action is promised to improve the condition of the nation's teachers, with special emphasis on the teachers who, it is noted, have the responsibility of preparing the future generation. Comment: The implied costliness to higher teachers' salaries was not by the announcement of government acceptance of a new wage scale proposed by teachers' representatives. This resulted in the calling of the 14 day teachers' strike on May 13.

6. Education. The point states that the standards of education are to be raised, professional schools are to be expanded, compulsory education will be extended and steps will be taken to strengthen the teaching of religious principles.

7. Home and Finance. Reorganization of the Ministry of Finance, revision of income tax legislation, and improved methods of tax collection are promised in order to strengthen controls over the receipt and expenditure of public funds and improve tax collection results. Comment: Before this area is vital if substantial new government revenue is to be found. It is still unclear whether the government intends any audits in the incidence of taxation through such measures as increased income tax collections and a direct tax on land values.

8. Balance of Payments. This point unifies the goals of safeguarding foreign exchange reserves, reducing imports, encouraging exports, and harmonizing of financial institutions. Comment: Due to the parlous financial state of the country, action in this area is of immediate necessity. Each of Amin's statements to date have indicated that he is aware of the problems and plans some action. It is known, also, that he hopes for, and probably counts on, financial assistance from the United States to solve immediate financial problems. His recent statement on limiting imports suggests that he might contemplate actions more drastic than any taken so far, i.e., quotas and licensing.
9. Public Health. Improved supervision of public health activities, including the operation of hospitals, is proposed.

10. Government Reorganization. The statement promises improved control over government expenditures with a view to saving expenses. Currents: This could be a very important point if, as rumored, the government plans to set up an agency to review military as well as civilian budgets and expenditures. The Treasury has long advocated the establishment of a proper Budget Bureau as the only means of securing adequate control over expenditures. Current is aware of the study of this matter now byJenna and I with OII assistance.

11. Local. The statement promises the enforcement of workers' social insurance, centralization of worker insurance schemes, and guaranteed minimum wages.

12. Decentralization. The program states that action will be taken to combat over-centralization by providing greater powers to governors, coastal and establishing a system of municipal and village councils. Currents: This policy is consistent with that of the Maritime government and reportedly conforms to the Shah's wishes. Nevertheless, it is likely to create a number of immediate problems and a relatively slight short-run political gain. The Social government also is said to be considering means of discouraging migration of unskilled laborers from the villages to urban areas, which would be a desirable thing if it can be accomplished.

13. Corruption. In this item it is promised that corrupt elements will be removed from the bureaucracy. Currents: This apparently is an indication of plans that the anti-corruption campaign implied in point 2 is to be extended to all levels of the bureaucracy.

14. Internal Communications. The program states that these will be improved.

15. Foreign Affairs. The program states that the country's foreign policies will be based on self-defense to and support of the United Nations Charter, respect for agreements and obligations, and the desire to maintain friendly ties with other countries, especially its neighbors, on a reciprocatal basis. Currents: This is largely a restatement of the same principles announced by the previous government. The statement that respect for agreements and obligations unabridged was intended to include Iran's oil, but there is no reference to development of mutually friendly relations with the country's neighbors or, particularly, the USSR. Significantly, there is no allusion to the idea of sending a goodwill mission to Moscow.
Appendix B:

Phillips Talbot to Members of the Presidential Task Force on Iran, Secret, May 8, 1961, JFKL, NSF, Box 426.
Appendix C:

'Members of the Presidential Task Force on Iran', Secret, May 8, 1961, JFKL, NSF, Box 426. – FOIA
Appendix D:

'Meeting of the Iran Task Force', Secret, September 7, 1961, NACPM, RG 59, NEA Iran Desk 58-63, Box 3. – FOIA
<table>
<thead>
<tr>
<th>AGENCY</th>
<th>NAME</th>
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<tr>
<td>S/P</td>
<td>Mr. Lindley</td>
<td>182-8175</td>
<td>7249 NS/E</td>
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<tr>
<td></td>
<td>Peyton Kerr</td>
<td>182-5029</td>
<td>6828 NS/E</td>
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<tr>
<td>INR</td>
<td>Mr. Gatzowd</td>
<td>182-4949</td>
<td>7227 NS/E</td>
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<tr>
<td></td>
<td>Mr. Liebeney</td>
<td>182-3294</td>
<td>7828 NS/E</td>
</tr>
<tr>
<td></td>
<td>(Masses. Hillsman and Elwood also called but not expected to attend.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>INR/DDC</td>
<td>Jeremiah O'Connor</td>
<td>182-2178</td>
<td>6638 NS/E</td>
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<td>B/PAC</td>
<td>William Baxter</td>
<td>182-5762</td>
<td>4250 NS/E</td>
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<td>George Springsteen</td>
<td>182-3191</td>
<td>7246 NS/E</td>
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<td>S/O</td>
<td>Theodore Achilles</td>
<td>182-4273</td>
<td>7513 NS/E</td>
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<td></td>
<td>Raymond Thurston</td>
<td>182-4273</td>
<td>7513 NS/E</td>
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<td>Stephen Smith</td>
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<td>Coulter D. Hayler, Jr.</td>
<td>182-5353</td>
<td>7316 NS/E</td>
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<td></td>
<td>John Ford</td>
<td>182-4141</td>
<td>7516 NS/E</td>
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</tbody>
</table>
Appendix E:


GOALS OF UNITED STATES ACTION

Having helped the Amini Government to avert early dangers, the United States will now press toward the following long-range goals, the achievement of which will strengthen Iran against communist pressures.

1. The maintenance of an Iranian regime friendly to the West.
   (a) Maintenance of the Shah's faith in his own mission and in the value of his pro-Western and anti-communist orientation.
   (b) Withdrawal of the Shah from an exposed position of public responsibility for actions of the administration.
   (c) Progressive delegation by the Shah to capable Prime Ministers of authority formerly wielded directly by him.
   (d) Withdrawal of the Shah's family, private estates, and entourage from entanglements with private business activities.
   (e) Dilution of the Shah's extreme distrust of independent political leaders and of his vulnerability to sycophancy.
   (f) Direction of the Shah's attention away from technical military matters and toward important internal social and economic problems.

2. Bolstering the Iranian will and ability to resist Soviet pressures.
   (a) Maintenance of a firm and non-provocative attitude toward the USSR.
   (b) Reduction of neutralist sentiment.
   (c) Continuation of internal security and increased respect for minority rights.
   (d) Continuation
(d) Continuation of Iranian membership in OEEC.

(e) Settlement of outstanding disputes with neighboring non-communist states.

3. Broadening the political base of the Iranian government, halting disunifying trends, and developing channels of political articulation outside the existing elites and would-be elites.

(a) Inclusion of moderates of all types in the policy levels of the administration.

(b) Recognition of labor as an independent and respectable political force.

(c) Practical and non-destructive progress toward the distribution of landed estates to the peasantry, peasant education, and regulation of the landlord-tenant relationship.

(d) Governmental appeals for support directly to non-elite groups.

(e) Massive adult education campaigns.

(f) Strict prosecution of high officials guilty of corruption.

(g) Improvement of the standards of the civil service and the judiciary.

4. Developing the Iranian economy.

(a) Completion of the essential elements of the Second Plan.

(b) Implementation of a sensible Third Plan, financed by an international consortium, and directly supported by United States technical assistance.

(c) Enforcement of the Economic Stabilization Program, appropriately modified.

(d) Improved control and direction of government finances and private banking and credit.

(e) Revision
(e) Revision of the tax and tax collection apparatus toward increased revenues and the promotion of social justice.

(f) Continued reliance on private enterprise as a major part of the development effort.

(g) Improvement of relations with Western oil interests and the maximization of oil revenues.

5. Improving the capability and popular acceptability of the Iranian military establishment.

(a) Reduction of the size and the local currency costs of the Iranian military establishment.

(b) Improvement of its morale and efficiency through MaP.

(c) Elimination of surplus and inefficient senior officers.

(d) Continued and expanded civil action and public relations programs.

(e) Expansion of vocational training within the armed forces.

6. The transformation of the urban middle class into a constructive force.

(a) Awareness on the part of its leaders that they and the Shah share the same basic goals.

(b) Willingness to share in responsibility for governmental policies which they cannot completely control.

(c) Appreciation of the practical difficulties of government.

(d) Greater awareness of the communist threat.

(e) Dilution of the tendency toward xenophobia.
Appendix F:


14. The U.S. interest will best be served if within the next five years or so Iran carries through broad programs designed to enhance opportunities for constructive enterprise by urban groups, improve the conditions of life and productivity of the rural people, raise educational standards, build up social, economic and political institutions and thus reduce the country's vulnerability to domestic disaffection and to external pressures.

15. The goals which we envisage and which we believe to be in the long-term interests of Iran and the Iranian people are wholly consistent and almost identical with those which the new Prime Minister has publicly declared as his program. It is recommended that our purpose be to give full encouragement and support to the Government of Iran in carrying out this program.

Specifically, our endorsement of the Amini regime as the best hope now in sight means that we support the following objectives for Iran which have been stated by Prime Minister Amini:

a. Particular encouragement of industries that have a direct relation to agriculture and the consumption needs of
needs of the population.

b. Balancing of exports and imports by close control of foreign trade, e.g., the restriction of luxury imports.

c. Vigorous action to reduce corruption in government, including the trial and punishment of high-level civilians and military officers notorious for past corrupt activities.

d. The distribution of large landed estates to the peasantry, along with increased assistance to cooperatives of peasant proprietors.

e. Rationalization of the tax system and increased tax collections based on ability to pay.

f. The extension of the social security system, and recognition by the government of a primary duty to afford to all the minimum necessities of life while safeguarding individual liberties.

g. The ending of haphazard economic development and the meshing of all development activities into a comprehensive national plan.

h. The rapid expansion and improvement of educational facilities, particularly at the college level, in order to obviate the necessity of sending large numbers of students abroad.

i. The extension
1. The extension of modern medical services to the more remote rural areas of Iran.

2. The development of a spirit of national unity, and of genuine confidence in and loyalty to the government on the part of all elements of the population.

16. Despite many difficulties, including mismanagement, Iran in the past ten years has made advances which lay the basis for economic and social development now needed. The following examples may serve to illustrate this point:

- Production of wheat: From 2.3 million metric tons in 1955 to 3.0 million metric tons in 1960
- Number of voluntary agricultural cooperatives: From 74 in 1955 to 525 in 1960
- Oil revenues: $37 million in 1948, $286 million in 1960
- Investment in private industry since 1950: approximately $450 million
- Railroad extension: 500 miles since 1953
- Production of cement: 132,000 metric tons in 1955 to 533,000 metric tons in 1960
- Production of sugar: 150,000 tons in 1950 to 400,000 tons in 1960
- Production of textiles: From 60 million meters in 1950 to 360 million meters in 1960
- School enrollment: From 427,000 in 1953 to 1,300,000 in 1960
Appendix G:

Kayhān, 24 Ābān 1340 [15 November 1961].

1041 These are the first few lines of each of the 6-points of the Shah’s Royal Farmān: 1 – Corrections to be done in editing the new employment laws with observing the necessary minutes in the administrative affairs and governmental employees employment; 2 – Providing the needs of life of the [civil] servants in a way that guarantees their and their families welfare; 3 – Regarding agriculture and its mechanisation the government must not ignore any effort in this matter; 4 – With the current law the condition of the workers is relatively satisfactory but employees must be forced to make houses for the workers; 5 – Regarding taxation, which is still not collected correctly and fairly from the wealthy, the Minister of Properties is assigned to arrange the estimation for the correct and fair collection of taxes through thorough studies; 6 – Regarding culture, which has extraordinary importance, and our future depends on it a lot, in cultural programmes a revision must be done so that our culture would be practical and useful for a society and country in the progress of development and growth.'
Appendix H:


Text of the Statements of His Imperial Majesty, the Shahinshah
(Received from the Office of the Imperial Special Secretariat)

H. E. Dr. Ali Amini, The Prime Minister

The statements of His Imperial Majesty the Shahinshah made at the Cabinet meeting November 11, 1961 at the Marble Palace are hereby communicated to Your Excellency:

Our attachment to this country and its people oblige us, in order to reach the standards of advanced countries in a world which is speedily progressing towards perfection, to take measures to ensure the social, material and spiritual progress of the country, including, as soon as possible, the proper realization of government of the people and for the people, which is the basic principle of democracy. Every minute of lost opportunity constitutes a capital sin on the part of us, the government, and the nation.

We have always accorded prime consideration to the higher interests of the nation and the kingdom. For the sake of public welfare, the establishment of social justice, and the elevation of the life of the individual in accordance with the requirements of modern civilization, we decree that the necessary measures be taken and that there should be no obstacles to the implementation of these necessary measures. Therefore, by virtue of the authority which the Constitution has vested in us as one of the initiators of legislation, we commission the Government, until such time as a Majlis is convened, which we hope will be chosen through honest elections making unnecessary the cancellation of dishonest elections, to put into effect the necessary laws for the formation of village councils, to review carefully the laws governing the election of municipal and provincial councils and, in the light of present day circumstances and requirements, to make the necessary amendment and adjustment, and to enforce them, upon our assent. Such laws will be temporary so that they may be tried out in order that their defects, if any, may be removed and the amended laws submitted to lawful authorities, for obtaining legal authority and affirmation after convocation of the Majlis and Senate.

The essence of democratic rule is the placing of the people's affairs in their own hands, gradually, as they mature. The people must participate in the local determination of food prices and of health, administration, education, municipality, and local subsidiary road building matters, without impairing the basic central policy of the country in internal and external affairs.

To implement the necessary reforms, the Government should:

1. In administrative and employment matters the government must expedite the drawing up of a unified employment law for all civil servants, with due regard to the specific functions of various Ministries; everywhere for equal work there should be equal pay. Any discrimination in the employment of civil servants should be wiped out.

In every Ministry, a committee, headed by the Permanent Administrative Under-secretary and the two most impartial and honest officials of that Ministry, or in
The committee will then direct the organization of the Ministry on the basis of present and future needs. The basic qualification for a position and for promotion in the service of the Government must be efficiency, honesty, and talent. The capabilities and honesty of Directors General and higher officials should be determined by the Council of Ministers.

2. Secure necessary living standards for civil servants, relieving them of worries about their future material security. This task should begin with the provision of housing for civil servants. Gradually, their other needs can be met by the establishment of co-operatives and the like.

The Government must carry out this project on the basis of priorities. The most important Government employees, such as members of the Army, police, and gendarmerie, teachers, and judges, should come before others, and houses provided for these officials should be as near as possible to their place of work, in order to reduce their travelling expenses and avoid waste of time.

3. Not be negligent in its efforts to mechanize agriculture. Land reform and limitation must be enforced. The Land Reform Law has been found impractical. The Government should amend it in any way deemed necessary as soon as possible and make arrangements for its complete and correct enforcement. It should compile regulations for the welfare and comfort of the peasants and, by inviting experts, put into effect co-operative methods in order that the peasants may profit therefrom. Special efforts should be made to increase production in an extraordinary manner.

For the building of road networks linking the villages to the main roads and other development projects needed for the achievement of mechanization, youth battalions must be formed. New methods of farming, the use of chemical fertilizers, irrigation, and the construction of village houses must be emphasised. These youth battalions must also assist municipalities to build factories and houses for the workers.

4. Under the present Labor Law conditions of the workers are satisfactory now, but the Government should compel employers to build houses for their workers, the expense of which would be deducted from the Workers Social Insurance contributions payable by the employers.

The Government must pay the utmost attention to the protection of home industries and the promotion of the consumption of home products. The Government should insist that home products match as closely as possible similar foreign goods in order to be in the interest of and attract consumers. The Government must direct and help industrialists to modernize their plants, train skilled
turers, and educate managing directors in the proper operation of factories in
order to protect home industries against foreign competition.

In the factories, if the workers desire, up to 25 per cent of the shares
should be sold to them in installments in order that they may share in the profits
of the factories and therefore spare no effort in working in its behalf.

5. The collection of taxes has not been handled in the proper manner and the
rich have not paid their due share. The Minister of Finance is appointed to con-
duct a comprehensive study and come up with suggestions for the proper and equi-
able collection of taxes, so that taxes are levied in accordance with the ability
of the taxpayers and an unnecessary burden is not imposed on the poor.

The taxpayer and tax collector relationship should be based on goodwill and
the payment of income tax should become an accepted routine. Particular efforts
should be made to stabilize and standardize taxation procedures so as to encourage
investment and win the confidence of the general public.

6. The educational program is of primary importance and our future is great-
ly dependent upon it. The present educational program must be reviewed on a
scientific basis to ensure that it is practical and useful for a country in the
development stage.

Free primary and secondary vocational school training should be expanded.
With regard to the conventional secondary school and higher level education, the
standard practices in other parts of the world should be followed.

In order to ensure that a talented boy’s education is not hampered due to
monetary difficulties, the Ministry of Education must maintain an accurate re-
cord of the students’ abilities from the day they enter the primary school. Thus,
it would be possible for the Education Ministry, either directly or through city
or provincial councils, to offer scholarships to talented young men.

Extreme care should be exercised in sending students abroad under the direc-
tion of devoted student advisers so that not only is the wealth of the nation not
squandered but talented persons will get a chance to be trained in fields useful
to the development of the country.

In conclusion, as we pointed out, all regulations are secondary to the survi-
val of the country and the nation. If we were to spend all our time on rigid regulati-
on and not take advantage of the opportunity granted to us by the present world situa-
tion, we would be guilty of a great sin against our nation. The progress of the
country and the interests of the nation take precedence over the observance of
views (based on) regulations and personal tastes.

The Government, on the strength of our special favor and support, must forth-
with embark with utmost diligence on the uprooting of corruption and should not
fear any obstacle in the carrying out of this important task. We are sure that
the noble and intelligent people of Iran will unite and, with all their force,
join this campaign based on social justice. By so doing they will add to the
glory of this historic nation.

/S/ Hrad - Chief of the Imperial Special Secretariat
Appendix I:


The highlights of Iran's Third Plan are summarized as follows:

1. An ambitious Land Reform Programme.

2. A greatly stepped-up programme for cheap credit, improved seed, fertilizer, small improved tools, tapping of underground water resources and the construction of a number of small dams.

3. A substantially expanded programme for the promotion of aided self-help-effort in rural Iran through what is now generally known as Community Development and Extension Service Programme. The objective of this programme is to cover one-third of Iran's 45,000 villages in the Third Plan.

4. Construction of some 10,000 kilometers of "feeder roads" linking thousands of Iran's villages to the major road arteries of the country.

5. Construction of some 5,000 kilometers of major roads and a greatly expanded programme for improving the telecommunication network of Iran. The programme emphasizes substantial revision in the specifications of roads making them more adaptable to the local needs.
6. Launching of an ambitious literacy campaign with the motto: "Each One Teach One." The objective is to make 50 per cent of the population above the age of seven literate and, at the same time, to bring 60 per cent of the children to school.

7. Embarking on a major vocational training programme to provide skilled manpower needed for a rapidly expanding economy.

8. Promotion of rapid industrialization by encouraging private initiative and enterprise through greatly increased technical and financial assistance to sound industrial mining enterprises.

9. Broadening and diversification of Iran's industries and mines. Surveys and studies of some major industries and mines such as steel, petrochemicals, iron and coal complex, paper mill, etc., are underway.

10. A well-coordinated expansion programme for public utilities such as electricity and health. In each of these fields there is a 20-year programme aiming at much greater integration of the operation of the various agencies in the field.

11. A programme for revitalization and overhaul of the administrative set-up in every strategic area, bringing about strict budgetary control and much greater co-ordination among the spending agencies.

12. An ambitious programme for mobilizing domestic resources by effecting large-scale economy in the non-development expenditures and greatly improving the taxation system of the country.
Appendix J:


6 Bahman 1341 (26 January 1963)

1. Land reform
2. Profit sharing for workers in industry
3. Nationalisation of forests and pasturelands
4. Literacy Corps
5. Electoral Law change
6. Sale of shares in government owned industry

1964-1977

7. Health Corps
8. Reconstruction and Development Corps
9. Houses of Equity
10. Nationalisation of water resources
11. Urban and rural reconstruction
12. Didactic reforms (administration and education)
13. Workers right to own shares in public (up to 99 per cent) and private (up to 49 per cent) industry
14. Price stabilisation and anti-profiteering measures
15. Compulsory free education and school meals
16. Free food for pregnant women and babies
17. Social security and national insurance for all Iranians
18. Stable rents and house prices (not above inflation)
19. Anti-corruption measures
**Appendix K:**

Timeline of key events: 1958-64

### 1958

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<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>January</td>
<td>Attempted coup by Gen. Valī Allāh Qurānī</td>
</tr>
<tr>
<td>April 18</td>
<td>Plan Organisation agrees to establish an Economic Bureau with Harvard</td>
</tr>
<tr>
<td>July 14</td>
<td>Coup d’état in Iraq</td>
</tr>
<tr>
<td>July 19</td>
<td>Eisenhower commits to increasing the Iranian Army’s operational strength</td>
</tr>
<tr>
<td>August</td>
<td>Asad Allāh ‘Alam outlines his idea of a White Revolution to Sir Roger Stevens</td>
</tr>
<tr>
<td>August 13</td>
<td>CIA Director Allen Dulles concerned over the situation in Iran</td>
</tr>
<tr>
<td>September</td>
<td>CIA orders IAC agencies to gather information on opposition groups in Iran</td>
</tr>
<tr>
<td>October 7</td>
<td>Coup d’état in Pakistan</td>
</tr>
<tr>
<td>October 27</td>
<td>Shah refers to himself as a ‘revolutionary shah’ during a press conference</td>
</tr>
<tr>
<td>November</td>
<td>Shah introduces anti-corruption measures (conflict of interest law)</td>
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### 1959

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<td>March 5</td>
<td>Bilateral United States-Iranian defense pact</td>
</tr>
<tr>
<td>April</td>
<td>‘Alī Āmīnī politicking, attending wakes and weddings</td>
</tr>
<tr>
<td>July</td>
<td>Cost of living in Iran has increased substantially</td>
</tr>
<tr>
<td>July 11</td>
<td>‘Alī Āmīnī article in <em>Tehrān Mosavar</em> entitled ‘If I were to become Prime Minister’</td>
</tr>
<tr>
<td>November</td>
<td>Shah expresses impatience with big landowners failing to follow his example</td>
</tr>
<tr>
<td>December 21</td>
<td>Shah marries Empress Farah</td>
</tr>
<tr>
<td>December</td>
<td>Visit by President Dwight Eisenhower to Iran</td>
</tr>
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### 1960

<table>
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<td>January</td>
<td><em>Christian Science Monitor</em> writes US is cultivating opposition</td>
</tr>
<tr>
<td>February</td>
<td>Land Distribution Bill debated in the Majlis</td>
</tr>
<tr>
<td>March</td>
<td>Ayatollah Burūjirīdī warns the Shah against land distribution</td>
</tr>
<tr>
<td>April</td>
<td>Shah talks about social justice, including health and education programmes</td>
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<td>May 27</td>
<td>Coup d’état in Turkey</td>
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<td>June</td>
<td>Munfarīdīn led by ‘Alī Āmīnī intend to run in the elections for the 20th Majlis</td>
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<tr>
<td>June</td>
<td>British wary of radical nationalist groups in Iran and forthcoming elections</td>
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<tr>
<td>July 9</td>
<td>End of the 19th Majlis</td>
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<tr>
<td>July</td>
<td>Reconstituted National Front comes into existence</td>
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<tr>
<td>July 19</td>
<td>The shah orders elections for the 20th Majlis</td>
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<tr>
<td>August</td>
<td>Rigged elections for 20th Majlis</td>
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<td>August 3</td>
<td>Muzaffar Bāqqā-Kirmānī &amp; Husayn Makkī bring a suit to annul the elections</td>
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<tr>
<td>August 3</td>
<td>Asad Allāh ‘Alam &amp; ‘Alī Āmīnī call the elections the most fraudulent ever</td>
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<tr>
<td>August 7</td>
<td>Prime Minister Iqbāl resigns and the Shah dissolves the newly elected Majlis</td>
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<tr>
<td>September</td>
<td>Shah appoints Ja‘far Sharīf-Imāmī as Prime Minister</td>
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<tr>
<td>October 31</td>
<td>Empress Farah gives birth to a boy</td>
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</tbody>
</table>

### 1961

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>January 20</td>
<td>Inauguration of John F. Kennedy as 35th President of the United States</td>
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<tr>
<td>January 26</td>
<td>Shah sends a letter to President Kennedy upon entering office</td>
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<td>January</td>
<td>Repeat of elections for 20th Majlis</td>
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<tr>
<td>January 30</td>
<td>Headquarters of the National Front closed down by police</td>
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</tbody>
</table>
February 21 Shah opens the 20th Majlis, extolling the achievements of 19th
February 23 Serious rioting at Tehran University; Government closes the University
February 28 NIE 34-61 states that Profound political and social change is inevitable in Iran
March 1 Meeting between President Kennedy and Gen. Bakhtiyar
March 14 Gen. Bakhtiyar resigns from his position as head of SAVAK
March 22 President Kennedy's message to Congress on foreign aid
March 30 Ayatollah Burujirdi (opponent of land reform) dies
April 5 Julius Holmes arrives in Washington to begin his briefing
April 10 Khruschev tells Walter Lippmann that Iran is ripe for a revolution
April 18 Walter Lipmann notes Khruschev's remarks on Iran to British Foreign Secretary
April 18 Start of Prof T. Cuyler Young's 4-5 month trip to Iran
May 1 Arrest of Muhammed Dirakhshish
May 1 2,000 Striking Teachers and Students march on the Majlis
May 2 Dr. Khân 'Alî, a teacher, is killed in demonstrations
May 4 Shah reluctantly accepts an angry Sharif-Imâmi's resignation
May 4 Gen. Ālavî-Kiyâ confers with the Shah and presses for appointment of 'Alî Amînî
May 5 Amînî accepts the position of PM on understanding he be given broad powers
May 5 Kennedy administration establishes a Task Force on Iran
May 9 Shah dissolves the Majlis and Senate
May 11 Amînî Government announces a 15-Point Program
May 15 Iran Task Force report on Iran submitted to the NSC
May 19 Iran Task Force report discussed at the 484th Meeting of the NSC
August 19 Shah's speech to 500,000 people in Tehran on 28th Murdād
August 27 Arsanjâni committees drafting proposals for amendment to Land Reform Law
October 5 Amînî states that land reform program will begin in Āzarbâyjân
October 8 Col. Yatsevitch meeting with Shah – Shah wishes to rule with preferred team
October 28 Meeting between Shah and US/UK Ambassadors
November 6 Ambassador Holmes informs Amînî of $35m aid
November 10 Harold Saunders writes to President Kennedy asking whether to save Amînî?
November 10 Gen. Pâkâvân (strong supporter of Amînî) meets with the Shah
November 11 Shah presents his Six-Point Program to Amînî's Cabinet
November 14 Shah issues his Royal Farmân

1962

January 21 Demonstrations by students at the University of Tehran
February 1 IBRD Review Team visits Iran to review Third Plan Preparations
February 24 IBRD concludes that the outlook for the Third Plan is favorable
March 4 Shah speaks to Sir Geoffrey Harrison on a skiing trip, threatening abdication
March 8 Shah requests State Visit be brought forward from September to April
March 10 IBRD not optimistic about a Consortium this Spring
April 10 Shah arrives at Idlewild Airport for the beginning of his state visit
April 12 Shah meets with President Kennedy at the White House
April 17 Dinner in honor of the Shah at the United Nations
May 22 Amînî begins devoting his full attention to the 1341 budget
May 26 Šaff Asfiyâ and Khudâdâd Farmânfarâ 'în submit their resignations
June Edward Mason of Harvard University arrives in Tehran for fact-finding mission
June 16 Edward Mason reports a budget Deficit of $120-150m with Amînî exhausted
July 15 Ja’far Bihbahānī & Matīn-Daftarī approach NF for cooperation against Amīnī
July 16 Aminī sees the Shah for 2 and half hours and submits his resignation
July 19 Asad Allāh ‘Alam named new Prime Minister by the Shah
July 21 Shah says that the Third Plan will go ahead, but reduced in scope
August 24 Lyndon Johnson visits Iran and praises the Shah’s plan for development
October 7 New Protocol for local elections where women and minorities can vote
November 19 Shah contemplates the idea of holding a referendum on his reforms
November 27 ‘Alam Government approves a law for the sale of Government owned factories
December 3 Cabinet decree establishes the Literacy Corps
December 25 Opening of National Front Congress with Allāhyār Šālih elected as President

1963

January 1 ‘Alam informs Holmes of firm decision on referendum
January 7 Women’s associations demand the right to vote in the forthcoming referendum
January 9 Shah announces referendum at the Muhammad Rizā Shāh Hall
January 17 Announcement of Worker Profit Sharing Law
January 17 Iranian Government approves a Law Nationalising Forests
January 25 Women are told they can vote on the even of the referendum
January 26 6 Bahman (White) Revolution
February 27 Shah declares women eligible to vote and be elected
March 10 Hasan Arsanjānī submits his resignation as Minister of Agriculture
June 2 Beginning of disturbances against Shah’s White Revolution reforms
June 3 Khumaynī takes the regime to task in a lecture in Qum
June 4 Arrest of leading opposition Mullahs spark extensive riots
August 5 ‘Alam announces that elections will be held on 17 September, 1963
September 17 Elections for 21st Majlis
November 6 President Kennedy writes to the Shah, hoping Iran progresses with reform
November 22 President John F. Kennedy is assassinated

1964

October Majlis passes a Status of Forces Bill granting immunity to US dependents
November 3 Ayatollah Khumaynī is exiled to Turkey
Appendix L:

General Information

1. President Eisenhower sought a defensive alliance early in his first term, which would be similar to NATO and contain the Soviet Union along its southern periphery. An alliance was formed between Turkey, Iraq, Iran and Pakistan in 1955 called the Baghdad Pact, which included Britain but not the United States. This was later changed to the Central Treaty Organisation (CENTO) following the coup of 14 July 1958, and Iraq’s subsequent withdrawal from the pact.

2. Nelson A. Rockefeller founded IBEC in 1947 as a private US corporation to encourage nationals (in this case Iranians) to establish competitive businesses based on the basic economies of countries.