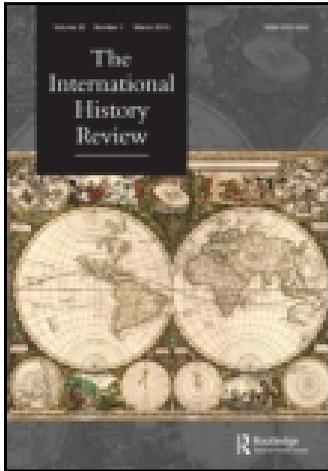


This article was downloaded by: [Duke University Libraries]

On: 06 October 2014, At: 15:28

Publisher: Routledge

Informa Ltd Registered in England and Wales Registered Number: 1072954 Registered office: Mortimer House, 37-41 Mortimer Street, London W1T 3JH, UK



The International History Review

Publication details, including instructions for authors and subscription information:

<http://www.tandfonline.com/loi/rinh20>

'Moral Purpose is the Important Thing': David Lilienthal, Iran, and the Meaning of Development in the US, 1956-63

Christopher T. Fisher

Published online: 07 Oct 2011.

To cite this article: Christopher T. Fisher (2011) 'Moral Purpose is the Important Thing': David Lilienthal, Iran, and the Meaning of Development in the US, 1956-63, *The International History Review*, 33:3, 431-451, DOI: [10.1080/07075332.2011.595232](https://doi.org/10.1080/07075332.2011.595232)

To link to this article: <http://dx.doi.org/10.1080/07075332.2011.595232>

PLEASE SCROLL DOWN FOR ARTICLE

Taylor & Francis makes every effort to ensure the accuracy of all the information (the "Content") contained in the publications on our platform. However, Taylor & Francis, our agents, and our licensors make no representations or warranties whatsoever as to the accuracy, completeness, or suitability for any purpose of the Content. Any opinions and views expressed in this publication are the opinions and views of the authors, and are not the views of or endorsed by Taylor & Francis. The accuracy of the Content should not be relied upon and should be independently verified with primary sources of information. Taylor and Francis shall not be liable for any losses, actions, claims, proceedings, demands, costs, expenses, damages, and other liabilities whatsoever or howsoever caused arising directly or indirectly in connection with, in relation to or arising out of the use of the Content.

This article may be used for research, teaching, and private study purposes. Any substantial or systematic reproduction, redistribution, reselling, loan, sub-licensing, systematic supply, or distribution in any form to anyone is expressly forbidden. Terms & Conditions of access and use can be found at <http://www.tandfonline.com/page/terms-and-conditions>

‘Moral Purpose is the Important Thing’: David Lilienthal, Iran, and the Meaning of Development in the US, 1956–63

Christopher T. Fisher*

“‘Moral Purpose is the Important Thing’: David E. Lilienthal, Iran, and the Meaning of Development in the US, 1956–63,’ examines the complex history of postwar development policy and thought. Instead of focusing exclusively on economic growth, technological innovation, and politics in US modernization efforts, it addresses the role of private interests and the question of intentionality, meaning, and ethics. David Lilienthal’s work in Khuzestan, Iran illustrates the contested nature of postwar development as multiple interests – whether government affiliates, academic think tanks, or private industry – competed for the right to determine America’s approach. As an alternative to the discourse of modernization theory in the 1950s, Lilienthal privileged moral idealism without ignoring the empirical realities in the Khuzestan project. Lilienthal’s ultimate failure illuminates the many sides of postwar development and deepens our understanding of the pressures before modernization theory as it became the dominant paradigm the cold war.

Keywords: Modernization theory; Rostow; moral idealism; development theory; Iran; Cold war; Lilienthal

On 30 January 1957, David Eli Lilienthal, New Deal icon and development entrepreneur, recorded the following insight in his diary: ‘I woke up this morning with a phrase in my mind: The Waters of Hope. A title and a theme ... for these latter-day adventures in the Middle East.’ For nearly a year his company, the Development and Resources Corporation (DRC), had been measuring soil content, debating salinity reports, and gathering an intricate network of subcontractors from around the world in an attempt to assess the feasibility of launching Iran’s second Seven-Year Plan in the oil-rich region of Khuzestan. Until his revelation, however, Lilienthal sat on the fence. ‘What the control of water for the land provides,’ Lilienthal reasoned, ‘is not just a matter of “irrigation technology,” salinity, and soil fertility studies ... There is something more important still. It is the emotional content of these physical developments, the effect upon people’s imagination and spirit. *Hope* [emphasis mine] is not a bad single word to express it.’¹

Lilienthal’s use of ‘imagination’ and ‘spirit,’ abstractions his counterparts in development circles, the modernization theorists who occupied favored positions at

*Email: fisherc@tcnj.edu

I am grateful to Nick Cullather, Neil Brody Miller, David Ekbladh, Larry Grubbs, and the anonymous referees at *International History Review* for their invaluable feedback.

Ivy League institutions and shaped cold-war policy in the 1950s, eschewed as imprecise, unscientific, and even idealistic, reveals a unique side to his thinking that set him apart. As a field, modernization theory was a pastiche of ideas and practices unified by its belief technical expertise and social-scientific knowledge could rapidly solve the most trenchant societal problems, despite context, condition, or history. Nils Gilman makes this point succinctly when he writes: ‘Modernization was a comprehensive and cohesive process that entailed what Max Weber had called “rationalization.”’² Such focus on the objective conditions as the starting point for transformative change in developing communities fostered a consonant shift among modernization theorists between the theoretical and applied worlds. In the divide between ‘thinkers’ and ‘doers,’ modernization theorists were no longer content to be passive witnesses to the world, and thus set out to influence it directly as researchers, analysts, and policy-makers.

Lilienthal was an outlier to begin with, therefore, because he reversed modernization theory’s evolutionary trajectory, starting as a practitioner before developing a theory. Actually, he never parsed the difference between ‘doing’ and ‘thinking,’ the secular and sacred, or even the practical and idealistic. Each was part of a singular modernization process that made abstractions – particularly moral ideals – practical means to objective ends. Marshall Berman recognized this contour in his approach by placing Lilienthal in a small group of twentieth-century developers who saw ‘modernization of the material world as a sublime spiritual achievement.’³

The reach for higher meaning in development, for an indelible stamp on the narrative of human progress, made Khuzestan ideal. Its soil carried the seeds of Western society and the grandeur of Ancient Persia, and Lilienthal sought to weave past and present into a statement that elevated the Tennessee Valley Authority (TVA), the unified development system he helped create during the New Deal, to global historic prominence. ‘Now, in Iran, I have a chance to demonstrate abroad, in the Middle East, the thesis I tried to establish in the Tennessee Valley with some fair degree of result.’⁴ To him the focus was simple: ‘the moral purpose is the important thing.’⁵ More than a way to internationalize his life’s work, Khuzestan offered the chance to preserve the New Deal’s idealism and fasten it to US development aid.

The TVA’s symbolism worked in Lilienthal’s favor. The TVA, and by extension Lilienthal, had special meaning in the US, and policy-makers from the Secretary of States John Foster Dulles to President Lyndon Baines Johnson spoke it with reverence. Dulles, the devout son of a Presbyterian minister, called for a ‘TVA on the Jordan’ to restore the ‘source of three great religions – the Jewish, Christian, and Muslim – which have for centuries exerted an immense influence throughout the world.’⁶ Though such high praise conflicted with President Eisenhower’s belief Lilienthal was a closeted socialist, Dulles recognized that the TVA, as an institution and a concept, reflected a distinctly US narrative of progress.⁷ Michael Adas, David Ekbladh, and Lloyd Gardner have written perceptively about the symbolic importance of a global TVA movement, represented most distinctly by the ‘TVA on the Mekong’ effort, Lyndon Baines Johnson’s attempt to infuse the war in South Vietnam with some of Lilienthal’s innovation and idealism. But, well before Johnson called Lilienthal to Southeast Asia, Iran fell under a similar spell and hoped to take advantage of the TVA mystique.⁸

For Lilienthal, the TVA, like the development process itself, expressed certain truths about progress that were evident in its science, planning, and practice; that linked communities across time and place; and that sought to reshape worldviews through a larger moral imperative. And while he packaged it differently throughout his career, the point never changed: developers must ‘create unity among . . . highly

specialized skills, and use them to carry men toward these ethical and moral goals that have stirred the human spirit through the ages.⁹ When coupled with Khuzestan's historical meaning, the TVA linked to a larger politics of mission that had gained its own mythology during the cold war.¹⁰

A sense of mission, in fact, brought the United States to Persia in the late nineteenth century, as Americans searched for their biblical roots. Missionaries from the American Board, a global evangelical movement out of Andover, Massachusetts, sought them in Khuzestan and their activities in the region jumpstarted a US–Persian legation in 1883. The region gained near-mystical status as a land whose soil connected the US to a sacred past, one older, in fact, than its European origins. Lilienthal borrowed liberally from that imaginary and imbued the TVA idea with the Persian mystique. 'It is here that the ancient Persian kings built the magnificent palaces and cities of Persepolis and Susa,' he would say. 'This region also knew the ancient Elamites one reads of in the Old Testament.'¹¹ Not even the TVA carried such historical *gravitas*, and Lilienthal deployed its symbolism for the sake of obtaining what escaped him in the New Deal – historical legitimacy and significance.¹² In short, Iran was to be his *pièce de résistance*, a way to announce, validate, and expand the missionary underpinning of his development philosophy and raise it as a pillar for US global prominence in the cold war. For those reasons, Lilienthal stressed Khuzestan's historic, religious, and in some respects spiritual, meanings, and even broadcast them to convince others of the project's importance.

Lilienthal was not alone in his ambitions, however. The Shah of Iran, Mohammad Reza Pahlavi, also bet on the symbolic meaning and historical significance of Khuzestan. And as Iran searched for an identity beyond oil and its subordinate role in global politics, particularly at the hands of the British and Russian, not to mention its history of regional strife, the past became its means for creating an autonomous future. The Shah pictured Khuzestan's redevelopment as his stamp on Iran, a feat so impressive it would distinguish him from his father, Reza Khan, whose record of modernization after usurping the Peacock Throne from the Qatar dynasty in 1921 lacked such bold imagination.¹³ National politics and the cold war made the Shah obsessive about security and he spent inordinately to show strength. Khuzestan was a carrot and he believed the grandiosity of the project, Lilienthal's stature as a developer, and its historical relevance, would quiet local dissent and raise Iran's prestige among nations. Therefore, the Plan Organization's invitation came with high expectations, and restoring Khuzestan was pivotal to selling Persian nationalism for all of Iran.

Such a shotgun wedding between the Shah and Lilienthal could not withstand the enormous contradictions and political obstacle, however. Yet, Lilienthal's efforts to rebuild Khuzestan for the sake of reconnecting Iran to its Persian legacy is more than a story of the Shah's failed attempts at modernization; it is also a window into the complex and unsettled world of post-war development in the United States.¹⁴ This paper focuses on the latter. To Lilienthal, Iran was a showcase for the global potential of his development philosophy, 'the TVA idea,' and the moralism implicit in US modernization efforts. Like most Faustian developers, he fell well short of his ambitions. From growing dissidence in Iran, deemed 'relativism from below' and 'reactionary modernism' for its quest to reach modernity through an imagined Islamic past by Fred Halliday and Ali Mirespassi, to his alienation from the modernization theorists in the United States, Lilienthal faced too many hurdles.¹⁵

Still, his travails are insightful as an example of the role abstract, even moral, ambitions played in post-war modernization, which is an important complement to

the recent literature on cold-war development theory that has been so brilliant in its depth and scope. Michael Latham and Nils Gilman, among others, have taken us a long way in untangling the knotty strands of modernization thought, but they leave fascinating questions for us to consider: morality and idealism are but two. Lilienthal enhances the literature by illustrating how moralism informed the planning, installation, and practice of his development philosophy. In some respects, mainly in scope and intent, his vision in Khuzestan anticipated economist Amartya Sen's notion of 'development as freedom' and the uses of liberal capitalism to ensure the fullest expression of human capability.¹⁶ Where the two departed, however, is commentary on the failures of Lilienthal's philosophy and Khuzestan's ability to be a showcase to the West.

The TVA as ideology

The TVA idea was an outgrowth of Lilienthal's life experiences. Long before he agreed to develop Khuzestan, Lilienthal spent his professional and personal life trying to find a workable program of growth that synthesized the disparate parts of his life. Although he hailed from humble beginnings, he could claim heady successes for the son of Hungarian immigrants who settled in Michigan City, Indiana, at the turn of the century. From 1933 to 1945, he was part of a trio that included Arthur and Harcourt Morgan who oversaw the creation of the TVA, a vast regional hydroelectric power system that spanned the 650 miles of the Tennessee River and brought the miracle of electricity and flood control to the nearly two million people in one of the United States' poorest regions. Lilienthal also served as the first chairperson of the Atomic Energy Commission (AEC), among other less notable accomplishments, such as attending Harvard Law School, winning acclaim in the Wisconsin region as an astute public-utilities litigator, and serving on the Wisconsin Public Utilities commission – but none matched what he would achieve after his New Deal experience.

Each experience widened his beliefs and fused them with older progressive and religious sentiment forged in his youth. They evolved into a cosmology that brought together distinct traditions – Jewish humanism and Protestantism – to remake the Puritan myth about the United States' destiny in the world. A 1918 oratory Lilienthal delivered as an undergraduate at DePauw University with the provocative title 'The Mission of the Jew,' exemplifies the contours of this worldview. In the speech, he cast Jews as an enigmatic force in history, spread out by God and fate among the many nations to help bring unity and coherence to a fragmented world. In his words:

It is the mission of the Jew to help establish among men, as the inexorable principle of all life, the law of unity. The mission of the Jew is to teach reunion, the refraternization [sic] and internalization of mankind; to make all men feel that they are one . . . that is the mission of the Jew.¹⁷

Lilienthal's Judaism bore striking resemblance to the Protestant work ethic in function and intent. And, while we can attribute some of this message to the Methodist bent of DePauw University, he was tapping into beliefs much older.

Nevertheless, Lilienthal's cosmology did bridge the sacred and the secular, creating a philosophy of 'progress' founded upon individual deeds, character, and faith, not economics theories, political systems, or religious dogma. Lilienthal's

beliefs were so integrative that they anticipated Bruce Barton's *The Man Nobody Knows* and constructed the Biblical Jesus as a model for mission and development. 'To me, the great glory of the life and teaching of Jesus of Nazareth,' he confided, 'is that he did not preach an organized dogma or institution, but an inner faith, a life within, for individual human beings.'¹⁸ This evolving sense of mission provided a framework for Lilienthal's work as a labor lawyer, his publications on regulating public utilities in the *Harvard* and *Yale Law Review*, his writings in the *New Republic*, his leadership approach on the Wisconsin Public Utilities Commission, and his decision to take up the challenge of the Tennessee Valley in 1933.

For him, the TVA became a living manifestation of mission and development. It combined innovations in resource management, hydrology, and engineering to light up the region, develop its industry, and expand the employment opportunities of those still living as peasants. The effects were comprehensive and self-sustaining: better jobs meant an infusion of local capital for the educational system and infrastructure; better education meant increased property ownership and enlarged tax revenues; and increased ownership meant greater political participation throughout the region. The TVA functioned like an institutional shield whose paternalistic hand promoted economic growth and co-operation but not at the expense of the individual. To Lilienthal that represented the promise of modernity.

Lilienthal believed that greater governmental efficiency for the region's poor was a true revolution in both the human condition and their way of thinking. In Lilienthal's words: 'No longer do men look upon poverty as inevitable, or think that drudgery, disease, filth, famine, floods, and physical exhaustion are visitations of the devil or punishment by a deity.'¹⁹ Like modernization theorists who would follow him, technology played a significant role in Lilienthal's evolving program and fostered what Adlai Stevenson would later coin as a 'revolution in rising expectations.' As an institution, therefore, the TVA carried all the effects of modernization theory well before modernization hardened into the dominant paradigm of the cold war.²⁰ To Lilienthal, the TVA's success validated his beliefs about civil society and role of the public servant, and was consistent with his evolving philosophy that placed humanism at the core of democracy.

The fullest elaboration of the TVA idea came in Lilienthal's 1944 publication *TVA: Democracy on the March* and *Big Business: A New Era* released in 1953. Both monographs contained the optimistic tone that characterized the New Deal, consensus history and politics, and the emerging modernization theory trend, just as they reflected transformations in this thinking since at least 1939. Nevertheless, the two books outlined the basis for the philosophy he would take to Iran. In his 1944 publication, Lilienthal argued the TVA dispelled fears that comprehensive development projects, even ones in the hands of government, threatened democracy, and as such reshaped the domestic political culture. The TVA's distinguishing feature, which separated it from other integrated systems, particularly Soviet socialism, was the control it granted to local communities at the core of its network of facilities. That set-up diffused knowledge, decision-making, and power without altering the nature of business or the economy, making it democracy in action. The approach underscored an ethical strain in his work, a point sermonized in a 1946 address entitled, 'Science and Man's Stewardship,' as the 'diffusion of power, and a safeguard against the use and abuse of the power of one man over others.'²¹ Hence, as it evolved, the TVA idea represented a system of interlocking institutions

organized at the top but governed by local communities and businesses. He called the idea ‘grassroots democracy’ at work.

Despite the claim power rested in the hands of local communities, the TVA idea looked suspiciously like socialism to many, which led to political backlash from Southern politicians. The most notable instance occurred during Lilienthal’s confirmation to the Atomic Energy Commission in 1946. Tennessee Senator Kenneth McKellar leveled devastating charges of communism in the TVA and demanded Lilienthal declare where he placed his sympathies. In the explosive political atmosphere of the early cold war, Lilienthal stood firm and maintained that his work was consistent with the United States’ democratic tradition. ‘Modern democracy is not just a form of government,’ he preached. ‘Democracy is a way of looking at life. Democracy is concerned with fundamental principles of human conduct by which men judge what is good and what is evil, principles old and worn with centuries of thought and trial.’²² The TVA’s innovation rested in the access it provided ordinary citizens, not just the elite or political leaders, to the levers of progress.²³ What is ironic, or perhaps symptomatic of the Progressive generation, is Lilienthal’s rhetoric of inclusion never quite worked out as he imagined. Whether it was African-American participation in the TVA or Iranian control of development in Khuzestan, power neither trickled down nor dispersed out.²⁴

Lilienthal gave such a commanding performance at his AEC confirmation he published it in 1949 under the title, *This I Do Believe*. Though the book was diminutive in size it offered a fuller elaboration of his belief that ‘the basic source of the strength of American democracy does not lie in an “economic system” . . . They go deeper still: they are ethical and spiritual.’²⁵ Nevertheless, the political battles he fought during Truman’s presidency hastened his departure from government and led to the creation of the Development and Resources Corporation in 1955. A subsidiary of the prominent Wall Street investment firm Lazard Freres, DRC fused the unique qualities of the modern corporation, namely its cultivation of leadership and expertise, innovation in research and investment, rewarding of individualism, subordination of conflict within an organizational structure, bureaucratization, and focus on consumerism, to the TVA idea. Lilienthal announced his corporate revelations in a book-length essay, *Big Business*, published in 1953.

The Development and Resources Corporation was that big business. It provided development counseling and services, while also managing resources for its client nations. From 1956 to 1966, DRC handled contracts throughout the world, most notably in Colombia, Pakistan, and India, for both private enterprises and governments. With DRC the ‘TVA idea’ became a TVA system, and in Khuzestan, Lilienthal translated the two into an expression of the US mission to fulfill John Winthrop’s 1630 prophesy of ‘city upon hill.’ References to the ‘city’ metaphor saturate his addresses to the public, but in ‘The Mission of the Jew’ and ‘Science and Man’s Stewardship’ speeches, its resonance is particularly deep. In the latter, the city trope frames a flourishing conclusion that stretches the notion of mission beyond US shores and calls for a new city:

For together we must seek the light and together follow the light, hoping and believing that beyond this night’s darkness, lies neither destruction nor slavery for the Children of God, but instead a city of freedom and of peace toward which it is man’s destiny to strive.

It was in this spirit Lilienthal reported to the Plan Organization director, Abol Hassan Ebtehaj, that DRC would set up shop in Khuzestan in March 1956. It took

him a year to integrate fully Khuzestan into his development philosophy. When he did, however, Khuzestan stood on its historical importance above all else.

TVA in the Persian Holy Land

When the *New York Times* broke the story of David Lilienthal's union with Iran on 29 March 1956, the *Times* reported it as two traditions – one ancient and the other contemporary – meeting in a young regime that had gained cold-war relevance by its strategic location, falling just below the Soviet Union and hugging a border unresolved since the fall of the Ottoman Empire, and vast oil reserves. The *Times* was specific, however: if Iran were to make a cosmopolitan turn, Khuzestan was key. Its description of Khuzestan as a land that 'correspond[ed] largely to the pre-Christian kingdom of Susiana and in part to the land described in the Bible as Elam' made that point clear. Widening the historical lens, the *Times* continued: 'Its principle city, Susa (Shushan), became the capital of the vast Persian empire under Darius nearly 2,500 years ago . . . Once the fertile lowlands of Susiana produced great quantities of grain. According to the historian Herodotus, the province supported 10,000,000 persons.'²⁶ And the *Times* was not alone, *The Washington Post* also waxed historic: 'Some 2500 years ago, the Achaemenian kings, founders of the Persian Empire, had established their capital at Susa, in the heart of the great Khuzestan plain. By 500 BC, Darius had built enormous canals from the five rivers that course through the province.' Though Khuzestan was 'hot, barren, ugly, and impoverished,' the *Post* added, it was certain Lilienthal had the unique 'industrial trimmings' to make the desert 'bloom like a rose, and sprout factories as well as field crops.'²⁷

The announcement struck the right chord. It was consistent with a religious wave washing over the United States, the result of cold-war politics and the anxieties of mass society and unbridled consumerism, but it also appealed to a mystical faith in progress in the United States that had changed perceptions of history and the physical universe. As historians Seth Jacobs and Andrew Rotter have demonstrated, religion gained a new vogue in a manner not seen since the second Great Awakening, and its influence was broad and consequential, particularly in the Eisenhower administration. From 'prayer breakfasts' to the decision to replace 'E Pluribus Unum' with 'In God We Trust' and invoke 'Under God' in the pledge of allegiance, Eisenhower and Dulles worked the language of religion into the official record and used religiosity as a standard for identifying foreign allies and threats.²⁸

Yet, when translated into politics and cold-war diplomacy, 'progress' shaped US foreign policy decisions, not the language of Christian mission, and development aid became an important means of containing Communist influence. Whether the Point IV program, Harry Truman's economic and technical aid initiative, or the People-to-People program, Eisenhower's effort to involve the US public as cultural ambassadors in developing nations, progress was the underlying theme, even as the programs moved between government and private industry.²⁹ The Soviet Union's emphasis on development and technical aid following the death of Joseph Stalin in 1953, the creation of hydrogen weapons, and the onset of an economic recession in the US, spurred debate about the United States' approach to the cold war. Development assistance emerged as a remedy, but it also initiated the first meaningful contact between the Eisenhower administration and modernization theorists. Walt Whitman Rostow and Max Millikan, Massachusetts Institute of Technology (MIT) faculty, members in the Center for International Studies (CIS) think tank, and pioneers in

modernization theory's leap into the world of policymaking, leveraged their expertise in economic history and thought with Eisenhower's former special assistant and vice president of *Time* magazine, Charles Douglass Jackson, and offered a potent argument for investment abroad. Though '[s]hooting from the hip' when presented with Jackson's long-term economic plan, Eisenhower agreed in principle and set events in motion that created the International Cooperation Administration (ICA) in 1954, pulled Rostow and Millikan closer to policy-making, and gave private industry a substantial role in shaping cold-war diplomacy.³⁰

Thus, modernization theory arrived in a new era of cold-war politics. And while it contained different strands thought, modernization theory gained intellectual coherence from its common point of origin at Ivy League universities and elite research institutions, on the order of Harvard and CIS, and the assumptions following that culture. As a system of thought, it was an incarnation of MIT theorist Talcott Parson's theory of convergence, which sought to integrate development's disparate components – its science, engineering, finance, psychology, and the like – into a unified response to 'pre-modern' or 'traditional' societies. As ideology, it drew from the parables of mission and civilization used by politicians, policy-makers, entrepreneurs, and social activists to usher the United States' transformation from a small republic to global hegemony. As policy, modernization sought to gather a vast spectrum of human, political, financial, and intellectual resources – from engineering to investment capital – to breathe new life into societies left in the wake of Western development.³¹ Lilienthal gained tremendously from modernization theory's prestige and influence as he took his show abroad. But he must have also taken some delight in the knowledge his work in the New Deal legitimized modernization's place in policy-making circles.

In other ways the announcement's imagery was misleading. For example, its suggestion the Khuzestan project was a pioneering effort obscured the complicated politics of US-Iranian relations, just as it blurred the delicate line between history and mythology. Lilienthal was not the first US developer to try his hand at Iran, though he would be the twentieth century's last. At best, he was fifth in a succession of 'chosen instruments,' to quote Linda Qaimmaqami and Emily Rosenberg, that included such notables as W. Morgan Schuster (1911), Arthur C. Millspaugh (1921 and 1942), H. Norman Schwarzkopf (1941), and Max Thornburg (1948). Early advisers came for decidedly different reasons, but invariably, with the exception of Schwarzkopf, it was to turn what Iran had in abundance – desert, sand, and oil – into sustainable materials for a functioning, independent Iranian state. They had little interest in the comprehensive development approaches that characterized Lilienthal and his modernization-theory counterparts. They also came at times of ambivalence, when the United States chose to keep the fledging nation at arm's length, though it still held concerns about oil diplomacy or acted under proto-cold-war strategy.

When the DRC arrived in Iran, therefore, it was by no means a pioneering effort. In fact, Americans had been in Iran for nearly a century before Lilienthal arrived, and as in Africa and China, the first modernizers came as Christian missionaries, an outgrowth of the Second Great Awakening and the burgeoning Social Gospel movement, bent on 'moral renovation' of the Middle East with the US as the model.³² Missionaries also were the catalysts for official US relations with Iran well before the Constitutional Revolution in 1909, which opened the door for their secular counterparts, such as W. Morgan Shuster, the first technical adviser to Iran, and the Morris Knudsen Company.³³

Religion, private-sector development, and diplomacy triangulated in Iran long before Lilienthal entered the scene, therefore, and influenced its rise as a modern

nation-state. What cemented this trio's role in US-Iranian relations were the economic and technical advisers, managerial professionals as Emily Rosenberg calls them, who set out to legitimate and 'rationalize' global markets for the sake of US business. These individuals mattered insofar as their record of structural change within host nations, whether in the form of financial systems or roads, produced results; but they also mattered as symbols of Western morality. Rosenberg identifies this connection when she calls advisers and markets 'moralizing agents that improved, rather than degraded, individual character,' and considers both 'part of an expansive vision of American civilizing mission and the inevitability of market-driven progress.'³⁴ Through their role as advisers, these individuals became a necessary link in the relationship between Christian missionaries and liberal capitalists who used the language of efficiency, science, and progress to conflate the secular and sacred. For Iran, that process began with W. Morgan Shuster, a founding father of the United States' financial missionary diplomacy who preached the gospel of open markets and private-sector investment as an alternative to direct government involvement.³⁵ In 1911, Shuster benefited from Iran's sense of insecurity, which compelled Iran to court US attention in the hopes of finding a buffer between its traditional antagonists, Russia and Great Britain. Still, Shuster could never attract the level of interest from foreign investors as his successors.³⁶

Whatever their tactical aims and however one measured success, Lilienthal's predecessors could never close the distance between the sacred and secular sides of development, in many ways embodied by the American Board, because they never made a conscious effort to connect Iran's historical meaning with modernity. Instead, advisors like Max Thornburg, an 'informal diplomat' with deep roots in the oil industry and connections in the State Department, relied primarily on structural explanations and confined modernization to purely economic and technological solutions. This approach also blurred the line between development and economic exploitation, fueling nationalism. For example, the Overseas Consulting, Inc. (OCI), an advising consortium Thornburg recommended in 1949 to address structural limitations to Iran's Seven Year Plan, hardened local feelings against the Anglo-Iranian Oil Company and incited a backlash instrumental to the ascent of Prime Minister, Mohammad Mossadeq. Thornburg, somewhat a structural missionary, nearly destabilized Iran with the delicate line he drew between the politics of development and the realities of oil.³⁷

Those tensions took on new meaning in the cold war. President Truman and Secretary of State Dean Acheson singled out Iran as a beachhead for US cold-war interests and the newly established state of Israel in the Middle East, and backed their support with development aid to prop up the Shah's young regime. Due to those concerns, the State Department elevated Iran to priority status and recognized Iran as a regional linchpin, along with Greece and Turkey. As conditions worsened in Iran with the nationalization of its oil industry, the cold war shaped US perceptions of Prime Minister Mossadeq.³⁸ It was a point Acheson made abundantly clear when he viewed Mossadeq's actions solely through the prism of national security. '[O]ur concern for independence, sovereignty and territorial integrity of Iran is no less than our concern for independence, sovereignty and territorial integrity of Greece and Turkey,' both of which stood at the center of US cold-war policy.³⁹

Despite such acute concern, Iran's proximity to the Soviet Union and its unpredictable political system militated against a forceful show of direct US influence in the nation and tempered the United States' cold-war plans in the region.

Thus, the United States dramatically reduced its funding, causing a reciprocal shift to private sector investment in US–Iranian relations.⁴⁰ As James Bill aptly notes, the United States believed the ‘panacea to all problems was considered to be the drive to reach take-off points to self-sustaining economic growth. American leaders emphasized the need for economic planning and rational administration.’⁴¹ The core of the United States’ development aid came from the Point IV funding; by 1956 this amounted to over 3,000 technical assistants in Iran, working in everything from school buildings to water wells to highways, and a monetary commitment of over US\$100 million. In Point IV, Truman envisioned a co-ordinated and vast response to underdevelopment. But in practice it was jumbled and shallow. As the Congress reported in 1957: ‘United States aid and technical assistance in Iran, which between 1951 and 1956, totaled a quarter billion dollars, were administered in a loose, slipshod, and unbusinesslike manner . . . The resulting opportunities for waste and loss of funds were considerable, but the extent to which loss and waste actually occurred cannot be determined since management practices and control were so poor. . .’⁴²

Mismanagement, waste, and collusion fostered deep suspicion and doubt among potential investors, especially the World Bank. Mossadeq’s actions between 1951 and 1953, namely the nationalization of the oil industry and his attempts to pry military control from the Shah, amplified fears in the West and jeopardized the prospect of development aid. And in an attempt to salvage the deal, Hector Prud’Homme, the World Bank’s Iranian representative, offered Lilienthal to Iran. Prud’Homme knew Lilienthal from the New Deal and DRC’s subsequent work in Africa, Asia, and Latin America, and considered him the safe alternative to another round of inept development companies. Plan Organization director Ebtehaj and the Shah, therefore, received DRC with the high endorsement of the world’s premier lending institution and by its most exclusive investment firm, Lazard Freres, in hopes that Lilienthal’s corporation possessed the right alchemy of expertise, discipline, and vision to set Iran’s development in motion.

Dismal conditions on the ground in Iran and the regime’s cold-war outlook beset Lilienthal’s task with challenges, however. Most of the nation’s twenty million lived outside its cities in poverty and squalor, where disease, illiteracy, and political disengagement were the norm – and only 750,000 children attended school. Complicating matters further was the lost revenue from British and Russian invasions in 1941 to protect its oil routes and supply lines during the Second World War, and Russia’s reluctance to withdraw thereafter.

Lilienthal stepped into this environment in 1956, a fluid situation complicated by the Central Intelligence Agency (CIA)-orchestrated overthrow of Mossadeq, the Shah’s obsessive investment in US military weaponry, his creation of the Sazeman-e Ettela’at va Aminyat-e Keshvar (SAVAK) is Farsi for the National Information and Security Organization, and Iran’s robbery at the hands of US contracting firms: all were the collateral of Mossadeq’s decision to nationalize Iranian oil. Additionally, crises on the home front, marked by the United States’ rightward turn in the cold war, Dwight Eisenhower’s emphasis on covert activity and nuclear brinkmanship, the institutionalization of anti-communist demagoguery in House Un-American Activities Committee (HUAC) hearings, and an intellectual retreat among social scientists to the hard-edge theories of modernization, intensified the conditions in Iran and gave development added urgency.

Khuzestan's architecture of the sublime

Two factors made Khuzestan ideal for a TVA-type program: first, it had enormous untapped natural reserves, even outside of its oil deposits; and second, it offered 'psychological and symbolic' conditions important to recapturing the promise of Iran's ancient Persian past.⁴³ DRC's proposal, 'The Unified Development of the Natural Resources of the Khuzestan Region,' came out of an extensive survey of the province's hydrology, geology, and agrology that sought, among other things, to lay the groundwork for translating Iran's mythic past into the TVA's development strategy. The proposal called for an integrated system built upon fourteen dams, the highest of which spanned the Dez River and rose 620 feet from the ground. The size and scale matched its output, listed at 6.5 kilowatts of hydroelectric power and 360,000 acres of irrigated farmland, all at an estimated cost of US\$160 million. By envisioning the Dez Dam in such a monumental way, Lilienthal ensured it would be a grand sight from afar and placing it in an exclusive company of structures throughout the world eclipsing 600 feet before 1960.⁴⁴

Size alone could have made the Dez Dam a monstrosity, but its appeal to modernity, through simplicity of design and efficiency of function, lifted the project beyond engineering to art. Ada Huxtable, the first architectural critic for the *New York Times*, noted the intersection of design, function, and art when she described the Dez as one of '195 smashing examples of monumental and literally earth-shaking constructions' in the twentieth century that together form 'a catalogue of 20th century structures for 20th century needs achieved by 20th century means.' Speaking about engineers in general, Huxtable put Lilienthal in such novel and transhistorical terms it is worth quoting at length:

Engineering is a utility art but beauty is often a part of the utility, and when the two combine . . . the statement is overwhelming . . . The overwhelming scale and the power to change environment frequently give the work of the engineer an awe-inspiring magnificence. He is quite capable of redesigning the earth and redirecting its resources . . . [I]n this godlike role he creates a Dez River Dam in Iran, a thin arch of double curvature 646 feet high, its concrete mixture of greater compressive strength than the rock of surrounding canyon walls, so that the dam should theoretically last longer than the site itself . . . As art, the work of the modern builder outdistances the total technology of the past.

What Huxtable would consider 'the architecture of the sublime' after its completion in 1964, Lilienthal saw as an essential feature of its symbolic meaning at the beginning of the project.⁴⁵ He dreamed big and had every intention of chiseling *friezes* into the very walls as a statement to Iranians of 'what *their own artists* [sic] might be able to do.'⁴⁶

With such an outlook, the Shah and Plan Organization extended unprecedented control over the Khuzestan project to DRC, control that even outdistanced what Roosevelt allowed Lilienthal under the New Deal. The approach also was consistent with the only condition attached to the deal: that the DRC train Iranian technicians who could eventually assume control. Schuster, Millsbaugh, and the Morris Knudson Company taught Iran the value of cultivating its own professional-managerial class to take the reins with the wreckage they left behind, and Lilienthal agreed. Local control was the TVA idea's principal aim, so he gladly accepted and organized the Khuzestan Development Service (KDS), as an indigenous service agency, to train Iranians for eventual control.

The Development and Resources Corporation signed the first of three contracts to modernize Khuzestan in December 1956, fully aware of its hopes and expectations, yet blind to the approaching troubles. Iran went into a tailspin due to Tudeh Party agitation and a foreboding economic outlook. The Shah responded with fiscal cuts to Plan Organization appropriations, mainly to ease International Monetary Fund (IMF) concerns about government waste, but also to answer a growing chorus of critics in the Majlis outraged at the influence DRC had in Iran's development. Thereafter, the Shah created his CIA-trained and supported intelligence and security operation, the SAVAK, that brutally crushed dissent at home, and diverted his attention further away from development.

Thus began a downward slide that would unseat Plan Organization director Ebtehaj, reorient KDS toward the Majlis, shift emphasis to military spending, and distance Lilienthal from the project. Lilienthal fully appreciated the uncertainty that came with the cold war and believed DRC was a servant to its politics. He did not anticipate its ability to upend the Khuzestan project before it got off the ground, perhaps because he considered his work part of the United States' response to Soviet socialism. Eisenhower and Secretary of State Dulles, facing concerns about the Baghdad Pact of 1955, the machinations of Gamal Abdel Nasser in Egypt, the subsequent Suez Crisis and war with Israel, and the revolution in neighboring Iraq, however, thought otherwise.

Under the auspices of the Eisenhower Doctrine, the United States took a more hands-on approach to the Middle East following the removal of Mossadeq, which in many respects came at Lilienthal and DRC's expense. Although there was an explosion of private organizations that did the United States' bidding through unofficial channels, Eisenhower considered DRC's work an impediment to US national security interests. The disdain was personal as well. Eisenhower had deep reservations about Lilienthal himself, whose response to a question regarding Lilienthal's allegiance to the US he found unconvincing at the AEC confirmation hearings. This sentiment prompted Eisenhower to deride him as the architect of an elaborate system of 'creeping socialism.' To a cold-war pragmatist like Eisenhower, Lilienthal's celebrity and idealism undermined any chance for meaningful collaboration or support.

The funding snags that appeared so abruptly undoubtedly were a consequence of the treacherous political landscape, but the World Bank introduced DRC to Iran with the hopes Lilienthal might institute a workable development program and demonstrate leadership capable of bringing it to fruition, so its overall commitment seemed assured. The relationship between the Bank and Iran was inveterately troubled, however, due to the tensions that existed within the Iranian government. The pressures placed on the Shah were personal and political, as Ebtehaj's rigid management style and abrasive personality chafed the Majlis. Prime Minister Manoucher Eqlbal, waged a vendetta to undercut the Plan Organization's power and force Ebtehaj from office. The ugly drama played out at the same time Iran experienced a precipitous drop in oil that lasted until 1960.⁴⁷

Just before Ebtehaj's ousting and imprisonment, Lilienthal woke to the troubled political climate. The Shah's obsessive investment in US weapons began to alarm Lilienthal, and privately he decried what was quickly becoming a missed opportunity to seize the historic opportunity. 'The basic truth is not that there is a "financial stringency" of a temporary character but that the present Government does not believe sufficiently in putting development first to see to it that such funds as they

have are put in for that purpose over the other.⁴⁸ When Lilienthal agreed to develop Khuzestan he was working in a context that motivated his generation, a desire to find, in William James's language, a 'moral equivalent of war.' Development had been his avenue, and now the Shah was rendering that moot. By 1959, it was evident the Shah was trading the ploughshare for the sword.

With such pressures, DRC desperately needed external funding to compensate for Iran's retreat. Although the Shah, Prime Minister Eqbal, and new Plan Organization Director, Khosrow Hedayat, gave Lilienthal every assurance the Khuzestan project was going as planned, he suspected otherwise. Lilienthal lamented that the Majlis had taken them 'farther and farther from the original unique D&R concept of integrated development,' and the new Plan Organization intended to bog DRC down in the minutia of planning that kept them from the exciting part of modernization – refining the ideas that framed its long-range vision. It was the ideas, after all, that brought him to this desolate region of the world to remake an ancient land.

When DRC finalized the World Bank agreement in July 1960, and the Bank released the first \$42 million in funding for roadways and tunnels connecting the Persian Gulf to the Dez that September, the Khuzestan project had drifted into a new decade and a newer articulation of the cold war, one more conducive to Lilienthal's outlook and plans. John F. Kennedy's 'Decade of Development,' a self-conscious effort to wage the cold war at the local level and win the hearts and minds of developing nations, set a new agenda for US policies abroad that reconnected it with the mythology of its missionary purpose. The administrative change also softened the World Bank's position on the terms of its funding, generating a sense of momentum not seen since the earliest days of the project. Kennedy's presidency also brought Lilienthal in direct contact with the architect of US development policy, Walt Whitman Rostow, and the relationship would illustrate the tension between modernization theory and the TVA idea.

TVA idea meets modernization theory

Months before the 1960 election, Rostow and Lilienthal had a series of run-ins that came by way of influential New York Democrats, Congressman Jonathan Bingham and former Governor and Senator Herbert Lehman, who organized a meeting that September as part of a group designed to draft a 'serious' statement for Kennedy's foreign policy. The 'conference,' as they called the meeting, assembled a heady group of intellectuals, including Max Millikan, Rostow's MIT colleague and co-author of his 1957 book, *A Proposal: Keys to Effective Foreign Policy*. As a self-described agnostic on the effectiveness of theorists as developers, however, Lilienthal's presence was unusual but not a mistake. Shortly before the conference, he had reached out to JFK in a letter and remarked on deficiencies in the 'functioning realities' and 'moral imperatives,' in his words, of the candidate's platform for overseas development. Sensing a new direction in US foreign policy but one heavy on theory, Lilienthal offered his services as a man with 'methods that not only give physical results but do so for democratic ends and humane purposes.'⁴⁹ Kennedy's response was the Bingham-Lehman conference invitation, which took Lilienthal behind the curtain of what quickly was becoming Kennedy's Camelot, and what he found troubled him greatly.⁵⁰

The Bingham-Lehman conference would not be his last encounter with either Rostow or Millikan. In many respects it foreshadowed a much closer dialogue on theory and practice between Lilienthal and his modernization-theory counterparts in

the coming months. At each turn and every meeting Lilienthal sank deeper into his conviction development hinged on the act of doing, not just thinking – and on applied knowledge, not just theory. His critique cut to the heart of tensions between practitioners and theorists, and he singled out economic theorists as particularly disadvantaged. ‘Underdeveloped regions of the world,’ Lilienthal argued, ‘have long been the subject of innumerable studies, surveys, paper “programs” and highly theoretical discourses about economic development.’ And ‘studies are necessary to a point. But studies that do not have *action as their basic purpose* are sterile.’⁵¹

The point came across rather graphically to Rostow who, after expressing admiration for Lilienthal’s ‘wise and level-headed’ observations at the Bingham-Lehman meeting, invited him to dinner just before Kennedy’s election.⁵² At dinner Rostow presented a draft of Millikan’s plan for foreign-development initiatives. After a close review, Lilienthal panned it. While he believed Millikan’s fundamental argument was sound – reduce emphasis on the overburdened United Nations and assume responsibility for developing nations – he also thought it lacked innovation. Additionally, Lilienthal noted that the proposal had the feel of a seminar paper and would not work as policy. Rostow acknowledged the academic tone of Millikan’s plan, but he reminded ‘it was that kind of paper because they didn’t know about execution.’ That was precisely Lilienthal’s point.⁵³

For Lilienthal, a developer had to be in the field adapting to conditions as the environment dictated, not ‘glamourizing of what are the best [analytic] tools’ nor savoring what such devices produce. ‘The degree of confidence some people tend to put in their magic is misplaced,’ he advised.⁵⁴ And such theoretical devices obscured the moral intentions of the modernization by weighing it down in dense language and heavy concepts. If the objective was to transform the spirits of host communities he reasoned, it ought to be transparent. Development, Lilienthal argued, was more than ‘an exercise in systems analysis or econometrics.’ People mattered, and their ethical sense was the missing variable that made the modernization equation work. ‘Men are not guided missiles,’ he maintained. ‘[T]o guide human beings takes [*sic*] not systems analysis, but human understanding and a sense of history.’⁵⁵

Consistent with his belief in the moral and human dimensions of modernization, Lilienthal argued the person on the ground had the power to inspire change in host communities. The key to success was effective management, but that required individuals who could,

translate into reality the vision and dreams of poets and artists, to bring to actual fruition in men’s daily lives the aspiration of social reformers, the theories and concepts of scholars and economists – and bankers – the stirrings in the hearts of the compassionate, the desperate need of the hungry, the shelterless, the sick and heavy laden.⁵⁶

It was a lot to expect of a developer, and as such required a ‘mystique that aroused people’s spirits, their stamina, their imagination and ability to get things done.’⁵⁷ Modernization theorists lacked such care, insight, and ‘mystique’ he maintained, because of their inability to look beyond theory to the moral underpinning of their work.

As the 1960s wore on, Lilienthal argued passionately against the ills of the United States’ development approach under Rostowian intellectuals at any technical venue he could find. Lilienthal launched a shadow movement against modernization theory that challenged its very assumptions and even mirrored its language and imagery.

When Kennedy adopted Rostow's theme, 'Decade of Development,' Lilienthal countered with his own take on the period called the 'Decade of Decisions.' Neither side changed, nor did Lilienthal's ideas gain much traction in the intellectual community. The only discernable outcome was a new urgency in Lilienthal's efforts to complete the Khuzestan project and the emergence of an insistent, near-desperate tone in his rhetoric.

A bitter end

Unfortunately, the situation in Iran fractured almost as quickly as it materialized. The first omen came in November 1960 when the Majlis created the Khuzestan Water and Power Authority (KWPA), ostensibly a move that placed control and management of the Khuzestan in Iranian hands. Although KWPA embodied the kind of decentralization at the rhetorical core of Lilienthal's modernization philosophy, he interpreted it for what it was: a plan to 'liquidat[e]' DRC in Iran. Even so, Lilienthal remained committed to the job and organized KWPA much like a multipurpose corporation.

KWPA had extensive control over regional development; it could market its services, enter into contracts, collect revenues from clients, and generate the necessary capital to run the agency and broader Khuzestan program. The Majlis and managing director, Hedayat, also gave it the power to declare eminent domain and remove communities for the sake of development programs. The results were disastrous. Sociologist Grace Goodell blistered the Shah and KWPA for both their heavy-handed displacement of the poor into *shahraks*, or model towns, and the decision to eliminate small farming in favor of large agribusiness. As she criticized: 'The Ministry of Water and Power (KWPA) would build and manage these new model towns for companies . . . a hundred villages were liquidated within the DIP (Dez Irrigation Project), and thus rehoused to make way for four agribusinesses, each of which undertook to farm an average of 42,500 acres.' A frightening estimate of 75,000 people were displaced by KWPA, and by association, Lilienthal's DRC, in a short amount of time and 'only one-seventh of whom received alternate housing.'⁵⁸ Michael Adas echoes this point and notes that it reconstituted dangers evident in the TVA: 'In the longer term the polluting effects of gasoline, chemical fertilizers, and herbicides were likely to be even more ecologically pernicious [abroad] than in rural America.' The world simply was not suited to sustain the high-caloric agricultural yields that fueled US abundance, no matter how much developers might have believed otherwise.⁵⁹

The disparity fed discontent across the nation and mobilized a broad cross-section of Iranian society, from trade unions to university students to lay folk, delivering them into the arms of Islamic clergy who had been alienated and oppressed under the neutral leadership of Ayatollah Sayyid Mohammad Hussein Boroujerdi. His passing in 1961 coincided with the Shah's decision to press forward with modernization, which resulted in competing versions of revolution on the ground in Iran, first in the form of the Shah's 1963 White Revolution and then in 1979 from Iranian intellectuals under the auspices of an Islamic state. Ironically, both revolutions claimed the mantle of 'modernity.' Scholar Ali Mirsepassi has written incisively and convincingly of Iran's transformation and contends the other side of Western modernization, 'modernity's other,' was uninflected, localized, culturally specific, and grounded in the myth of an authentic past. Not unlike the

Hegelian notion of historical development or the universalist assumptions of modernization theory, a romantic notion of the past represented in the present by Shi'i Islam emerged in Iran. Borrowing from the German scholar, Jeffrey Herf, Mirsepassi labels the Iranian process of Islamization 'reactionary modernism' for the way leading intellectuals, like Jalal Al-e Ahmad author of *Occidentosis (Gharbzadegi or Westoxification, 1962)* and philosopher Ali Shari'ati reconfigured the totalizing effects of modernization based upon the Persian ideal as the *Volk*. History, modernity, and the supernatural merged, and a mythic past became Iran's vision for the future. Recapturing the imagined past imbued the growing insurgency with the sacred and secular language that would ultimately give political Islam its mystical veneer and wide appeal. As Mirsepassi argues,

The aim of ideologies based upon discourse of authenticity is to bring about modernity, not to return to the past. . . The movements inspired by these ideologies aim for a specific form of modernity, one considered consistent with national tradition. . . There is a curious magic to this moment in that 'tradition' picks up the objects of modernity as though they were never alien, but completely consistent with an 'ancient' and 'indigenous' destiny. Of course, the point of rooting these 'objective' forms in the subjectivities of the mass is to turn them into a revolutionary weapon against the encroaching enemy.⁶⁰

When power in Khuzestan moved from the DRC to the KWPA, Lilienthal was in the midst of change much bigger than he anticipated or realized. Caught between contested intellectual tides in Iran and the US, both ironically enough premised upon notions of 'modernity,' the TVA idea drifted into obscurity.

In an environment of diminishing returns, punctuated by the arrest, detention, and removal of the Plan Organization's Ebtehaj, Lilienthal began to turn his attention to other projects in Puerto Rico and Brazil. When DRC signed its third contract with Iran in 1962, it signaled the beginning of a frustrating end to a hopeful enterprise. The pain would drag on for another ten years. In the new contract, DRC lost most of the power Lilienthal thought vital to success. In his personal accounts, whether in the public or private journals, he attributed the concession to the nature of his TVA philosophy, which promoted local ownership and control. Having invested so much of his credibility in Iran, he simply could not wake to the possibility it was anti-Americanism in the Majlis that elbowed DRC out of Khuzestan.

Instead, Lilienthal had to watch the Majlis, with the Shah's consent, gut his modernization program: tabling some of the vital elements of the plan, such as the large-scale irrigation project; abandoning others, like the petrochemical and fertilizer plants; and reducing the scope of many of the rural relief and health programs. Economic woes and Iranian nationalism even conspired to delay payments for dam workers in Khuzestan. Despite all of this, Lilienthal continued to receive assurances from the Shah the Dez Dam would be completed, and even petitioned to have DRC extend its efforts to Iran's outlying regions.

With great fanfare, the Dez Dam, renamed after Shah Mohammad Reza Pahlavi, opened on 13 March 1963, two months after the beginning of his much-touted reform initiatives under the White Revolution. The Shah himself activated the lever that pulled massive stores of water into its spillway. That year marked the real end of a modernization endeavor begun six years before, and although DRC would continue its work in Khuzestan well into the 1970s, its role dropped precipitously. Lilienthal's heartbreak and sense of loss compounded when his business partner and

confidant, Gordon Clapp, died of a heart attack just before things wound down. Moral purpose and plucky idealism were not enough to salvage his plans. Quite simply an era had passed.

Despite his ambitions to highlight the abstractions of development and his sermonizing about the spiritual benefits of working abroad, Lilienthal could not supplant the modernization community nor could he transform the people of Khuzestan. He remained a symbol of what the United States could achieve when it mustered its resources toward a common goal, revisited when convenient to rescue meaning through nostalgia when things went awry. Within three years, President Lyndon Johnson would lure Lilienthal away from Iran with the possibility of developing the vast natural resources of the Mekong Delta in Southeast Asia. Kennedy broached the idea of a TVA on the Mekong back in 1961, and Johnson hoped to use Lilienthal's mystique to recapture the moral sentiment LBJ used to sell the war.⁶¹ Lilienthal took the job for the sake of public service, for the challenge, and for the spark it might provide for his faith in development. He could not shake Khuzestan, though. And while he took long trips into the war-torn regions of South Vietnam, surveying the land and lining up foreign investors, he continued to pine affectionately about the paradise he tried to restore in Iran.

Truth was far from the rhetoric, however, and Iran travelled uninterrupted down the troubled path to revolution, no doubt urged on by the failures of Lilienthal's vision, just as modernization theory drifted from the hopeful visions of the Progressive era to brutal utilitarianism of Neoconservatism's 'benevolent hegemony.'⁶² And though there was a resurgence in the call for moral ends to development at the end of the millennium, perhaps best exemplified by Amartya Sen's intriguing reappraisal of Adam Smith in *Development as Freedom*, it took place without ever recognizing the work Lilienthal had done in Iran. If moral purpose was the important thing, clearly there was no way of predicting how its idealism would manifest itself over time or in people's lives.

Notes

1. D.E. Lilienthal, *The Journals of David E. Lilienthal: The Road to Change, 1955–1959* (New York, 1969), iv. 155.
2. N. Gilman, *Mandarins of the Future: Modernization Theory and Cold War America* (Washington, DC, 2004), 5.
3. M. Berman, *All That is Solid Melts into Air: The Experience of Modernity* (New York, 1988), 66, 74–5. Berman provides a useful conception of the Faustian developer who he says 'gives top priority to gigantic energy and transportation projects on an international scale . . . instead of letting entrepreneurs and workers waste themselves in piecemeal and fragmentary and competitive activities, it will strive to integrate them all. It will create a historically new synthesis of private and public power, symbolized by the union of Mephistopheles, the private freebooter and predator who executes much of the dirty work, and Faust, the public planner who conceives and directs the work as a whole' (p. 74). Few descriptions of Lilienthal's Iranian drama could be so apt.
4. D.E. Lilienthal, 8 Aug. 1956, 'Martha's Vineyard' in *The Journals of David E. Lilienthal: Road to Change, 1955–1959* (New York, 1969), iv. 107.
5. *Ibid.*, 106.
6. D. Hilliel, *Rivers of Eden: The Struggle for Water and the Quest for Peace in the Middle East* (New York, 1994), 160. Other fine studies that explore water, modernity, and Western civilization include, D. Worster, *Rivers of Empire: Water, Aridity, and the Growth of the American West* (New York, 1985); D. Ward, *Water Wars: Drought, Flood, Folly, and the Politics of Thirst* (New York, 2002); M. DeVilliers, *Water: Fate of Our Most Precious Resource* (Boston, 2000); G.L. Ulmen, *The Science of Society: Towards an*

- Understanding of the Life and Work of Karl August Wittfogel* (Hague, 1978); and M. Harris, *Cannibals and Kings: The Origins of Cultures* (New York, 1977).
7. Robert Rooks identifies the public's fascination with the TVA as a model for sacred, secular, and social development, but the connection is subsumed by the larger theme of race in his study, 'Race, Water, and Foreign Policy: The Tennessee Valley Authority's Global Agenda Meets "Jim Crow"', *Diplomatic History*, xxviii (2004), 55–81.
 8. See D. Ekbladh, 'Meeting the Challenge from Totalitarianism: The Tennessee Valley Authority as a Global Model for Liberal Development, 1933–1945', *The International History Review*, xxxii (2010), 47–67; M. Adas, *Dominance by Design: Technological Imperatives in America's Civilizing Mission* (Cambridge, MA, 2006); D. Ekbladh, "'Mr. TVA:": Grass-Roots Development, David Lilienthal, and the Rise of the Tennessee Valley Authority as a Symbol for U.S. Overseas Development', *Diplomatic History*, xxvi (2002), 335–74; and L.C. Gardner, 'From Colorado to the Mekong', in Lloyd Garner and Todd Gittinger (eds), *Vietnam: The Early Decisions* (Austin, 1997).
 9. D.E. Lilienthal, 'Remarks for Conference on Science, Philosophy, and Religion', David E. Lilienthal Papers, [Department of Rare Books and Special Collections, Princeton University Library], Reading Copy, CBS Broadcast, 28 Aug. 1942, subseries 3F, box 101, Public Policy Papers.
 10. See M. Adas, *Dominance by Design: Technological Imperatives in America's Civilizing Mission* (Cambridge, MA, 2006) and W. McDougall, *Promised Land, Crusader State: America's Encounter With the World Since 1776* (Boston, 1997). Adas and McDougall continue the dialogue on the lasting effects of the missionary ethic in the United States begun by L. Hartz, *The Liberal Tradition in America* (New York, 1955); W. Appleman Williams, *The Tragedy of American Diplomacy* (New York, 1959); E.L. Tuveson, *Redeemer Nation: The Idea of America's Millennial Role* (Chicago, 1968); and M. Hunt, *Ideology and American Foreign Policy* (New Haven, 1987). McDougall offers a salient argument for the role of religion and morality in US geopolitics and provides a foundation for W. Inboden III, *Religion and American Foreign Policy, 1945–60: The Soul of Containment* (New York, 2008); D. Zietsma, "'Sin Has No History": Religion, National Identity, and US Intervention, 1937–41', *Diplomatic History*, xxxi (2007), 531–65; A. Preston, 'Bridging the Gap between the Sacred and the Secular in the History of American Foreign Relations', *Diplomatic History*, xxx (2006), 790–1; and A. Rotter, 'Christian, Muslims, and Hindus: Religion and US-South Asian Relations, 1947–54', *Diplomatic History*, xxiv (2000), 593–613; E. Adams (ed), *The Influence of Faith: Religious Groups and US Foreign Policy* (New York, 2001); and S. Curtis, 'The Sovereignty of the Secular and Power of Religion', *American Literary History*, viii (1996), 328–40.
 11. D.E. Lilienthal, 'Road to Change', 1967, D[evelopment and] R[esources] C[orporation] Archives, [Department of Rare Books and Special Collections, Princeton University Library], box 80, Public Policy Papers. Princeton University has the deepest and most extensive archives on David E. Lilienthal and the Development and Resources Corporation. As such, it is the reference point for other research libraries on topics related to this unique span of Lilienthal's life.
 12. See M. Berman, 'Why Modernism Still Matters', in Scott Lasch and Jonathan Friedman (eds), *Modernity and Identity* (Oxford, 1996), 33–58.
 13. For history of Ancient Iran see E. Daniel, *The History of Iran* (Westport, CT, 2001); F. Kashani-Sabet, 'Fragile Frontiers: The Diminishing Domains of Qajar Iran', *International Journal of Middle Eastern Studies*, ix (1997), 205–34; Iran's recent history, social developments, and politics are discussed in detail in the following: N. Keddie, *Roots of Revolution: An Interpretative History of Modern Iran* (New Haven, 1981); J. Bill, *The Lion and the Eagle: The Tragedy of American-Iranian Relations* (New Haven, 1988); M. Farmanfarmaian and R. Farmanfarmaian, *Blood and Oil: Inside the Shah's Iran* (New York, 1997); G. Lenczowski, *Iran Under the Pahlavis* (Stanford, 1978); and E. Abrahamian, *Iran Between Two Revolutions* (Princeton, 1982). Ali Mirsepassi, Hamid Dabashi, and James Bill provide an intriguing deconstruction of the Iranian intelligentsia leading to the Islamic Revolution in *Intellectual Discourse and the Politics of Modernization: Negotiating Modernity in Iran* (Cambridge, 2000); *Iran: A People Interrupted* (New York, 2007); and *The Politics of Iran: Groups, Classes, and Modernization* (Columbus, 1972), respectively.

14. For a more complete examination of the relationship between development, modernity, and spirituality see, M. Berman, *All That is Solid Melts into Air: The Experience of Modernity* (New York, 1988); M.H. Abrams, *Natural Supernaturalism: The Tradition and Revolution in Romantic Literature* (New York, 1973); A. Mirsepassi, *Intellectual Discourse and the Politics of Modernization: Negotiating Modernity in Iran* (New York, 2000); W. McDougall, *The Heavens and the Earth: A Political History of the Space Age* (Baltimore, 1997); E. Said, *Orientalism* (New York, 1978).
15. See F. Halliday, *Nation and Religion in the Middle East* (Boulder, 2000), 15–17 for more on the notion of ‘relativism from below,’ and for ‘reactionary modernism’ in Iran see, A. Mirsepassi, *Intellectual Discourse and the Politics of Modernization: Negotiating Modernity in Iran* (New York, 2000). Miresepassi credits Jeffrey Herf’s study of Nazi Germany with coining the phrase ‘reactionary modernism’ in *Reactionary Modernism: Technology, Culture, and Politics in Weimar and the Third Reich* (New York, 1984). Hamid Dabashi also makes the provocative connection without Halliday or Mirespassi’s language in *Iran: A People Interrupted*.
16. See A. Sen, *Development as Freedom* (New York, 1999).
17. Liberal Judaism: Reprint of Oration, ‘The Mission of the Jew,’ delivered by David E. Lilienthal in 1918, David Lilienthal Papers, subseries 3H, box 125.
18. Ibid.
19. D.E. Lilienthal, *TVA: Democracy on the March* (New York, 1953), 3.
20. For more information on the TVA see, S. Neuse, *David E. Lilienthal: The Journey of an American Liberal* (Knoxville, 1996); W. Chandler, *The Myth of the TVA: Conservation and Development in the Tennessee Valley, 1933–1983* (Cambridge, MA, 1984); R. Talbert, Jr., *FDR’s Utopian: Arthur Morgan of the TVA* (Jackson, 1987); G. Clapp, *The TVA: An Approach to the Development of a Region* (New York, 1971); E. Hargrove, *Prisoners of Myth: The Leadership of the Tennessee Valley Authority, 1993–1990* (Princeton, 1994); and E. Hargrove and P. Conkin (eds), *TVA: Fifty Years of Grass-Roots Bureaucracy* (Chicago, 1983).
21. Grand Rapids, Michigan, Methodist-Episcopal Church, ‘Science and Man’s Stewardship’, David E. Lilienthal Papers, 10 Sept. 1946, subseries 3G, box 116, Public Policy Papers.
22. D.E. Lilienthal, *This I Do Believe* (New York, 1949), xx.
23. D.E. Lilienthal, *TVA: Democracy on the March* (New York, 1953), 194.
24. See R. Rooks, ‘Race, Water, and Foreign Policy: The Tennessee Valley Authority’s Global Agenda Meets “Jim Crow”’, *Diplomatic History*, xxviii (2004), 55–81; E. Hargrove, *Prisoners of Myth: The Leadership of the Tennessee Valley Authority, 1993–1990* (Princeton, 1994); N. Grant, *TVA and Black American: Planning for the Status Quo* (Philadelphia, 1990); G. Goodell, *The Elementary Structures of Political Life: Rural Development in Pahlavi Iran* (New York, 1986); and R. Coleman Martin, *TVA and International Technical Assistance* (Chattanooga, 1970).
25. Lilienthal, *This I Do Believe*, 17.
26. ‘Lilienthal, Clapp Sign Iran Aid Pact’, *New York Times*, 29 March 1956.
27. Joanne Murphy memo and *Washington Post* clipping, 20 June 1969, DRC Archives subseries 2, box 404, folder 10, Public Policy Papers.
28. See S. Jacobs, ‘“Our System Demands a Supreme Being”: The US Religious Revival and the ‘Dien Experiment’’, 1954–55’, *Diplomatic History*, xxv (2001), 589–624 and *America’s Miracle Man in Vietnam: Ngo Dinh Dien, Religion, Race, and US Intervention in Southeast Asia, 1950–1957* (Durham, NC, 2004), or A. Rotter, ‘Christian, Muslims, and Hindus: Religion and US-South Asian Relations, 1947–54’, *Diplomatic History*, xxiv (2000), 593–613 for a substantive examination of religion’s role in the Eisenhower administration and 1950s diplomacy.
29. See C. Klein, *Cold War Orientalism: Asia in the Middlebrow Imagination, 1945–1961* (Berkeley, 2003); J. Bill, *Lion and Eagle: The Tragedy of American-Iranian Relations* (New Haven, 1988); B.I. Kaufman, *Trade and Aid: Eisenhower’s Foreign Economic Policy, 1953–1961* (Baltimore, 1982); and B. Rubin, *Paved With Good Intentions: The American Experience in Iran* (New York, 1981) for more detailed discussion of economic diplomacy during the Eisenhower Administration.
30. Dwight Eisenhower to C.D. Jackson, 14 April 1954, ‘Losing the War “They Cannot Win”’, *The Papers of Dwight David Eisenhower* (Baltimore, 1996), xv. 1019. For

- a thorough examination of the politics and structure of ICA and US aid policies in the 1950s see B.I. Kaufman, *Trade and Aid: Eisenhower's Foreign Economic Policy, 1953–1961* (Baltimore, 1982).
31. The scholarship on modernization theory is extensive and shares its literature with the general category 'development.' The process and rate of growth distinguishes modernization theory from the rest of development. The key works on the relationship between modernization theory and US foreign policy include: D. Engerman and C. Unger (eds), 'Special Forum: Modernization as a Global Project', *Diplomatic History*, xxxiii (2009), 375–512; L. Grubbs, 'Workshop of a Continent: American Representations of Whiteness and Modernity in 1960s South Africa', *Diplomatic History*, xxxii (2008), 405–39; N. Cullather, 'Miracles of Modernization: The Green Revolution and the Apotheosis of Technology', *Diplomatic History*, xxviii (2004), 227–54; N. Gilman, *Mandarins of the Future: Modernization Theory and Cold War America* (Washington, DC, 2004); D. Engerman et al. (eds), *Staging Growth: Modernization, Development, and the Global Cold War* (Amherst, 2003); M. Frey, 'Tools of Empire: Persuasion and the United State's Modernization Mission in Southeast Asia', *Diplomatic History*, xxvii (2003), 543–68; D. Ekbladh, "'Mr. TVA": Grass-Roots Development, David Lilienthal, and the Rise of the Tennessee Valley Authority as a Symbol for U.S. Overseas Development', *Diplomatic History*, xxvi (2002), 335–74; N. Cullather, 'Damming Afghanistan: Modernization in a Buffer State', *The Journal of American History*, lxxxix (2002), 512–37; M. Latham, *Modernization as Ideology: American Social Science and 'Nation Building' in the Kennedy Era* (Chapel Hill, NC, 2000); D. Blackmer, *The MIT Center for International Studies: The Founding Years, 1951–1969* (Cambridge, 2002); D. Tipps, 'Modernization Theory and the Study of National Societies: A Critical Perspective', *Comparative Study in Society and History*, xv (1973), 199–226; A. Mazrui, 'From Social Darwinism to Current Theories of Modernization: A Tradition of Analysis', *World Politics* xxi (1968), 69–83; R. Robin, *The Making of the Cold War Enemy: Culture and Politics in the Military-Industrial Complex* (Princeton, 2001); N. Cullather, 'Development? It's History', *Diplomatic History*, xxiv (2000), 641–53; and J. Nashel, 'The Road to Vietnam: Modernization Theory in Fact and Fiction,' in Christian Appy (ed), *Cold War Constructions: The Political Structure of the United States Imperialism, 1945–1966* (Amherst, 2000); M. Adas, 'From Settlement Colony to Global Hegemon: Integrating the Exceptionalist Narrative of the American Experience into World History', *American Historical Review* (2001), 106(5), 1692–1720.
 32. J.L. Grabill, *Protestant Diplomacy in the Near East: Missionary Influence on American Policy, 1810–1927* (Minneapolis, 1971), 4. See also U. Makdisi, *Artillery of Heaven: American Missionaries and the Failed Conversion of the Middle East* (Ithaca, 2008) and A.O. Hero, *American Religious Groups View Foreign Policy: Trends in Rank-and-File Opinion, 1937–1969* (Durham, 1973).
 33. J.L. Grabill, *Protestant Diplomacy in the Near East: Missionary Influence on American Policy, 1810–1927* (Minneapolis, 1971), 137.
 34. E. Rosenberg, *Financial Missionaries to the World: The Politics and Culture of Dollar Diplomacy, 1900–1930* (Durham, 2003), 9.
 35. W. Griffith, 'Iran's Foreign Policy in the Pahlavi Era,' in George Lenczowski (ed), *Iran Under the Pahlavis* (Stanford, 1978), 368.
 36. L. Qaimmaqami in 'The Catalyst of Nationalization: Max Thornburg and the Failure of Private Sector Developmentalism in Iran, 1947–1951', *Diplomatic History*, i (1995), 1–31 and S. McFarland in 'A Peripheral View of the Origins of the Cold War: The Crisis in Iran, 1941–47', *Diplomatic History*, iv (1980), 333–52 write perceptively and extensively about the geopolitical machinations that led to the first US financial advisers in Iran.
 37. For a thorough discussion of the relation between private investment, development aid, and the emergence of M. Mossadeq, see L.C. Gardner, *Three Kings: The Rise of an American Empire in the Middle East After World War II* (New York, 2009); A. Heiss, *Empire and Nationhood: The United States, Great Britain, and Iranian Oil, 1950–1954* (New York, 1997); L. Wills Qaimmaqami, 'The Catalyst of Nationalization: Max Thornburg and the Failure of Private Sector Developmentalism in Iran, 1947–1951', *Diplomatic History*, i (1995), 1–31; J.F. Goode, *The United States and Iran, 1946–51: The Diplomacy of Neglect* (New York, 1989); and M.H. Lytle, *The Origins of the American-Iranian Alliance, 1941–1953* (New York, 1987).

38. D. Acheson, Secretary of State to the Embassy in Iran, Department of State, 30 May 1952, *Foreign Relations of the United States Volume X, Iran, 1951–54* (Washington, DC, 1989), 389.
39. *Ibid.*, 387–8.
40. *Ibid.*, Study Prepared by the Staff of the National Security Council, 13.
41. J.A. Bill, *Lion and Eagle: The Tragedy of American-Iranian Relations* (New Haven, CT, 1988), 120.
42. *Ibid.*, 125–6.
43. ‘Lilienthal, Clapp Sign Iran Aid Pact’, *New York Times*, 29 March 1956.
44. For information on Dez Dam: <http://www.infoplease.com/ipa/A0113468.html>.
45. A.L. Huxtable, ‘Monumental Works of Man are Depicted in Show at the New Wing Galleries Of Museum’, *New York Times*, 30 June 1964.
46. Lilienthal, *The Journals of David E. Lilienthal*, v. 133.
47. J. Carey and A. Carey, ‘Oil and Economic Development in Iran’, *Political Science Quarterly*, lxxv (1960), 66–86.
48. Lilienthal, *The Journals of David E. Lilienthal*, v. 27.
49. Letter to Senator John F. Kennedy, 26 Aug. 1960, David E. Lilienthal Papers, subseries 18D, box 419, Public Policy Papers.
50. Lilienthal, *The Journals of David E. Lilienthal*, v. 119, 133.
51. Distribution of ‘The Road to Change’ and General Distribution, 1961–66, DRC Archives, subseries 1, box 1, folder 4, Public Policy Papers.
52. Letter from Walt Whitman Rostow, David E. Lilienthal Papers, 11 Oct. 1960, subseries 18D, box 423, Public Policy Papers.
53. D.E. Lilienthal, *The Journals of David E. Lilienthal*, v. 134.
54. New Service Release, 7 Nov. 1966, DRC Archives, Carnegie Institute of Technology, subseries 3A, box 416, Public Policy Papers.
55. D. Lilienthal, ‘Overseas Development as a Humanist Art,’ 3 Nov. 1966, DRC Archives, subseries 3A, box 416, folder 4, Public Policy Papers, 7–12.
56. New Service Release, 1 Nov. 1966, DRC Archives, Carnegie Institute of Technology, subseries 3A, box 416, Public Policy Papers.
57. D. Lilienthal, ‘Overseas Development as a Humanist Art’, 3 Nov. 1966, DRC Archives, subseries 3A, box 416, Public Policy Papers, 26.
58. G. Goodell, *The Elementary Structures of Political Life: Rural Development in Pahlavi Iran* (New York, 1986), 26–7. See also R. Coleman Martin, ‘TVA and International Technical Assistance’, (Chattanooga, 1970).
59. M. Adas, *Dominance by Design: Technological Imperatives and America’s Civilizing Mission* (Cambridge, MA, 2006), 210.
60. A. Mirsepassi, *Intellectual Discourse and the Politics of Modernization: Negotiating Modernity in Iran* (New York, 2000), 188.
61. Lilienthal, *The Journals of David E. Lilienthal*, v. 163.
62. The link between modernization theory and neoconservative thought is fertile ground for future study that undoubtedly will shape future dialogue on US development policies and ideas. For the best delineation to date see F. Fukuyama, *America at the Crossroad: Democracy, Power, and the Neoconservative Legacy* (New Haven, 2006) and N. Gilman, *Mandarins of the Future: Modernization Theory and Cold War America* (Washington, DC, 2004).