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“Go Forth and Do Good:” US-Iranian Relations During the Cold War Through the Lens of Public Diplomacy

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“The government of Iran has invited us and provided necessary conditions for our work. We must do our best in helping the growing generation in Iran to comprehend the wholesome ideas of freedom and democracy and the dignity of the individual, thereby preventing them from going to the mullahs to learn Islam which bars the country from modern life.”

After World War II, the United States began providing extensive foreign aid to many nations throughout the world. As the US grew as a world power, it abandoned the isolationist practices that had been in place during the interwar period. The US directed assistance to those in need of financial and technical aid—nations ravaged by World War II, as well as less-developed nations striving for social and economic advancement. In order to maintain “world order,” secure necessary resources, covertly fight the Cold War, and push the developing Third World continuously forward, the US was more determined than ever to have a worldwide presence. It was the “innate American ability to get things done” that would make it happen.

Iran featured prominently in the American government’s postwar plans. Due to the Soviet Union’s close proximity, the United States sought to keep a stronghold on capitalism in the region and build a strong ally of Iran. After all, Iran was one of two American allied countries bordering the Soviet Union. Iran was also of interest to the United States because of its natural resources; for much of the twentieth century, Iran held the largest oil refinery in the world. For these reasons, the United States became heavily invested in Iran militarily, politically, and economically. Through broadly defined terms of economic assistance, military assistance, sales and grants of surplus agricultural commodities, and miscellaneous expenditures, the U.S. invested over $1.6 billion in Iran from 1950 to 1965. Approximately $118 million of that investment was allocated to social aid measures,
which were “designed to promote the freedom, independence and growth of Iran.”

This article will consider American aid given to Iran, as well as the reasons and ways in which Iran welcomed this aid. It will address the accomplishments and shortcomings of the programs, the role aid played in the greater scheme of international politics within the realm of the Cold War, and what lasting impression these public diplomacy programs had on Iran. This article will focus on three particular public diplomacy programs: Point Four, the United States Agency for International Development (USAID), and the Peace Corps.

With President Harry Truman’s 1949 inaugural address promising to extend technical aid to developing countries, Iran became the first country to reap the benefits of the public diplomacy program known as Point Four. “If through Point Four we can give people a sense of confidence in their own power to build better lives for themselves,” one Point Four official asserted, “they won’t pay much attention to the communist agitators.” This initial agreement laid the groundwork for future social aid programs to Iran, as well as extensive military assistance and economic loans. USAID, a subset of Point Four and the International Cooperation Administration of the 1950s, was enacted in 1961 under President John F. Kennedy’s executive order. USAID expanded the American presence in Iran and, according to USAID officials, made substantial progress in Iran until 1966 when economic aid programs to Iran were concluded. The Peace Corps, also established in 1961, was a new kind of public diplomacy initiative that placed young Americans, frequently college graduates, on the ground where they contributed to social development projects. Between 1961 and 1976, the Peace Corps sent over 2,000 young Americans to Iran, where they worked at the “grass roots” level. The Peace Corps came to play a significant role in cultural diplomacy against the backdrop of the Cold War.

The source base for this study is extensive and draws upon American government documents from the National Archives in Washington, D.C.; USAID online archives; Iranian government documents from the Center for History and Diplomacy in Tehran, Iran; American and
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Iranian newspapers from the time period, as well as interviews with returned Peace Corps volunteers who served in Iran. Because many relevant documents at the National Archives remain classified, the work cited in this article must limit itself to what was available in 2011.

THE CLOSE OF WORLD WAR II AND THE JOURNEY TO INTENSIFIED US-Iranian Relations

To understand the intensity of U.S.-Iranian relations during this period, it is important to note Iran’s past relations with Western powers as well as ambitions for the future. Iran’s tense relations with the Soviet Union and Britain since the early 20th century predisposed it to welcome the United States as a possible neutral third party.

During World War II, American, British, and Soviet forces occupied Iran to assure stability and success in the war. In 1941, the Allied Powers forced Iran’s head of state, Reza Pahlavi Shah, to abdicate his throne in favor of his young son, Mohammad Reza Shah, after Reza Shah refused to expel German nationals from Iran. Among the three countries, the British and Soviets had an especially vested interest in Iran because of the Anglo-Persian Oil Company (APOC) as well as the oil concessions arranged with the Soviet Union. British forces, protecting the interests of APOC, occupied the southern region of Iran while the Soviets occupied in the north. British powers were concerned with Iranian domestic issues insofar as oil interests were affected. For example, in July 1946 when oil workers went on strike to protest poor working conditions, the British responded by positioning battleships off the coast of Abadan. The Soviets, on the other hand, were more intent on absorbing Iran and its resource-rich lands into Soviet territories, or at least into its sphere of influence. Because such formidable world powers were pursuing oil supplies and occupying extensive portions of Iran, in addition to the WWII occupation, Iran feared manipulation by foreign powers.

Mohammad Reza Shah, second in the Pahlavi Dynasty who ascended the throne at the age of twenty-one, faced relative political instability in his reign. He felt threatened by the encroachment of British and Soviet powers in domestic affairs, and feared Iran’s future was in jeopardy if
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With American-imported engineers and technicians, bridges were constructed where there were none; this bridge was erected with village and tribal labor that would enable easier transportation. Source: USAID archives, “Highlights of the Aid Program in Iran,” (http://pdf.usaid.gov/pdf_docs/PDACQ758.pdf).
calculated autonomy was not established. The Shah’s strategy to reach such autonomy was through an alliance with the United States. The Shah welcomed the United States with open arms and aggressively pursued American aid. In fact, virtually no international aid program in Iran began without an invitation from the Middle Eastern country.

Multiple aid request rejections did not deter Prime Minster Qavam and the Shah’s determination to improve Iran’s economy and world status by way of the United States. As a gesture, Iran contracted out to American Overseas Consults, Inc, a large and prestigious engineering firm frequently hired by the American government. On February 15, 1949 the Majlis, Iran’s legislative body, enacted into law the resulting Seven Year Development Plan.⁸ The Plan detailed a wide variety of economic and development projects ranging from expanding production, increasing exports, and developing agriculture to improving public health and education. The Shah and Iranian legislatures hoped this plan would communicate enthusiasm for modernization, thereby prompting American aid in return. In any case, the projects and improvements outlined in the consultants’ reports called for measures that Iran’s national budget could not afford; actual implementation required outside funding.

In 1949, a hopeful Shah visited the United States by invitation of President Truman, but returned home disappointed after the trip produced no substantial agreement of aid to Iran. In the book he later wrote in 1962, reflecting on Iran’s American-bolstered post-war progress towards modernity, he commented on his meeting with Truman and the state of Iran after not receiving aid. “Such a serious setback to our hopes convinced many of my people that the United States had deserted them, and anti-American sentiment developed, with a corresponding strengthening of the National Front party⁹.”¹⁰

There was validity to the Shah’s statements: Iran’s political and economic instability during this period was evident. After an upsurge of Iran’s communist Tudeh Party in the Azerbaijan region, northwest Iran, Qavam sought to ease Tudeh and Soviet pressures with American aid. Iran was also overwhelmed with political chaos in the years before aid; on February 4, 1949, the Shah survived an assassination attempt
at Tehran University, and on November 4 of that year Prime Minister Abdul Hussein Hazhir was assassinated. With the state of the nation’s economy, shaky political position, and proximity to the Soviet Union, Iranian leaders believed that Britain or the Soviet Union would seize power in Iran. Qavam and the Shah sought to alleviate Iran’s political and economic struggles with American aid, wholly believing that US aid would not only usher in a strong western alliance and subdue the Soviet Union, but would also result in a more pronounced and higher global standing through American-promoted national security.

The greatest challenge Iran faced after WWII was national security. The evacuation of Soviet troops and the collapse of the Azeri and Kurdish rebel regimes did not resolve the problem of national autonomy. After the highly publicized evacuation of Soviet troops from Iran, Soviet-supported Azeri and Kurdish rebel regimes surged in the North. Prime Minister Qavam and the Shah, backed by the U.S., intended to free Azerbaijan of the rebel occupation, but before an attack could be made both separatist regimes crumbled due to internal contention as well as the military threat posed by Tehran. Incessant Soviet pressures simply reinforced the thinking that Iran must be preserved by every possible means, and that American aid was imperative. Although Iran was an unindustrialized, under-developed nation with many social handicaps, to some leaders, such as the Shah, socioeconomic betterment of the country was subordinate to the necessity of a stable and autonomous state that could defend itself. “The most basic of human needs is a peaceful, secure environment so that men can develop themselves and their country,” the Shah asserted in his 1962 book. “In a sense this need is even more fundamental than that for food and shelter, for security constitutes the essential prerequisite for producing enough food and shelter.”

Needless to say, not all felt this way. “Why should a poor nation such as ours that has gone through years of poverty be armed to defend the selfish interests of the millionaires of America and England? This is the story of the wolf and the lamb. Why doesn’t the United States give us aid to help us improve our education, agriculture, and health?” one journalist wrote in Iran’s Kayhan Times. “This is a $10 million baited trap
that we must jump away from.” Given Iran’s monarchy and high rates of illiteracy, the population was not represented in government and the actions of policy-makers and leaders were by no means indicative of national sentiment. Affluent leaders of Iran sought immediate aid from the U.S., not to raise the standard of living, but to establish a modern industrialized country with a military that could avert the threat of foreigners. Despite the criticisms of some, many Iranian leaders believed that, given the circumstances and what was at stake in their relationship with the United States, the benefits of economic and military aid outweighed any foreseeable costs.

Although many political analysts in Washington were convinced that Iran’s security was an important US interest because of Iran’s oil resources and strategic location, few wanted to prioritize Iran over Western Europe in the postwar years. Iran had to wait until the early 1950s, when the Marshall Plan was discontinued and aid to Western Europe was dramatically reduced after American policy makers assessed Europe no longer needed aid. With the intensification of the Cold War and introduction of containment measures, American concepts of security were broadened and policy makers looked to the Middle East for a powerful ally in the region, such as Iran. “The issues at stake in Iran go far beyond the question of oil. We can be sure that the Kremlin is losing no opportunity to fish in the troubled water of Iran, for Iran would be a great and strategic prize quite apart from oil,” George McGhee, Assistant Secretary for Near Eastern, South Asian and African Affairs, stated. “Control of Iran, an area approximately as large as the United States east of the Mississippi River, would put the Soviet Union astride the communication routes connecting the free nations of Asia and Europe.”

**Point Four, USAID, and Cold War Politics**

After the US cleared a $25 million line of credit to Iran on September 23, 1950, American Ambassador Henry F. Grady communicated to Iranian Prime Minister Mohammad Maraghei that Point Four was to be on the table soon enough, and not a moment too soon for Iranians. On October 19 of that year, with the signing of a “Memorandum
of Understanding,” Iran became the first country to take advantage of the newly enacted Point Four Technical Assistance Administration within the State Department.

How did public diplomacy programs exist institutionally both in Iran and the US and what did they intend to do? Were the organizations dedicated to the humanitarian cause for the sake of the cause, or more to portray an image of a strong Western-oriented relationship? The purpose of such cultural diplomacy in Iran was to foster a positive image of the United States despite international policy geared toward economics and politics, and to transform Iran into the modern state that would prove a valuable ally in the region. But was such aid a form of cultural hegemony? What impact did multi-million dollar projects and thousands of Americans sprawled across Iran for the humanitarian cause actually make?

Initially named the Technical Cooperation Administration for Iran and renamed the United States Operation Mission to Iran (or simply the “Mission”), the program in Iran existed under the International Cooperation Administration (ICA). In order to collaborate goals and projects as well as determine the financing of social aid programs, the two countries established the Iranian-United States Joint Commission on Rural Improvement. “Economic aid to Iran has been a mutual assistance undertaking. For the most part the U.S. has provided necessary foreign exchange and technical skills,” one aid official wrote in 1954. “The government of Iran has provided local currency, contributions in kind and a cadre of dynamic men and women interested in matching Iran’s ancient and illustrious past with a modern and progressive future.”

At the outset, Iran received no more than $500,000 in Point Four funds for the first fiscal year. Historians dispute the reasons that prompted Washington to extend this Point Four initiative. At the time the United States began aiding Iran through Point Four, the economic gains were not sufficient to justify the cost of the program to the American taxpayer. Iran’s trade with the United States at the time constituted a very insignificant part of the total American foreign commerce. As for oil, the American government seemed more concerned with
keeping the Iranian petroleum resources out of Soviet hands than with
developing technology and extracting oil.

Officially, American objectives in Iran focused on raising the standard
of living and helping Iranians help themselves.\textsuperscript{15} Point Four sought
to decrease high illiteracy levels, erase the prevalence of preventable
diseases and raise the standard of health, as well as increase high
quality industrial and agricultural production. Economic development
was considered desirable for its expected political stability, rise in the
national level of living, and resistance to the danger of communism.
The Point Four strategy was that the improvement of living conditions
in Iran would thwart communism at the grass roots level.

After close examination, it is clear that the initiation of Point Four
funds to Iran directly correlated with the growth of the communist
Tudeh Party, strongest in north Iran near influential neighboring
communist states, the Soviet Union and Azerbaijan. So strong in fact that
from 1941-1953 Iran had the largest and most disciplined communist
party in the Middle East.\textsuperscript{16} The US saw communism as such a growing
threat that beginning in the late 1940s the CIA annually directed $1
million to produce a propaganda machine in Iran. All forms of media
were manipulated in which the CIA “portrayed the Soviet Union and
the Tudeh as anti-Iranian or anti-Islamic, described the harsh reality
of life in the Soviet Union, or explained the Tudeh’s close relationship
with the Soviets and its popular-front strategy.”\textsuperscript{17} CIA agents were also
said to have broken up Tudeh Party rallies and even instigated violent
acts, which the communist party would be blamed for.\textsuperscript{18}

At a time when the Tudeh Party was soaring, Prime Minister
Mohammad Mossadegh was elected in 1951 on a liberal platform calling
for the nationalization of the oil industry.\textsuperscript{19} This nationalistic initiative,
however, did not bode well with Western interests. This was a time
when many American analysts were unable to distinguish nationalism
from communism. Because the security of British oil equity in Iran
was in the best interest of the Western world, it was an opportunity for
Washington to showcase its super-power capabilities. The perceived
threat of a communist take over coupled with the outrage of the
APOC, who stood to lose the most, was the motivation behind the
CIA’s first coup d’état of a foreign democratically elected leader, at the cool price of $19 million.\textsuperscript{20} The United States did not consider just how much this action would affect Iran’s national psychology and democratic process. After the coup, the Majlis never operated in the same way again—in fact, there were periods when the congressional body didn’t operate at all; such as from 1961-1963, when the autocratic Shah shut down Majlis entirely. Given the pressures within Iranian politics, the 1950 Point Four allotment of $500,000 was increased to $23.4 million by 1952.\textsuperscript{21} That Iran received the largest share of Point Four funds between 1950 and 1953, when the Tudeh Party was so strong and the liberal Prime Minister Mossadegh was in power, was no coincidence.\textsuperscript{22}

When the Mission entered Iran, it had a variety of systematic issues to address, and many obstacles to overcome. One report detailed the state of disrepair in Iran:

> “With approximately 17 million inhabitants, a birth rate estimated at less than 2 percent per year, and a per capita income estimated at less than $100 per year, the population was about 85 percent rural and grossly handicapped by a maze of highly interrelated problems. The vast majority of the population lived in an environment of illiteracy with an inadequate and, in many cases, nonexistent system of schools, an underdeveloped system of roads and other means of communication, poor sanitation and health, low level of production methods and practices of farming and forestry, inadequate and unsafe drinking water, inadequate water for irrigation and general insecurity.”\textsuperscript{23}

In order to address all these issues, American aid officials frequently referred to the expertise of professionals in American universities, technical firms and commercial contractors to complete projects in Iran.\textsuperscript{24}

The projects surrounding public health focused on both immediate improvement of health and sanitation in Iran as well as increased
Mobile tent schools were established in several of Iran’s largest tribes, bringing literacy to the nomadic peoples of Iran. Source: USAID archives, “Highlights of the Aid Program in Iran,” (http://pdf.usaid.gov/pdf_docs/PDACQ758.pdf).
accessibility. Public health sector activities included the establishment of public health facilities, health centers and laboratories, mobile health units, environmental sanitation, health education, and advancement of medical and nursing schools. Disease control became public health’s largest and most impressive accomplishment. Prior to Point Four in Iran, health standards were dire; according to the Mission, Iran had an infant mortality rate of 50%, life expectancy of 30 years, and a variety of preventable diseases reeking havoc.

When American health workers entered Iran in 1951, officials reported that those living in rural villages did not know bacteria or mosquitoes spread malaria. Prior to 1950, 80% of Iran’s population lived in malaria-infested areas, with rates of infection reaching 90% in some villages during the summer months. With the efforts of the U.S. Public Health team, paired with the Iranian Department of Public Health and the World Health Organization, trained malaria spray teams went to rural areas. According to the Mission’s reports, in just four years the incidence of malaria decreased from 90% to less than 1%. An additional result of this measure was the expansion of cultivable land. National campaigns against major diseases, such as malaria and smallpox, as well as the importance of clean water had led to significant reduction in the death rate and a substantial increase in effective manpower; surveys suggested that this reduction in disease increased the effective manpower rate by as much as 400%. Before the Mission’s DDT malaria spraying, three-quarters of infants contracted malaria within their first year of life; that staggering statistic was reduced to zero in just a few months.

According to the Mission, the public health efforts made some lasting contributions to healthier living practices in rural areas. After initial DDT sprayings by American professionals, locals in rural areas were quick to learn and were able to complete the task themselves. Iranian men and women coping with malaria since childhood could not imagine life without it. One farmer pulled aside a Mission worker after the results were clear, and told him: “We were dead, and now we are alive.” People were suffering and dying from preventable diseases, such as malaria, for lack of medicine and lack of physicians. Malaria
had been an immense problem in Iran, and the eradication of that issue was America’s greatest contribution to Iran’s “greater good” as the Mission worked with Iran’s Ministry of Health to achieve short-term as well as long-term goals of a more health-educated and health-conscious society.

Other public health initiatives included mobile health units, which occasionally journeyed through provinces and rural areas of Iran, and educational health-oriented films. American technicians from Syracuse University worked a training program in Iran to produce 80 educational films from 1952-1957. The team used local people as actors to make health educational films on proper sanitation in the home and with livestock, on the training of midwives, on bacteria, on malaria, and other prevalent preventative diseases in Iran.

In the field of education, the Mission sought to establish additional school facilities, more and better trained teachers, improved reading material, and a modern curriculum. The Mission repaired existing schools and built schools where there were none. It stocked educational supplies such as books, pamphlets, maps, and charts in every classroom. When US aid forces entered the country, Iran’s greatest social problem was cripplingly high illiteracy, plaguing approximately 85% of the population, therefore it was the program’s main focus. One source claims illiteracy was as high as 90% in 1949. Point Four’s most extensive educational program was in Iran.

American aid workers organized intensive teacher trainings. Between 1950 and 1956 the number of public schools in Iran doubled and the number of teachers in elementary and high school increased from 17,000 to 36,000. From 1952 to 1961 nearly 33,000 teachers were introduced to the Mission’s summer school teacher training plan. In 1956 the Ministry of Education took responsibility for the teacher-training program, but American professionals continued serving as advisors. Iran’s school curriculum was also subject to change. The Mission and the Ministry of Education fundamentally altered the curriculum to reflect the priorities of a modern day education, modeled after the American public school system. The curriculum’s focus shifted to include vocational training, an emphasis on science, as
well as physical and health education.

In 1950 Iran had approximately two million nomadic peoples, composed of six major tribes. Both the Mission and the Iranian government wanted to bring education and literacy to these tribes without altering their way of life. In 1953 the Mission worked resourcefully with the Ministry of Education to assist in educating tribal children through the implementation of tent schools that moved with the tribes and their flocks. After much discussion, tribal leaders agreed to select several hundred bright young men from within their tribes, all whom had reached at least sixth grade, to undergo training and return as teachers. In the summer of 1953, while the young men were taking part in an intensive six-week teacher training program, the Mission distributed all of the necessary supplies to tribes: tents, portable lap desks, text books, blackboards, pencils, crayons, as well as volleyball nets and other playground equipment. The teacher training was focused on reading, writing, arithmetic, and physical education. Literacy was the main objective.

The idea was to educate and train members of various tribal communities, for as long as time would allow, and return them to their tribes where they could educate the children. Although some tribesmen were hesitant about the educational program’s entrance into their community, seven months into the program Mission officials reported great enthusiasm for the project throughout the communities as well as great pupil progress. Tribesmen expressed so much interest that one chief insisted the school be held seven days a week for eight hours a day, instead of following the normal school schedule. The Mission saw remarkable results; in less than a year, reports claimed over 12,000 students enrolled in 375 such schools and over 1,000 children were able to read and write as a result of the Mission’s tribal schools.

With this initial success, the Mission expanded the tribal educational foundation to include practical work in livestock and agriculture as well as health education. This was significant considering some tribal areas had recently lost 60% of their livestock to disease in a single season. By training teachers to educate tribal communities in proper sanitation practices, disease control measures, and safe methods of first aid and
emergency treatment, common systematic diseases in participating tribes became preventable. According to Point Four reports, tribes not only met these educational initiatives with great enthusiasm, but also received requests from chiefs for an increase in school facilities for the children.

Beside the Mission’s educational pursuits, another promising academic opportunity presented itself at the Shah’s request. In summer of 1958, during his visit to Washington, the Shah expressed great interest in creating an American-style university in Iran while meeting with President Dwight D. Eisenhower. In a letter from Iranian Ambassador Dr Ali Gholi Ardalan to Vice President Nixon, the ambassador reiterated the Shah’s sentiments. “An American-style University situated in southern Iran would afford so many advantages and be of such great benefit to both our countries…to be successful, however, an American-type university must not only be guided by, but also directed by, American educators.” It was at this request that the State Department organized an exploratory expedition through Iran, and chose President Gaylord Harnwell of the University of Pennsylvania to lead the tour. After reporting on the feasibility of establishing an American-style university in Iran, Harnwell and the University of Pennsylvania played a significant role in launching Pahlavi University in the southern city of Shiraz. This series of events resulted in the subsequent friendship of Harnwell and the Shah, culminating in the Shah’s trip to the university in 1962 in which he was granted an honorary law degree.

Beyond its benign manifestations of aid, such as education, agriculture and health, the Mission also became involved in more controversial areas. A division of Point Four in Iran was police and military training, ensuring that “officers have received special riot training to enable them to control rebellion.” But how did military and police training fit under Point Four’s supposed mission of technical assistance to underdeveloped countries? The aid program claimed to champion the elimination of handicaps in underdeveloped areas of the world: eradicating preventable diseases, as well as bringing literacy and sustainable agricultural practices to rural areas. How was the US
After Point Four entered Iran, vaccinations became free and accessible to millions of Iranians every year. Source: USAID archives, “Highlights of the Aid Program in Iran,” (http://pdf.usaid.gov/pdf_docs/PDACQ758.pdf).
justifying the bolstering of the Iranian police force as a tenet of Point Four? Despite this, the Mission received adequate endorsement of the controversial plan by Point Four officials and members of Congress, evident in their approval of American “social aid” applied to a national police force that was already notorious for oppressing the Iranian people. Militant and police strengthening under Point Four was a misappropriation of taxpayer dollars, and an area in which Point Four exclusively pushed its agenda in favor of American interests. In any case, the United States had controversies of its own in the realm of law enforcement during this period. After all, it was American police that unleashed fire hoses and dogs on peaceful protestors and children in Birmingham and college campuses across the nation in the 50s and 60s.

Once the US extended Point Four funds and other forms of aid to Iran, relations between the two countries deepened. In 1955 Iran entered the Baghdad Pact, later renamed the Central Treaty Organization (CENTO), which was established by the United States and Britain to keep Turkey, Iran, Pakistan, and Iraq safely in the Western sphere as a bulwark against communism. This move marked a period of increased tension between Iran and the Soviet Union. For the next seven years the Soviet Union launched vicious propaganda campaigns against the Shah and the Iranian government. Tensions eased in September 1962, when the Shah declared that foreign nuclear weapons were not to be stationed in Iran. Afterwards, Iran began a technical assistance program, and a trading agreement with the Soviet Union, keeping with its habit of requesting and receiving aid wherever it could.

In 1961, the United States Agency for International Aid was established under the Kennedy administration. For Iran, USAID’s entrance simply continued the work of Point Four. Although Iran was still receiving a substantial aid funding, the figures had steadily and subtly decreased since its heyday in the mid-1950s. For the years from 1946 to 1965, the American foreign assistance program reached a cumulative figure of over $117 billion in aid to over 100 nations. Included in this global figure was almost $1.6 billion provided to the Government of Iran to finance mutually agreed upon economic and
military activities designed to promote the freedom, independence and growth of Iran. By 1965, Point Four and USAID funds totaled in $118.4 million in US technical assistance to Iran. Areas of technical assistance included agriculture, community development, education, health, industrial development, labor, public administration and public safety. Beyond technical and social aid, Iran was receiving additional assistance from the United States. “Between 1953-57, the United States provided grants in excess of $250 million, and loans totaling over $116 million to assist the government of Iran survive a period of extreme economic instability,” stated one government report.

From 1951 to 1965 several million Iranians were trained in the educational sector alone. By 1963, Iranian elementary schools had increased by 80%, teachers by 90% and enrollment by 120%. Perhaps this contributed to the Shah’s 1962 decision to replace French with English as Iran’s official second language. Technicians trained teachers in more effective ways of educating, and altered the curriculum to better suit the job market. The number could, however, be even higher given that the teachers trained could have taught others as well. “Self-reliance” projects, focused on helping Iranians to help themselves in various sectors, were spread to every Iranian village; by 1965, over 70,000 projects were supposedly completed. Through conclusive reports, USAID reassured Congress and the American people that the billions of aid dollars were used successfully, significantly improving the lives of Iranians.

THE PEACE CORPS: DEVISING AMERICAN AID AT THE GRASS ROOTS

“In the war of ideas, a war for the minds and hearts of the people, the victor will be those who have thoroughly studied the natives, in particular their psychology which is deeply influenced by an inferiority complex, widespread among the people of Iran.”

“How many of you are willing to spend ten years in Africa or Latin America or Asia working for the United States and working for freedom? How many of you who are going to be doctors are willing to spend your days in Ghana? Technicians or engineers, how many of you are willing to work in the Foreign Service and spend your lives
traveling around the world? On your willingness to do that, not merely to serve one year or two years in the service, but on your willingness to contribute part of your life to this country, I think will depend the answer whether a free society can compete.”

These were the words of John F. Kennedy in 1960, challenging the students of the University of Michigan to do great things, and what many believe was Kennedy’s first proposal of the Peace Corps. By the end of the 1960s, over 22,000 volunteers traveled the world, representing the United States in underdeveloped countries, and achieving the goals of the Peace Corps.

The Peace Corps was an agenda-driven grassroots form of foreign policy, which recruited young, frequently college-educated, well-intentioned American volunteers who sought to make a positive difference in the world. After language and skill training in the United States, volunteers served two years in an underdeveloped country working in agriculture, industry, education, and health. Peace Corps leaders envisioned this form of public diplomacy not to be categorically economic, but rather a cultural exchange initiative from which the host country benefited.

The Peace Corps was both an activity for students seeking public service, as well as beneficial to host communities. While Kennedy, a president focused on foreign policy, envisioned the Peace Corps fulfilling a multifaceted purpose, he had one primary intention. “Through the Peace Corps, Kennedy attempted to project a non-opportunistic image and reinforce the perception of other nations that the primary objective of the United States towards the third world was not ‘to dominate’ but ‘to help.’” The Peace Corps was to fight the Cold War by using “culture-to-culture diplomacy to make friends in nations that had little inherent power but that could without warning become theaters of the cold war.” It was a seemingly ingenious way to entice people at the grassroots level that the American way of life was the best way, and show them the generosity of the United States.

Naturally, Iran requested Peace Corps services and the first group entered in 1962. From 1962-1976, more than 2,000 volunteers went to Iran to foster a positive image of the United States.
Experiences on the Ground

There were volunteers in Iran who gained thoroughly positive experiences, as well as those more troubled by the politics at play. “Any country that has more than three varieties of jam,” volunteer Michael Dereskewicz remembered thinking, “doesn’t need Peace Corps volunteers.” Jest aside, he was a true believer in the Peace Corps and international aid, and valued the personal relationships he cultivated with Iranians. Having had a positive experience, Dereskewicz considered his service a contribution to Iran’s greater good. In an interview, volunteer Jennifer Seaver echoed Dereskewicz’s nostalgia and assenting attitude, but added the obstacles she faced as a female volunteer in a country with more gender inequality the US. Volunteer Doug Schermer observed the tense power dynamic in Iran but that it did not play a large role in his service. “Of course I was able to perceive that I was in a dictatorship and could feel the presence of SAVAK [Iran’s secret police, established by the CIA]. I was aware of the 1953 coup and suspected the worst when it came to the relations between the CIA and SAVAK. But these things were not part of my daily experience.”

Some volunteers stationed in Iran, however, were a more cognizant of the realities and paradoxes in US-Iranian relations, and sensed they were at the rungs of the Cold War. “We were an exchange for tanks, we understood,” volunteer Ricks recalled. Through his experiences, Ricks sensed the hypocrisies in relations, such as the Shah’s prioritization of the military over social reform, which traced back to the negotiations for aid in the late 1940s. On the state of Iran, Ricks remarked that “there was the Iran that benefited from the U.S.-Iranian puppet relationship, the technocrats, and there was the rural poor, the forgotten Iranians.” Some Peace Corps volunteers were aware of the American-backed systematic disenfranchisement of Iranians.

Besides the unnecessary and preventable struggles Peace Corps volunteers faced in Iran, such as poor language and misleading area studies training, volunteers had to win over locals with varying degrees of prejudgments. Some Iranians were hesitant about the Peace Corps—alongside all aid programs to Iran—as it was a challenge to
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their national sense of self-worth, coupled with their general mistrust of the US and the surface-level aid programs. Additionally, with the progressive efforts of the Western-enthusiastic Shah, Iran in the 1960s was not as in-need of such a program as other poverty-stricken nations in the world, and this played a role in Iranian hostility towards US aid. At a time when volunteers were being sent to more destitute areas of the globe, many thought of the volunteers in Iran as unnecessary as Iran’s largest problem was illiteracy, not famine.

Robert Burkhardt, an Iran 2 Project volunteer, recalled the comment of the school principal where he was stationed to teach. “I welcome you to my country. I’m glad that you come to work with us and help us. But we don’t need you Americans. We tolerate you. You think you’re so goddamned superior but our culture is four thousand years old and yours is two hundred years old.”

“We got the impression we were golden boys and girls, clean-cut American youth, off to the Near East to wreak great changes among the backward Iranians,” a Group 1 volunteer said. “When we got here, we found out we were assistants—and in most cases, to Iranians who were as good or better than most of us.”

The discomfort some felt towards the presence of Peace Corps volunteers was amplified by doubts of the organization’s true intentions. Many Iranians were skeptical of the presence of American do-gooders, truly believing the Peace Corps was a conduit for CIA recruits. There was a general suspicion that the Peace Corps was covertly infiltrated with CIA spies; that the Corps was merely a platform for spying on Third World countries. At times, Peace Corps volunteers in Iran ran into trouble with local authorities; some were even detained, but usually for no longer than several days. After all, Iranians had good reason to mistrust the US.

However, it was not just Iranian citizens that were suspicious of Peace Corps activity; the Iranian government, which had invited the Corps, was too. Volunteer Burkhart recalled being steadily watched by Iran’s secret police. “In every class I gave there would be an agent from the SAVAK sitting among the students.” This illustrates the Shah’s deep-rooted mistrust towards the US, as well as the scope
of subversion. Would the spread of idealistic Americans across the Iranian countryside lead to modernity or dissidence?

The Soviet Union certainly suspected foul play in the Peace Corps. There were a number of cases in which workers from Soviet embassies approached and bribed Peace Corps volunteers for information or documents. “In two cases overseas the Peace Corps discovered that the Russian embassy had rented space in offices immediately above or connected to Peace Corps offices with the obvious intention of eavesdropping.”

In 1966, volunteer Thomas R. Dawson, stationed in Iran, was arrested and detained by Soviet forces. He had been traveling to his workshop site in Northern Iran and changed buses in the village of Astara, where the shallow Aral River was the only marker of the Iranian-Soviet border. Supposedly unbeknownst to Dawson, he waded into the river and upon reaching the other side he was apprehended by Soviet soldiers. After being transported to Baku, in Soviet Azerbaijan, he was held for three weeks before his release negotiations were successful. The moment of his arrest, however, Iran had declared him persona non grata. Was he secretly a CIA agent or another American oblivious to the world map?

This stigma against the Peace Corps was a challenge that Director Shriver worked very hard to overcome. With strenuous and comprehensive background checks, the Peace Corps weeded out volunteers who had any history or past relation with the CIA. Returning volunteers were also prohibited from working for the CIA for a five-year “cooling off period.” Perhaps this was overcompensation on Shriver’s part; according to Peace Corps investigations, no volunteer had ever been exposed as an undercover CIA affiliate.

US Aid and the Consolidation of the Pahlavi Monarchy

In 1966, the US Overseas Mission to Iran and Congress believed that obstacles had been overcome, goals had been reached, and progress had been made in Iran. USAID assumed that with apparent political and economic stability, Iran would be able to move forward successfully without continued American technical and social aid. But American aid officials also determined that with Iranian oil revenues reaching new heights, Iran had become economically capable of
undertaking all of the financial responsibilities to continue the projects and progress made during the American aid tenure. In 1967 the US declared Iran a developed country. This marked a turning point in U.S.-Iranian relations; while direct aid was discontinued, American military assistance to Iran increased along side oil revenues. By the early 1970s, Iran had the largest military in the Middle East.

The Committee on Foreign Affairs published a neatly put together pamphlet in 1966 as a conclusive bookend argument on USAID’s departure of Iran. “Iran survived the troubled period of the early 1950s, grew steadily stronger throughout the late 1950s and early 1960s, and is today enjoying political stability, economic growth, and social change unique to this part of the world…the USAID Mission has been deeply involved in the work that has made this progress possible.” By 1966, literacy rates had been improved some from the 20% figure existing when Point Four entered Iran. According to the national census of 1966, 40.1% of males and 17.9% of females of six years or more were literate.

Despite claimed altruistic purposes, however, the missions of Point Four and USAID held a large paradox. Washington tried to foster social progress in Third World countries, while simultaneously attempting to maintain the same status quo that enabled such a government, like the Shah’s regime, to prosper and continue. The American government was not prepared to advocate or support many reforms it had traditionally preached and was ideologically committed to promote. In an article in Conservation magazine, Stanely Cain commented on this very phenomenon. “It often seems that while trying to help the common man through our programs of technical cooperation under Point Four and the like, we at the same time endeavor to preserve the status quo. We sometimes find ourselves in the incongruous role of helping the pot boil while trying to sit on the lid.”

Time and again, American government officials applauded the Shah for sharing the values of freedom, democracy, and liberty in detailed government documents. But in truth, even if Iran was becoming an increasingly progressive country with aspirations of future social modernity, it did not have the foundation of a democratic society. It
had a monarchy, an underrepresented population with a large disparity between rich and poor, and a puppet congress that depended on the Shah’s whim. The Shah’s Western-oriented leadership and government fulfilled American interests both geo-strategically and in oil resources, which was the ultimate goal of public diplomacy efforts. It seems that neither the Shah’s brutal treatment of civilians and fear tactics nor his pocketing of aid dollars deterred the American projected image of a noble and progressive Mohammad Reza Shah.

Point Four’s indisputable conceptual and functional contradictions are visible in the construction of most projects. In an attempt to protect the political and strategic interests of the United States, the program had to place its chief emphasis on short-run, tactical and expedient maneuvers the results of which could be immediately evident. “The objective of the program in the early days,” one Mission official described in 1957, “was to keep the country on an even keel. We tried to keep influential people happy, in power, and friendly to us. We tried to do things that people seemed to like and felt were good for them.”

This paradox also influenced the reach of aid. We see that both American and Iranian interests shaped and hindered the way in which Point Four came to be in Iran. Aid policy makers had to make concessions in project conception and direction in order to gain joint political support from the Iranian Majlis. Had the United States pressed Iran to make changes that would be unsettling to the Iranian government’s stability, Point Four would have no longer been welcome in Iran.

Although Point Four and USAID documents may lead us to believe otherwise, by the early 1960s, many Iranian and American observers expressed doubt as to what was becoming of aid dollars in Iran. Through the 1960s journalist Fred J. Cook wrote of U.S.-Iranian covert affairs related to aid to Iran, all published in The Nation. “Do you know what the head of the Iranian army told one of our people?” Senator Hubert H. Humphrey remarked in 1961. “He said the army is now in good shape, thanks to U.S. aid—and it was now capable of coping with the civilian population. That army isn’t planning to fight Russians. It’s
Point Four and USAID established Iran’s police college, which began training patrolmen in modern police methods. Officers were trained to enforce the Shah’s absolute power on every level of society, a particularly controversial segment of US aid efforts in Iran. (USAID archives, “Highlights of the Aid Program in Iran,” (http://pdf.usaid.gov/pdf_docs/PDACQ758.pdf).
planning to fight the Iranian people.” The Senator said what many were thinking: aid to Iran was being misappropriated, misused, and corrupted. The Senator could have been referring to the way the CIA had established Iran’s oppressive secret police, the SAVAK, or to the direct military aid from the US or perhaps he was referring to Point Four and USAID money being poured into “public safety” measures, and the ramping up of the military and domestic police force.

In 1957 the Committee on Government Operations of the House of Representatives attempted to decipher what became of some $250 million in economic aid given to Iran over the past few years, only to find that it had virtually vanished into thin air. “Our aid,” the Committee reported, “had been administered in such a loose, slipshod and unbusinesslike manner that it is now impossible—with any accuracy—to tell what became of these funds.” The committee claimed that the poor administrative operation of aid in Iran during the late 50s raised suspicions about the integrity of the program’s functionality.

In October 1963, in the first session of the 88th Congress, Senator Ernest Gruening submitted a report entitled “United States Foreign Aid in Ten Middle Eastern and African Countries,” for the Committee on Government Operations. Senator Gruening was very critical of international aid specific to Iran. Recognizing the number of miscalculations, money frivolously wasted in between projects, and lacking enthusiasm from the Iranian counterparts, the Senator believed aid to Iran needed serious reevaluation.

The year the investigation began, there were more than 5,000 incomplete USAID projects. One reflection of this pattern of inefficiency is exemplified in the circumstances surrounding a project signed in 1952, when it was to build and supply equipment for a cloth-weaving factory. Seven years after it was established, since having received more than $4 million in grants and loans from the US, not a single report of economic feasibility had been made, at which point the factory was producing grossly under capacity and hardly cutting even. In 1960 the matter was supposedly investigated in a report, but lacked sources of or thoughtful solutions to the problems. In the case
of a project signed in April 1952 to improve slaughterhouse facilities, the slaughterhouse never reached an operating status due to lack of planning, shifting project direction, and contract disagreements. Senator Gruening’s study states that in 1964, twelve years after the agreement had been made, the slaughterhouse had not been opened yet, and not a single evaluation report had been drafted.

This sort of disorganization and inefficiency was rampant in Point Four’s Mission to Iran. “One wonders whether progress could not have been made faster in Iran if the pace of US aid had been slower, more carefully planned and, especially, with more desire on the part of Iranians for particular development programs.” Iranian leaders’ reluctance to commit to social progress is evident in the time it took the for social reforms to be implemented. While Point Four had been in Iran for thirteen years, advocating modernization, the Shah’s White Revolution did not commence until the mid-60s. Given the Senator’s outlook on the inefficiency of the aid implementation, he ultimately recommended that aid should continue and be concentrated on a smaller number of projects, in support of the Shah’s social reforms.

In 1962, a scandal emerged linking the embezzlement of USAID funds with high profile individuals. Allegedly, USAID dollars had been funneled into the Pahlavi Foundation, the Shah’s personal family fund, and used as bribe money towards Iranian, British, and American dignitaries. Khaibar Goodarzian “Khan,” a wealthy British-educated Iranian businessman and exiled chief of a nomadic Iranian tribe, exposed this scheme; he was both a confidant to the Shah and a former member of British military intelligence. Through an established network of spies in the Imperial Palace complex, Khan reportedly broke into the Shah’s office safe on February 16, 1962. There, he found the set checks from 1962, totaling $29 million, linked to the Shah’s bank account in Switzerland. The ten checks were to be distributed on behalf of the Pahlavi Foundation to members of the royal family as well as foreign personalities such as the American Ambassador to Iran Julius Holmes, CIA Director Allen Dulles, and financier David Rockefeller. With photostated checks, Khan testified before the McClellan Committee on Government Operations in 1963.
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“His [Khan’s] photostated records were checked with Treasury records on the dates of aid payments to Iran and a comparison show that in repeated instances, multi-million-dollar checks to Iran were followed swiftly by multi million-dollar deposits in the account of the Pahlavi Foundation. Teams from the US General Accounting Office were sent to Iran to try to find the schools and hospitals for the buildings of which funds had been specifically allocated [from June 1952-June 1963]. The buildings simply didn’t exist.”

It should come to no surprise that while this investigation was under way, aid to Iran plummeted, from $53 million in USAID in 1962 to just $2.5 million in 1965. The investigation continued until it was finally dropped in 1967; with continuous pressure from the State Department, Senator McClellan finally repudiated the allegations additionally discrediting and deporting Khan.

In the summer of 1965, after Cook’s article was published in *The Nation*, the Shah traveled to request aid from Canada and France, seeing that American funding was reduced so dramatically. While Canadian leaders gave the Shah a cold welcome and rejected his request, General Charles De Gaulle refused to see him at all. The frustrated Shah returned to Tehran for a few days before making an impromptu visit to Moscow and signing a long-term credit agreement of $280 million. The Shah’s calculated action likely resulted in a sobering moment for President Lyndon Johnson, who restored US-Iranian relations by 1967, the same year Iran was declared a developed country.

The scandal only exposed the set of checks from 1962, but by that time aid efforts had been well underway for over ten years. What was the extent of Point Four embezzlement? Although the McClellan investigation was not extensively publicized and charges were never filed, this influenced USAID’s 1966 exit from Iran more than government documents suggest.

**Iran: Benefactor of Aid**

The acceptance of Point Four funds, coupled with other forms of aid, had mixed reviews with the Iranian public. In Mohammad Reza Shah’s 1962 book, he credits Point Four with modernizing Iran. “Taken
as a whole, the work in Iran has provided us with never-failing aid and inspiration in our successful efforts to build a better nation”, the Shah explained. “I am happy to recognize that Point Four has helped us towards the achievements in agriculture, public health, and industry.”

In his book, the Shah communicated his enthusiasm for becoming an allied world power with the United States, linking East and West.

Besides the Shah’s glowing assessment of Point Four and USAID, many articles printed in the 1960s proclaimed that Americans did not understand the first thing about Iran. “Why has the Irano-American cooperation failed to bring forth expected results? In our opinion, the main reason is the Americans’ insufficient and occasionally erroneous knowledge about the Iranians’ unique and complicated mentality,” printed one magazine in 1962. “The road that we have followed on your advice, or those of your advisors, leads nowhere.” Another article attacks the US more fervently; “Point Four and other aids have not been able to turn the immense tide of this propaganda and to show the real motives of the United States government and the American people.” In 1960 the enraged former mayor of Tehran, Arsalan Khalatbari, made his voice heard on the floor of the Majlis. “You have imposed upon us four to five hundred advisors at our expense. You have raised the costs of living in our country. Whatever you gave us in aid we paid your advisors in salaries. Whatever we imported with your aid dollars hurt our own exports.” Members of Iran’s intellectual elite, although oppressed, were more outspoken about aid corruption and contradiction than American aid officials.

While the US seemingly helped to modernize Iran in the fields of education, agriculture, and public administration, it was not enough to appease critics who paid attention to other American actions in Iran. In addition to the CIA covert coup of democratically elected Prime Minister Mossadeq in 1953, with the Shah’s coaxing of Majlis members the Status of Forces Agreement was passed in Iran in 1964. The Agreement ensured American military personnel immunity from Iranian laws. This was controversial in Iran and was cause for many protests and growing animosity towards the US, as well as raised questions about the Shah’s loyalty. Some accused the Shah of imposing
modernization too swiftly and disrespecting religious and cultural traditions along the way.

In 1976, the Peace Corps withdrew from Iran. The reason for the Peace Corps’ exit from Iran was apparently due to the goals of the program had been achieved.90 According to the 1976 national census, literacy levels had improved; 58.9% of males and 35.5% of females above six years old were literate.91 As the focus of the Peace Corps in Iran was raising literacy and most volunteers were assigned to teach, surely the Peace Corps contributed to the raise in rates.

What the reports do not mention, however, is that Iran was supposedly deemed no longer eligible for the Peace Corps. Interestingly, precise stipulations for a country’s eligibility to host the Peace Corps never had existed; it had always been at the discretion of Peace Corps officials with Congressional approval, fluid and subject to change. So if Peace Corps officials or Congress decided to pull the program from Iran, why in the mid-1970s? Given Iran’s heightened oil revenues in the mid-1970s, if leaders wanted the Peace Corps to continue they would have to shoulder the cost. But while government officials welcomed and appreciated the Peace Corps in Iran, they were not prepared to pay for it out of pocket. Perhaps the Shah’s suspicions of the Peace Corps contributed to the exit in 1976.

By 1976, 6.6 million barrels of oil were extracted daily and annual oil revenues reached nearly $25 billion.92 Along with Iran’s oil revenues, its military too had grown tremendously. By 1976, Iran’s military expenditures were the seventh largest in the world.93 Thanks to the United States, Iran had seemingly moved up the world’s food chain. In 1977 Iran was ranked as the largest foreign buyer of American made arms; $5.7 billion worth of arms purchased in that year alone. Between 1973 and 1978, Iran acquired over $19 billion worth of arms from the US.94

Other sources dispute the reason for which the Peace Corps left. According to Elizabeth Cobbs Hoffman’s book, All You Need Is Love: the Peace Corps and the Spirit of the 1960s, the Peace Corps did not leave Iran under questions of funding; Iran asked them to leave. Of the sixteen countries that ever asked the Peace Corps to leave, eleven asked...
the Peace Corps to return. The Peace Corps has never made the choice to leave a country unless volunteers were in serious jeopardy.

With the exit of Peace Corps Volunteers, public diplomacy programs to Iran were terminated.

The Failed Americanization of Iran and the Islamic Revolution

By some measures the aid work done in Iran between 1951 and 1976 proved successful. The American aid extension to Iran was an American investment in a valuable geopolitical region of the world, commencing at the crucial moment when communism was a looming possibility. The Shah ruled Iran in accordance with American interests, making Iran an American surrogate in the Persian Gulf. Over the course of the 25-year public diplomacy period, the United States and Iran became exceedingly close and interdependent, during which time CIA coercion and benevolent aid programs came as an American export package. By leaving in 1976, Washington must have been confident they built a strong ally of Iran while preserving oil interests.

Iranians discontent shattered all illusions of U.S.-Iranian closeness when revolution broke out in 1978, as anti-Shah sentiment exploded. Rioters overran the streets, but this time they had not been paid to do so by the CIA as was the case in 1953. Despite money and military, the Shah fled Iran for Rome in 1979. It was then that Ayatollah Ruhallah Khomeini emerged from the shadows of exile, and returned to Iran.

The Shah’s monarchy was not a sustainable form of government. Arguably, the Shah’s unchecked power, matched with American political and financial support, doomed the regime for failure from the beginning. Festering Iranian discontent with the Shah’s abuses of power may have made revolution inevitable, but perhaps we can credit the revolution’s extremist direction to a reaction against the Shah’s attempt at building a façade of rapid American-prescribed social modernization.

The physical American presence in Iran was noteworthy; between 1944 and 1979 nearly 1 million Americans visited or lived in Iran. In 1977 alone, approximately 50,000 Americans resided in Iran. Besides Foreign Service officers, diplomats, military personnel,
and businessmen, American NGO workers, missionaries, tourists, academics, Peace Corps volunteers, and aid workers were present, filtering in and out of in Iran during the Cold War.

Iran was the first country to receive Point Four funds, the first to experience a CIA orchestrated coup of a democratically-elected leader, the first to teach the United States an important lesson in the corruption of aid funding, and the first to storm the American Embassy, take American hostages and chant “Down with the USA” through the streets. In 1953 the United States had betrayed the Iranian people by staging a coup that eliminated the chance of democratic representation, and in 1979 Iranians returned the favor. What lessons can we draw from the failed Americanization of Iran? Perhaps it is a simple one; that corruption and contradiction-infused American foreign policies may solve short-term problems, but will prove detrimental in the long run, and that aid can buy neither friendship nor stability on the popular front.

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Personal interviews with returned Peace Corps Volunteer from Iran:

Dr. Thomas Ricks, former adjunct professor of Middle East studies at the University of Pennsylvania and the first non-Iranian to meet with Ayatollah Ruhollah Khomeini after the Islamic Revolution, April 2010.

Doug Schermer, February 2011.

Michael Dereskekewicz, March 2011.

Jennifer Seaver, March 2011.

Donna Shalala, former Secretary of Health and Human Services under President Clinton and current President of the University of Miami, June 2011.

Dr. John Limbert, former Deputy Assistant Secretary of State for Iran in the State Department’s Bureau of Near Eastern Affairs and current professor of international affairs at the United States Naval Academy, November 2011.

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3 The other country bordering the Soviet Union was Turkey, also geopolitically important to the US.

4 Stephen Kinzer, All the Shah’s Men: An American Coup and the Roots of Middle East Terror (Hoboken: John Wiley & Sons, Inc., 2008), 49.


7 Mohammad Reza Shah’s father, Reza Shah, took control of the throne and began the Pahlavi Dynasty after operating a military coup in Iran, overthrowing the Qajar Dynasty. In 1941 newly allied British and Russian forces exiled Reza Shah for refusing to expel German nationals, allowing him to abdicate his throne to his 21-year-old son, Mohammad Reza. Before leaving in the late 40s, the Allied forces took advantage of Iran’s oil resources and international railway.


9 The National Front Party was the liberal political party with social democratic values that was led by Prime Minister Mohammad Mossadegh.


12 Ettelaat Magazine (Tehran), June 5, 1950, p. 12, Center for History and Diplomacy, Tehran, Iran.


16 Gasiorowski writing in Mohammad Mossaddeq and the 1953 Coup in Iran,
Edited by Mark J. Gasiorowski and Malcolm Byrne (Syracuse: Syracuse University Press, 2004), page 243.


20 The $19 million is composed of bribes (made out to high profile Iranian leaders as well as the mob members who filled the streets in protest of Mossadegh) as well as forms of subversive “black propaganda,” such as the blowing up of buildings to be blamed on Mossadegh’s political party, or media manipulation accusing Mossadegh of being a communist agent intent on destroying Islam.


22 After the coup, one of the Shah’s yes-men was installed as Prime Minister and US social aid to Iran was slightly decreased.

23 USAID file, “Highlights of the Aid Program in Iran,” Page 17, (http://pdf.usaid.gov/pdf_docs/PDACQ758.pdf). Academic institutions were frequently contracted by the US government to complete technical projects abroad as well as expand area studies and even serve as training grounds for aid workers. Universities involved in aid to Iran include: Portland College, University of Southern California, UC Berkley, Brigham Young University, Utah State University, University of Texas Austin, University of Pennsylvania, Syracuse University, MIT, Johns Hopkins, Harvard University and many others. With the National Defense Education Act of 1957, the government also gave universities grants for the expansion of language, culture, and area studies.

24 USAID file, “AID Economic Assistance to Iran,” 5.


26 Cf. E. E. Palmquist and F. F. Aldridge, “Iran’s Public Health
Cooperative Organization” and “Malaria Control in Iran,” *Public Health Reports* (October 1954).


28 USAID File “AID Economic Assistance to Iran,” p. 27.


30 Ibid., 86.


35 “AID Economic Assistance to Iran,” 24.

36 “AID Economic Assistance to Iran,” 25.

37 USAID File, “Portable Schools for the Tribes of Iran,” page 5, National Archives, Washington, D.C.

38 “Portable Schools for the Tribes of Iran,” page 2.

39 “Portable Schools for the Tribes of Iran,” pages 1-8.

40 “Portable Schools for the Tribes of Iran,” pages 6.

41 Letter from Ambassador of Iran Dr. Ali Gholi Ardalan to Vice President Richard Nixon on August 12, 1958. National Archives, Washington, D.C.


http://proxy.library.upenn.edu:2191/congcomp/attachment/a.pdf?_m=2cf3e95787c20482e46f83804ff1cc3a&wchp=dGLbVzk-
While the United States was the most prominent foreign power aiding Iran, other countries and organizations were extending aid to Iran as well. With varying degrees of program intensity, Sweden, Germany, the United Kingdom, the Soviet Union, the Near East Foundation, UNICEF, and the United Nations were all providing aid to Iran. None of them, however, came close to reaching the high US government benchmark.


USAID file, “AID Economic Assistance to Iran,” 19.


Cobbs Hoffman, All You Need Is Love, 89-98.


Michael Dereskewicz (returned Peace Corps Volunteer from
Iran), in discussion with the author, March 2011.
59 Jennifer Seaver (returned Peace Corps Volunteer from Iran), in discussion with author, March 2011.
60 Dr. Thomas Ricks (returned Peace Corps Volunteer from Iran), in discussion with the author, April 2010.
61 Dr. Thomas Ricks (returned Peace Corps Volunteer from Iran), in discussion with the author, April 2010.
64 Schwarz, What You Can Do For Your Country,” 43.
67 Ashabranner, A Moment in History, 154.
68 I found no mentioning of Dawson in the Peace Corps documents at the National Archives.
70 Hoffman, All You Need is Love, 45.
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William E. Warne, Mission for Peace: Point 4 in Iran, (Indianapolis, Bobbs-Merrill, 1956), 49.


Cook, “The Billion-Dollar Mystery,” 381. The White Revolution was a series of reforms by the Shah, beginning in 1963, which were largely underwhelmed, poorly planned and implemented, and unsuccessful. Gruening, Report of a Study of United States Foreign Aid in Ten Middle Eastern and African Countries, 23-37.

The White Revolution was a series of reforms by the Shah, beginning in 1963, which were largely underwhelmed, poorly planned and implemented, and unsuccessful. Gruening, Report of a Study of United States Foreign Aid in Ten Middle Eastern and African Countries, 23-37.


David Rockefeller, a billionaire grandson of oil tycoon John D. Rockefeller, was a close associate of the Shah’s and a trustee for the Near East Foundation, a development agency for international philanthropy, which gave social and economic aid to Iran (see footnote 57). Rockefeller was also an individual who, unsuccessfully, pushed President Jimmy Carter to allow the Shah’s entrance into the US for medical attention in 1979.

Through various editorials I learned of the Committee’s investigation, but none of the articles documented a source. A Van Pelt librarian and I were unsuccessful in tracking down the investigation’s original transcripts, and we found no printed report, likely a result of the investigation’s termination.

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85 “Foreign Relations of the United States 1964-1968.”
87 A.A. Amirani, Khandaniha, (Tehran), August 25, 1962, pp. 3-4. Center for History and Diplomacy, Tehran, Iran.
88 Ettelaat Magazine (Tehran), August 23, 1962, p. 2, Center for History and Diplomacy, Tehran, Iran.
90 Bill, The Eagle and the Lion, 331.
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95 Hoffman, *All You Need is Love*, 280.
96 Bill, *The Eagle and the Lion*, 381.
97 As history shows, U.S. foreign aid is frequently misused or embezzled; Ngo Dinh Diem, President of South Vietnam (1955-1963), similarly followed this pattern soon after the Shah.