



## EBTEHAJ, ABOLHASSAN

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**EBTEHAJ, Abolhassan** (Abu'l-Ḥasan Ebtehāj), prominent banker, economic planner, and one of the most important and powerful figures in the economic history of Iran during the middle decades of the 20th century (b. Rasht, 29 November 1899; d. London, 25 February 1999). He exercised a major influence on the development of the Iranian banking system, and became a pioneer of economic planning in the country, earning international recognition for his vision and administrative competence. Ebtehaj was noted as a vocal critic of corruption and, later in his career, of what he considered to be the excessive military spending of the Shah's government (Ebtehaj, I and II, *passim*; Zonis, pp. 67-69).

Life.

Ebtehaj was born in Rasht on November 29 1899. His father was a state accountant and auditor (*mostawfi*) and customs official, and his mother belonged to a landowning family. When he was only 11 he was sent with his 14-year old elder brother Ḡolām-Ḥosayn for schooling in Paris. After two years, during which he became fluent in French, his father sent Abolhassan and his brother to the English-language Syrian-Protestant College in Beirut. They were at home on summer vacation when World War I broke out in 1914. Abolhassan was then enrolled at the American School in Rasht, and later in Tehran (Bostock and Jones, pp. 11-16; Ebtehaj, I, pp. 1-9).

By 1918, when Ebtehaj completed his studies and returned to Rasht, northern Iran was in chaos. The Communist Revolution in Russia in the previous year



had led to the withdrawal of Russian forces from the region, the spread of rebel groups and revolutionaries, and growing chaos (see KUČAK KHAN). Gholam Hossein secured a job as an interpreter for a small British military mission, known as Dunsterforce, sent in response, which had the ultimate goal of capturing Baku, the capital of the Russian oil industry, which seemed vulnerable to German and Ottoman Turk invasion, with the consequent threat of an attack on British India. The young Abolhassan, anxious to earn a salary like his brother, also secured a job as an interpreter with the British military police and, after an intense period studying Russian, with Dunsterforce itself. Chaotic post-war conditions, and the murder of his father in 1920, caused his mother to flee with her family to Tehran, where they arrived as penniless refugees. Their father's former employer was then Prime Minister, and he offered the two boys government jobs. Abolhassan joined the Ministry of War, but he was unhappy there. He left the post at the earliest opportunity and joined the staff of the Imperial Bank of Persia, which was widely known as Bānk-e Šāhi (Bostock and Jones, pp. 16-19; Ebtehaj, I, pp. 6-16).

The Imperial Bank had been established in 1889 under a monopoly concession from the Shah, which made it the country's state bank with the exclusive right to issue paper currency. It had built a network of branches all over Iran, which undertook commercial banking and trade finance. Before 1914 its main competitor had been a Russian bank, but this had collapsed after the Russian Revolution, leaving the Imperial Bank as the only banking institution in Iran. There was, however, nothing Iranian about the bank; it was entirely British-owned. Although the bank's chief office was in Tehran, ultimate control lay with a Board of Directors who sat in London, and the entire management cadre was British (Jones, pp. 3-72).

Ebtehaj rose rapidly in his new job at the Imperial Bank. By 1929 he was already one of the Bank's most senior local employees. In that year he also married Maryam Nabavi. However, his career took a new turn seven years later when he resigned from the Bank, where he felt his career prospects were blighted by his Iranian nationality (Ebtehaj, I, pp. 17-54). He joined the Ministry of Finance and served in a number of important government positions, beginning with Comptroller of state-owned companies, where he set to work trying to improve the quality of the bureaucracy that was attempting to manage the various companies Reza Shah had established in his modernization drive. In 1942 he became Governor of the state-owned Bānk-e Melli (National Bank). Over the ensuing eight years, as discussed further in the



following section, Ebtehaj successfully challenged the supremacy of the Imperial Bank and asserted that of the National Bank, which became in all but name the country's central bank. However, his personality, which was intolerant of interference, corruption and people that he considered to be fools, made him many enemies, and he survived only through the support of the Shah, with whose Court Ebtehaj's wife Maryam had close connections. He was abruptly dismissed in July 1950 (Ebtehaj, I, pp. 56-252).

Ebtehaj, was appointed Iran's ambassador to France by Prime Minister Ḥāji 'Ali Razmārā, soon after his dismissal from the National Bank. He did not take to the job, however, and was dismissed from it in 1952 (Ebtehaj, I, pp. 254-80). He was then invited to join the International Monetary Fund as advisor to the Managing Director, and subsequently as Director of the Fund's Middle East Department. Based in Washington, DC, the reputation and friends he made during these years proved beneficial over the following years (Ebtehaj, I, pp. 281-94).

The year 1954 proved an eventful one for Ebtehaj. He returned to Iran in August 1954 after his IMF contract ended, and soon afterwards the Shah offered him one of two jobs. The first was to run the new National Oil Company, which he remarked had little importance as foreigners remained in control of the country's petroleum industry. The second was to run the recently founded Plan Organization, which was in serious financial and administrative difficulties. Ebtehaj, an early enthusiast of economic planning, took the latter job. Meanwhile, there were also drama in Ebtehaj's personal life. After 25 years of marriage, he fell in love with another woman, Āzarnuš Šani'i, a beautiful professional woman who was teaching dentistry at Tehran University. In a dramatic gesture, he walked out of his family house with nothing more than his tennis racket, golf clubs and books. In 1956, having divorced Maryam, he married Āzar. Although Ebtehaj had no children with Maryam, he now found himself as the stepfather of 'Ali-Rezā and Elāhe, and he and his new wife also soon had two children of their own, Šahrzād in 1958, and Dāvar in 1961 (Bostock and Jones, pp. 180-81; Ebtehaj, I, pp. 333-35, 453-55).

At the Plan Organization, assisted by a talented group of young Western-trained Iranians, together with advisers and loans from the World Bank, Ebtehaj launched an impressive development program of dam and road building. However, in resisting political interference and the diversion of oil revenues to the military, he once again made enemies, and ultimately lost the



all-important support of the Shah. He resigned in February 1959, and would not to see the Shah in person again for 18 years (Ebtehaj, I, pp. 334-451).

Ebtehaj now returned to commercial banking. He had always relied on his salary, which was never enough to prevent him falling into debt, and as a result finding a new source of income was urgent, not least because he and his family were soon evicted from the house which he had occupied as head of the Plan Organization, which was owned by the Shah's Pahlavi Foundation (Bonyād-e Pahlavi). In January 1960 he launched Bank-e Iranian (Iranians' Bank). He held 30 per cent of the equity and was appointed Chairman and President. The initial capitalization was low, only 80 million rials (\$1 million), and it remained a small bank, albeit one which earned a reputation for efficiency and honesty (Bostock and Jones, pp. 177-79; Ebtehaj, II, pp. 460-61).

Although now in the private sector, Ebtehaj remained an acute observer of government policy, and he was quite willing to share his observations with journalists from Britain and America. In March 1961, when he was interviewed by the popular BBC television program Panorama, he expressed criticism of growing inflation in the country and the lack of co-ordination in planning, and he also criticized the Shah's government for spending Iran's oil revenues on the military. In September 1961 he spoke at a meeting in San Francisco, calling for more multilateral aid, and criticizing bilateral aid. He used as a specific example America's relationship with Iran, which he said had led to the United States being "distrusted by most people, and hated by many." This was, not surprisingly, badly received by the Iranian government. Although Ebtehaj's friends in the World Bank and the IMF cautioned him that he risked arrest if he returned home, he ignored their warning. On his arrival at Tehran's airport, his wife Āzar also informed him that it was widely reported that he would be arrested. On November 11, 1961 he was indeed arrested, and put in jail (Bostock and Jones, 159-162; Ebtehaj, II, pp. 463-89).

Ebtehaj remained in prison for seven months. There were allegations of acting illegally in a signed contract while head of the Plan Organization, but no charges were ever brought against him. After ten days, and soon after informing his detainers that if the affairs of Iranians' Bank suffered from his detention he would hold them responsible, he was allowed to see his lawyers and family. He then began running his affairs from his cell, and after developing a hernia, from the prison hospital. Āzar was a shrewd businesswoman as well as a dentist, and she managed the affairs of the Iranians' Bank well during his imprisonment. Ebtehaj used his location in the



prison hospital to smuggle letters out to the West, including to the editors of major newspapers and many others. Before long, his case was being reported in the Washington Post and Time Magazine, among other leading American newspapers and journals. A campaign for his release was started in the United Nations by Secretary General Dag Hammarskjöld and by Adlai Stevenson, the United States Ambassador to the United Nations. In June 1962 Ebtehaj was released (Bostock and Jones, 162-67; Ebtehaj, II, pp. 491-520).

After his release, Ebtehaj remained a figure of importance in Iran. A few days after the major riots of June 5-7, 1963, triggered by the arrest of Ayatollah Khomeini after he denounced the Shah as pro-American and pro-Zionist, he was approached by the United States Embassy in Tehran to gauge his interest in becoming Prime Minister. His response was that he would only be interested if the Iranian army was reduced to the size needed only for internal security; if the Shah was confined to the role of a constitutional monarch who would not interfere with government; and if Iran withdrew from the Central Treaty Organization, a pro-Western military alliance formed under American sponsorship, consisting of Iran, Iraq, Pakistan, Turkey, and the United Kingdom. Thereafter, the dialogue with the American Embassy ended. Instead, Ebtehaj continued on the sidelines criticizing the use of oil revenues for excessive military spending and urging the United States government to exercise pressure on the Shah (Bostock and Jones, pp. 169-70; Ebtehaj, II, pp. 525-26).

During these years Ebtehaj's private business flourished. In 1968, Citibank took a 35 per cent shareholding. In 1974, although he was by now 75-years old, Ebtehaj launched a new business in insurance. At the suggestion of the American International Group, the huge US-based insurance company, he established a joint venture in life insurance, which had hardly developed in Iran. The business flourished, although his shareholding was lost following the Islamic Revolution. However, two years earlier, in what proved to be a fortuitous decision, Ebtehaj sold out his interest in Iranians' Bank at a profit, a deal negotiated by his wife. In May 1978 he left the country with Āzar, planning to spend six months of the year outside Iran. He was in France with his family at the time of the Shah's fall and decided to remain there rather than face the uncertainties of Iran under Ayatollah Khomeini. The Ebtehaj home in Tehran was taken over and confiscated (Bostock and Jones, pp.182-85; Ebtehaj, II, pp. 548-55, 561-64).

In 1984, unhappy with the political situation in France, he moved with his



family to London, where he bought a large apartment overlooking Kensington Gardens. He busied himself with writing his memoirs, helped by his step-son, 'Ali-Rezā 'Aruzi. Ebtehaj used the Freedom of Information Act in the United States to secure hundreds of documents concerning himself from the American National Archives, and conducted a similar search in the national archives in Britain. By co-incidence the writing of the official history of the Imperial Bank of Persia, then known as the British Bank of the Middle East and owned by HSBC, led to his contact with researchers from the London School of Economics, resulting in the writing and publication of his biography in English (Bostock and Jones). After an extremely long and eventful life, Abolhassan Ebtehaj died in London on February 25, 1999.

#### CONTRIBUTION TO IRAN'S BANKING SYSTEM

Ebtehaj made a significant contribution to the development of Iran's banking system. He learned the basics of banking after he joined the Imperial Bank in the lowly position of a junior clerk in the Bank's foreign exchange department in 1920. Ebtehaj's energy and hard work soon saw him reach positions of greater responsibility. In 1921 he accompanied one of the Imperial Bank's young British managers to re-open the Bank's branch in Rasht. He learned many basic banking skills at this provincial branch, where he stayed for four years, rotating through virtually every function in the office (Bostock and Jones, pp. 20-21; Ebtehaj, I, pp. 20-22).

In 1924 Ebtehaj returned to Tehran to work in the Bank's Chief Office as Assistant Chief Interpreter. In 1929 he was further promoted to become Assistant to the Chief Inspector, one of the most senior posts in the Bank. By then the political and business environment faced by the Imperial Bank was changing rapidly. The rise to power of Reza Khan, and the establishment of the Pahlavi dynasty in 1925, resulted in a new agenda of modernization. In 1929 the government established the National Bank of Iran, which was intended to replace the Imperial Bank as the state bank and to challenge its commercial business. In 1931 the Imperial Bank was forced to surrender its note-issuing privilege. Ebtehaj assumed an increasingly important role negotiating on behalf of the Imperial Bank with the Iranian government. The patriotic Ebtehaj found this situation increasingly awkward, not least because his own bank continued to refuse to promote him or any other Iranian to management positions. Indeed, the Imperial Bank was one of the most conservative foreign-owned institutions in Iran when it came to policies towards its Iranian staff. Not only was Ebtehaj paid less than his British counterparts, but the Bank



persisted in outdated practices such as separate restrooms for Europeans and Iranians. In 1936 Ebtehaj resigned from the Imperial Bank, and joined the Finance Ministry (Bostock and Jones, 22-24; Ebtehaj, I, pp. 22-28, 32-35, 40-54).

In his new capacity as a government official, Ebtehaj soon returned to the banking industry. He supervised several state-owned companies, including the Agriculture Bank and the Bank Rahni, a state-owned mortgage bank. Ebtehaj demonstrated his skills as a competent and highly opinionated administrator by crafting the lending policy of the new institution. He focused lending on people who did not already own a house, who were offered 25-year long interest rates at a low rate of 6 per cent. Ebtehaj also took steps to ensure that officials were honest. In particular, he prohibited mortgage assessors from accepting gifts (Bostock and Jones, pp. 27-32; Ebtehaj, I, pp. 56-69).

In December 1942, just over a year after British and Soviet troops had invaded Iran and deposed Reza Shah in favor of his young son Mohammad Reza, Ebtehaj was appointed Governor of the National Bank of Iran (Bānk-e Melli-e Irān). He soon began to make his mark. On the day he took office he addressed the staff in the banking hall of the head office, announcing his policy of insisting on total honesty and integrity. In order to encourage honesty, he kept the salaries of officials high, offered a subsidized staff restaurant, created a health care service, and built a swimming pool for the staff. Ebtehaj was also determined to make the National Bank free from political interference, whether from inside or outside Iran. This became a hallmark of his time at the National Bank and, later, the Plan Organization, and in the context of Iran at the time, it was an unusual and potentially fatal stance. He accumulated enemies at a fast pace, including important politicians who were refused loans. He became equally disliked by important Westerners then working in Iran. These included the head of the American Financial Mission to Iran established in 1943, Arthur Chester Millspaugh, who eventually became convinced that Ebtehaj was mentally unbalanced (Bostock and Jones, pp. 34-45; Ebtehaj, I, pp. 83-119, 134-55).

Ebtehaj worked hard to build Iran's external image as a modern state. He headed the Iranian delegation to the Bretton Woods Conference in July 1944. He managed to cross half the world to attend the conference, which was no mean feat in the middle of World War II, forcing himself on various occasions on to military planes to reach his destination. The conference, attended by such luminaries as the British economist John Maynard Keynes and Henry Dexter White, the Under-Secretary of the United States Treasury, laid the



institutional basis for the world's postwar financial system. Iran became a founding member of both the World Bank and the International Monetary Fund (IMF), which were established as a result of that conference (Bostock and Jones, pp. 58-61; Ebtehaj, I, pp. 119-29).

During his tenure at the National Bank, Ebtehaj undertook a number of important measures to strengthen Iran's banking and financial conditions. The National Bank functioned as both a commercial and a central bank, which led to confusion of banking activities. Ebtehaj separated this dual banking function by preparing distinct balance sheets for each function. Internationally, Ebtehaj concluded an agreement with Great Britain and Russia to pay back 60% of the amount of currency they received for their expenses during the War by gold, and 40% by gold guaranteed Pound Sterling and dollar. This saved Iran's assets from the drastic devaluation of the Pound Sterling in 1949. Ebtehaj was also instrumental in placing Iran's currency on the gold standard by changing the official currency from a dual silver and gold based rials to the gold-based rials; it later contributed to maintaining Iran's currency parity vis-à-vis foreign currencies. (Bostock and Jones, pp. 45-48; 63-68; Ebtehaj, I, pp. 73-81).

Ebtehaj was very determined to curb the power of his former employer, the Imperial Bank of Persia, which he perceived as an obstacle to his strategy of strengthening the position of the National Bank and building it as a modern central bank. The result was a dispute which paralleled the growing tension between the Iranian government and the [Anglo-Persian Oil Company](#) (renamed Anglo-Iranian Oil Company in 1935), which controlled the country's oil industry (Bamberg, pp. 384-458). Ebtehaj sought to limit the role of all foreign banks, of which the Imperial Bank was the most important, to the finance of foreign trade; to restrict their branches to Tehran; to make them bring capital into the country rather than relying on local deposits, and to limit their profit remittances to the amount of capital that they had brought into Iran. This policy agenda struck at the heart of the Imperial Bank's traditional business and mode of operation, and not surprisingly there were years of increasingly acrimonious tension between Ebtehaj and the Imperial Bank, often centered on the issue of exchange controls.

Paradoxically, Ebtehaj was no longer head of the National Bank when the Imperial Bank announced that it would leave Iran, for in July 1950 he was dismissed. Shortly afterwards, the Bank decided to reduce its operations in Iran and focus its resources elsewhere in the Middle East. Although years of



tension with Ebtehaj had worn down the Bank, it was probably the escalating tensions in Iran between the government and the Anglo-Persian Oil Company that finally led to the decision to withdraw. In addition, the Bank's negotiation of a fifteen-year monopoly of banking in Kuwait in 1941 had opened up a new source of business. Branches were soon opened elsewhere on the Arab side of the Gulf, where the oil industry was beginning to grow, and by 1950 Kuwait was already the Bank's largest source of profit (Bostock and Jones, pp. 74-80; Ebtehaj, I, pp. 178-204; Jones, pp. 305-37).

The most surprising aspect of Ebtehaj's dismissal was that it had not come earlier. His stubborn and determined personality led to his vilification by a growing number of Iranians. By 1948 he had nearly 40 libel cases in the Courts against newspapers who accused him of ignoring the interests of the merchant community. His forceful personality also made him many enemies among leading politicians, in the government and the Majles. A bad harvest in 1949 and mounting political tensions between the government and the Anglo-Persian Oil Company added to the tense atmosphere in the country, as did the lack of any aid-package from the U.S. government. The appointment of a new Prime Minister, General Haji-'Ali Razmārā on 26 June 1950 provided the background for Ebtehaj's dismissal. He almost certainly wanted to assert his authority over the very independent Ebtehaj, but there were also rumors that the United States may have made his dismissal a pre-condition for a loan. Whatever the actual reasons, Ebtehaj had always relied on the support of the Shah to overrule his many enemies, and this support was now withdrawn (Bostock and Jones, pp. 8-84; Ebtehaj, I, pp. 238-41).

Leaving aside Ebtehaj's specific policies at the National Bank, his primary contribution to Iran's banking system was one of organization-building. He invested enormously in recruiting and training efficient staff for the bank, and in inculcating them with the idea that corruption was a threat to their bank, and to Iran's development. He had also done a great deal to raise Iran's external reputation in international and financial affairs through its early membership in the International Monetary Fund and the World Bank. The National Bank of Iran itself has continued to be the country's leading bank. Although it relinquished its central banking functions to a new central bank created in 1960, it flourished as a commercial bank in Iran, opening foreign branches. These included a branch in the Kensington district of London, opened in 1967, and within a few blocks of the London home which Ebtehaj purchased in 1984.



## CONTRIBUTION TO IRAN'S ECONOMIC PLANNING

Ebtehaj's enthusiasm for economic planning long pre-dated his appointment to head the Plan Organization in 1954. He had begun making the case for economic planning soon after he became Comptroller of state-owned companies in 1936. He was thoroughly alarmed by the administrative chaos he perceived in Reza Shah's industrialization policies, and concluded that co-ordination and planning was essential. He was not in a position to implement many of his ideas at this time, but after becoming Governor of the National Bank, he resumed his crusade (see BARNAMARIZI; see also Bostock and Jones, pp. 88-89; Ebtehaj, I, pp. 297-307).

In 1946 Ebtehaj published a memorandum which he had presented to the then Prime Minister in 1939, calling for an economic plan and the establishment of a planning organization. Ebtehaj believed fervently that the key to the problems he perceived in Iran – inefficiency, corruption, and just about everything else – could be solved if planning could stimulate economic growth and raise living standards. The vision of planning was not socialist, in the style of the Soviet Union of Stalin, or even the plans that newly independent India were preparing at the time. Rather, Ebtehaj maintained that in a country like Iran which faced many obstacles to development, the government needed to clear a path for private enterprise (see BARNAMARIZI; Bostock and Jones, pp. 89-93; Ebtehaj, I, pp. 307-8).

As Governor of the National Bank, Ebtehaj was a major formative influence on the momentum behind the launch of Iran's first Seven-Year plan, headed by an independent Plan Organization in 1949, which he would later describe as 'his child.' However, he declined an official invitation to head the Plan Organization as well as the National Bank, a combination of functions which he regarded as not permitted by the statutes of either firm. Meanwhile the first years of the Plan Organization opened inauspiciously. Political interference in decisions grew. In July 1950 it was decided that the approval of a Majles Plan Commission had to be obtained before any new project could be financed. Then, in 1951, the nationalization of the oil industry by Prime Minister Mosaddeq spelled the death knell of Iran's First Plan, as the oil revenues on which the ambitious Plan depended disappeared (Bostock and Jones, pp. 99-104; Ebtehaj, I, pp. 308-31).

It was in this weak position that Ebtehaj, in 1954, accepted to become head of the Plan Organization on his return from the United States. During the



following four years he worked to unscramble the disorder at the Plan Organization, restructured the institution, and prepared a Second Seven-Year Plan. Backed, until the end, by the Shah, Ebtehaj went about his task with a sense of great urgency (see Afkhami, 1991).

Iran's Second Seven-Year Plan, drafted and implemented by Ebtehaj, remains controversial. The Plan lacked an overall target, other than a total expenditure of nearly \$1 billion, and it was not a comprehensive plan, but rather consisted of a series of sectoral investment projects. There was heavy spending, which has been seen as a major contributor to Iran's need to seek financial aid from the International Monetary Fund in 1959, and to impose an austerity program. Yet there were results. Iran achieved a GDP per capita growth rate of 4.5 per cent from 1955 to 1960 (see Bostock and Jones, pp. 111- 16; Ebtehaj, I, pp. 353-65; see also BARNAMARIZI).

The Plan was focused on long-term infrastructure investment, especially large dams and irrigation projects. A lot was accomplished, including two new branches of the Trans-Iranian railroad linking Tehran with Tabriz and Mashad, and the start of the construction of large dams on the Karaj, Sefid Rud and Dez rivers. The Plan included a municipal development program designed to spread the benefits of clean water, electricity and schools beyond Tehran (see BARNAMARIZI). There was also a regional development component focused on Khuzestan, with five large rivers. Looking at the example of the Tennessee Valley Authority in the United States, Ebtehaj persuaded David Lilienthal, former chairman of Tennessee Valley Authority and Gordon Clapp, head of the UN Economic Survey Mission to the Middle East, to become involved through their recently formed Development and Resources Corporation (Ebtehaj, I, pp. 382-89).

Ebtehaj also persuaded the World Bank to act as recruiting agent for senior engineers from abroad, as well as engineering consultancy companies. Although Ebtehaj asserted that he never hired a foreigner if there was a suitably qualified Iranian to do a job, the premium he placed on competence as well as his desire to reduce corrupt practices led to his employing growing numbers of foreign technical workers and engineers. For similar reasons, he also put out contracts for major works to be awarded on the basis of international tender (Bostock and Jones, pp. 111-24; Farmanfarmaian, pp. 132-34; Majidi, pp. 221-24; Goudarzi, pp. 17-18).

Although the original idea of the Plan was to finance development through oil



revenues, Ebtehaj was frustrated as other parts of the government also laid claim to them, and the Plan increasingly looked to the overseas borrowing to finance the growth. He was able to secure what amounted to an overdraft facility from the World Bank, to be serviced directly by oil revenues. (Bostock and Jones, pp. 128-31)

As in the case of the National Bank, Ebtehaj's inability to compromise as well as his lack of a domestic power base beyond the support of the Shah proved his undoing. His determination to use oil revenues to promote economic development made him enemies and caused tensions with a series of Prime Ministers. Many considered him pro-Western, an impression re-enforced by his employment of growing numbers of foreign nationals. Conversely, however, many people in the West saw him as anti-foreign. However, it was his determination to put the cause of economic development over military spending which was most fatal, for it caused major tensions with the Shah and the United States government. Ebtehaj's resignation in February 1959 came after he lost the confidence of the Shah, and shortly after legislation was introduced to transfer the power and responsibilities of the head of the Plan Organization to the Prime Minister (Bostock and Jones, pp. 140-44, 147- 58).

There were major problems, as well as considerable achievements, with both the First and Second Iranian Plans. Major irrigation projects, the spread of electricity, the major expansion in the country's transportation infrastructure were formidable achievements which laid the basis for improved living standards. Yet the First Plan ended in chaos, and the Second in a major economic crisis in the early 1960s. Ebtehaj was always a man in a hurry, and this encouraged him towards large projects and big schemes which were costly and difficult to manage, whilst resources may have been better allocated on smaller schemes which might have yielded greater benefits to more people. Yet he kept his distance from the extensive state regulation and public ownership which was destined to cause so much trouble for India and many other developing countries from the 1950s onwards. Ebtehaj's belief that the politics could be taken out of planning, and his very secular belief that economic growth was the most important goal for a country, may have indicated that he was out of step with many aspects of Iranian society. Yet his uncompromising opposition to grandiose military spending and corruption were brave and impressive.



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