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“Rich Fields in Persia”: Parsi Capital and the Origins of Economic Development in Pahlavi Iran, 1925–1941

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Abstract

This article investigates the history of economic relations between Iran and the Parsi community of India during the Reza Shah period. Encouraged by the policies of the new Pahlavi state, Parsi entrepreneurs began a serious effort to investigate the possibilities of economic investment in Iran. The article details three Parsi economic missions that were conducted in Iran during this period, and analyzes their assessments of Iran’s potential for development in fields such as energy, textile manufacturing, commercial agriculture, and modern transportation systems. As the article argues, while these Parsi-led initiatives were part of a larger history of renewed engagement between Parsis and Iranians, for a variety of political and economic reasons, by the outbreak of World War II few of the Parsi plans for investment in Iran had come to fruition. While remaining largely forestalled in the interwar period, the article also suggests that Parsi economic assessments foreshadowed many of the planning strategies carried out in Iran’s post-World War II history of economic development.

Keywords: Parsis; Zoroastrianism; Parsi-Iranian relations; Pahlavi dynasty; Reza Shah; Iran League; economic history; development

Introduction

In the spring of 1938, the steady mechanical sound of 10,000 electrified “Platt Brothers” spindle machines and 150 “Union Matex” power looms filled the shop floor of the newly operational Khosrovi Spinning and Weaving Mill Company in Mashhad, Iran.¹ The company, which specialized in the industrialized production of finished textiles, was a jointly owned firm organized as a partnership between Parsi and Iranian entrepreneurs. From its beginning the Khosrovi Mill was the largest textile factory in the Khurasan region, and one of the largest such factories in all of Iran, employing dozens of managers and engineers, as well as over 900 line workers on the factory floor.² The joint venture had been originally conceived in 1932 as one element of a much more ambitious Parsi investment strategy in Iran, initiated by the newly incorporated Persia Industrial and Trade Company. Headquartered in colonial Bombay, this Parsi-initiated investment group spent six years

¹ Kaikhosrow A. Fitter, “Some Notes,” *Iran League Quarterly* VIII, no. 2–3 (January–April 1938): 159; Ardakāni, *Tārikh-e Mu’assasāt*, 3:120–22; Abtahi and Hatit, “Kārkhāneh,” 77–80.

² Floor, *Industrialization in Iran*, 55; Ardakāni, *Tārikh-e Mu’assasāt*, 3:121. For historic images of the mill, as well as 2019 renderings for its redesign, see www.archilovers.com/projects/251797/new-lab-technology-research-center.html#images.

researching the possibilities of economic investment in Iran. When the Khosrovi Mill finally commenced its operations in the spring of 1938, it was therefore perceived as heralding a new era of Parsi and Iranian enterprise. Reflecting this optimism, Kaikhosrow Fitter, the secretary of the Iran League—the Bombay-based civic organization most active in championing a new era of cooperation between Parsis and Iranians—announced in the pages of the *Iran League Quarterly*, “we hope this first Parsi-Iranian concern will meet with complete success and thus a new chapter will open in the history of the Parsis, as a result of their cordial relations with Pahlavi Iran.”³

The Khosrovi Mill project had in fact grown out of a larger history of engagement between Parsis and Iranians that stretched back to the mid-nineteenth century. Displaced from their ancestral homeland of Iran since the medieval period, the Parsi community had settled in western India for over a millennium. By the nineteenth century the Parsis of India had achieved remarkable prosperity—especially in Bombay as one of the favored communities of the British Raj—largely as a result of their success in a number of emerging enterprises of the era, including the global textile industry. This new era of Parsi prosperity inspired the community’s civic leaders to reach out to Iran, initially with charity and philanthropic motives to improve the living conditions of the Zoroastrian communities still remaining inside Iran. It was in the mid-nineteenth century that the first of a series of Parsi emissaries, Manekji Limji Hataria (1813–90), traveled to Iran under the auspices of the Parsi-organized and funded Society for the Amelioration of the Conditions of the Zoroastrians in Iran.⁴ The goal of the Society was to distribute charity, repair fire temples and *dakhmehs*, as well as to build primary schools and medical clinics, all designed to provide relief to the now impoverished and beleaguered Iranian Zoroastrians living primarily in the central plateau towns of Yazd and Kerman.⁵

By the early decades of the twentieth century, however, Parsi benefaction toward their Iranian coreligionists grew beyond charity and philanthropy. As cultural and intellectual currents evolved inside Iran around the time of the 1905 Constitutional Revolution and into the early Pahlavi period, Parsi engagement with Iran sparked a broader historical reevaluation of Iran’s classical heritage, and contributed toward an emerging culture of neoclassicism among modernist Iranian intellectuals and literati. This emerging culture of Iranian neoclassicism ultimately became a key component of the Pahlavi monarchy’s official nationalism during the five-plus decades of its reign.

The cultural, intellectual, and political history of this Parsi-Iranian engagement has been increasingly documented in modern Iranian historiography.⁶ What remains less documented, however, is the economic history of the renewed contact between Parsis and Iranians. More than religious charity and political ideology, increasing contact between Parsis and Iranians had important implications for Iran’s economic history as well. As one of the most successful business communities in the global economy during the age of empire, Parsi entrepreneurs were well positioned to assess the possibilities for Iran’s commercial and industrial development.⁷ The Parsi community’s emerging self-definition as an exilic community long displaced from their ancestral homeland also encouraged many Parsis to consider investing in Iran’s economic modernization and nation-building

³ Kaikhosrow A. Fitter, “The Khosrovi Spinning and Weaving Co., Ltd., Meshed-Iran: The First Parsi-Iranian Venture in Iran,” *Iran League Quarterly* VI, no. 4 (July 1936): 234.

⁴ Boyce, “Manekji”; Zia-Ebrahimi, “Emissary of the Golden Age”; Stausberg, “Manekji.”

⁵ For histories of Parsi philanthropy, see Hinnells, “The Flowering of Zoroastrian Benevolence”; and Palsetia, *Jamsetjee Jejeebhoy of Bombay*. For Parsi philanthropy specifically toward Iran, see especially Patel, “Caught between Two Nations.”

⁶ Ringer, *Pious Citizens*; Grigor, *The Persian Revival*; Tavakoli-Targhi, *Refashioning Iran*; Green, *Bombay Islam*; Vejdani, “Indo-Iranian Linguistic, Literary, and Religious Entanglements”; Marashi, *Exile and the Nation*; Buhler, *Zoroastrians in Iran and India*.

⁷ For the history of Parsi social and economic prosperity, see Kulke, *The Parsees in India*; Hinnells, *The Zoroastrian Diaspora*; Palsetia, *The Parsis of India*; White, “Parsis in the Commercial World”; and Guha, “More about the Parsi Seths.”

initiatives. The community's growing anxiety about their status in a soon-to-be independent India also encouraged some Parsis to consider even more ambitious projects of return and repatriation to Iran. Though many Parsis were active in the cause of India's independence, many others felt that the community's prospects—including their political, economic, and national prospects—would be better served by *returning* to their ancestral homeland and helping to realize the Pahlavi monarchy's vision for a modern Iran.⁸

For all of these reasons, by the 1920s Parsi civic leaders and entrepreneurs began to consider the possibilities of a more ambitious economic engagement with Iran. These initial Parsi efforts took the form of a number of research missions to Iran in order to survey economic conditions there. The missions yielded a series of reports identifying sectors of Iran's economy that would be most suitable for investments of Parsi capital. The first of these reports, initially drafted in 1926 by Phiroz Saklatvala —known famously as the “Parsi Oil King”—identified the energy sector as one area of potential cooperation between Parsis and Iranians. While the Anglo-Persian Oil Company (APOC) controlled the oil sector in Iran's southwest region, Saklatvala argued that provinces outside of the territory delineated by the terms of the concession agreement could also be profitable for future investors.⁹ A second report, drafted under the direction of another prominent Parsi civic and business leader, Rustom Masani, noted the cotton fields of Khurasan as an ideal location to help transform Iran's still nascent modern textile industry. Masani, an accomplished administrator, financier, and chairman of the Bombay Mill-Owners Association, eventually led this effort to build what became the most noted Parsi-Iranian joint venture of the era, the Khosrovi Spinning and Weaving Mill Company in Mashhad.¹⁰ A third investment survey, completed by the prominent Parsi engineer Nadirshah Noshirvan Gocal, detailed how dam construction and large-scale investments in modern irrigation systems could generate both hydroelectric power and dramatically expand Iran's agriculture sector. These infrastructure investments would, as Gocal argued, enable Iran to expand urban electrification systems, meet its domestic agricultural demand, and yield cash-crop commodities suitable for export.¹¹

Despite the enthusiasm that many Parsis showed for exploring possibilities of economic cooperation with Iran, Parsi plans for investment were also confronted by a number of challenges. As the ensuing discussion will detail, by the time of the outbreak of World War II, very few of the Parsi-Iranian projects had reached fruition. For a variety of reasons—including the 1930s global economic crisis, Parsi concerns about Soviet intentions in Iran, and the general uncertainty about the Pahlavi state's own political longevity—the completion of the Khosrovi Mill project in the spring of 1938 proved to be the exception rather than the rule in the economic history connecting Parsis and Iranians in the interwar period. However, despite what became the forestalled nature of these initiatives, many of the projects surveyed, proposed, and planned by Parsi entrepreneurs were not devoid of developmentalist logic, and ultimately came to serve as blueprints for projects that took shape in the decades following World War II.

“The Parsi Oil King” in Iran

The early 1920s marked a critical turning point in relations between Parsis and Iranians. From the perspective of the Parsi business community, the consolidation of the Pahlavi state, along with the return of a global manufacturing and consumer-based peacetime

⁸ Patel, “Caught between Two Nations,” 764. For the ambiguities of Parsi identity, see also Luhrmann, *The Good Parsi*.

⁹ Saklatvala's report was eventually published in three successive issues of the *Iran League Quarterly*, between October 1932 and April 1933. The complete report was also published by the League as a pamphlet, *The Rich Fields in Persia* (Bombay: Iran League, 1933).

¹⁰ For the life of Rustom Masani and the history of the Masani family, see Masani, *And All Is Said*; and Masani, *Bliss Was It in That Dawn*, 14–16.

¹¹ Gocal's reports were serialized in the *Iran League Quarterly* between October 1933 and July 1935.

economy following the twin calamities of World War I and the flu pandemic of 1918–20, suggested that circumstances were right to explore new investment opportunities throughout the world, including in Iran. Also contributing to Parsi interest in Iran was the new Pahlavi state's eagerness to chart a nationalist course for its economic policy. Long stifled—or in the words of Morgan Shuster, “strangled”—by the nineteenth-century Anglo-Russian rivalry, the Pahlavi state was now eager to assert its economic independence by securing sufficient capital from both domestic and foreign sources to fund its developmentalist ambitions.¹² In this respect, Iran's economy in the 1920s resembled other emerging states throughout the Middle East and Asia—most notably the new Republic of Turkey—attempting to exercise their new, but still fragile, political and economic sovereignty. As in neighboring Turkey, an Iranian economic policy of *étatisme* consisting of protectionism, import quotas, and state-led capital investment was seen as the surest path to both economic independence and prosperity.¹³ Despite efforts to renegotiate the terms of the D'Arcy concession of 1901, the rents derived from the Anglo-Persian Oil Company (Anglo-Iranian Oil Company after 1935) remained insufficient to meet Iran's investment needs.¹⁴ Also constraining Iran's ability to raise capital was the legacy of Qajar-era indebtedness, which led to the Pahlavi state's resolve to fund its development plans without resorting to loans from foreign banks.¹⁵ In this respect as well, Iran's economic policy most closely paralleled that of neighboring Turkey, which was overcoming a similar history of Ottoman-era deficit-spending and indebtedness that now made *étatisme* the main economic policy for much of the early republican period.¹⁶

What remained were efforts to identify alternative sources of capital. The first among these sources was the effort to cultivate domestic revenue, most famously via the excise tax levied on tea and sugar to fund Reza Shah's most ambitious infrastructure project of all, the Trans-Iranian Railway.¹⁷ This and other efforts achieved some measure of success, increasing Iran's total annual budget by approximately tenfold between 1926 and 1940.¹⁸ Just as important, however, was the effort to attract capital from foreign investors who would be eager to enter into partnerships to support Iran's development plans. It is in this context that the Pahlavi state began to court an array of overseas investors, including German, Danish, American, Japanese, and Parsi entrepreneurs.¹⁹ In differing ways, all of these potential economic partners were seen as desirable because of their geopolitical position outside of the Great Game rivalry that had stymied Iran's economic history since the nineteenth century. Despite their long association with the British Raj, the Pahlavi state was particularly active in courting Parsi entrepreneurs, seeing them as supporters of Iran's nation-building project, given their close historical, cultural, and ideological connections to Iran.

¹² For the Anglo-Russian rivalry, see Kazemzadeh, *Russia and Britain in Persia*, chapter 5; and Issawi, *Economic History of Iran*, 15–16. See also Ashraf, “Historical Obstacles,” 65–70; and Ashraf, *Mavāne'-ye Tārikhi*. For the economic history of Iran in the Reza Shah period, see Banani, *Modernization of Iran*, 138–45; Katouzian, *Political Economy of Modern Iran*, 111–21, 128–37; Grunwald and Ronall, *Industrialization of the Middle East*, 212–39; and Bhariar, *Economic Development of Iran*.

¹³ Birtek, “The Rise and Fall of Etatism in Turkey,” 407–9.

¹⁴ Brew, “In Search of ‘Equitability,’” 139–40; Mueller, “Anglo-Iranian Treaty Negotiations.”

¹⁵ When Morgan Shuster served as treasurer-general, he described 25 percent of revenues earmarked to service debt. See Shuster, *Strangling of Persia*, 289–90; Bhariar, *Economic Development of Iran*, 63; Amanat, *Iran*, 301–4; and Issawi, *Economic History of Iran*, 18–19, 335, 370–71. On loan and debt policies in the Reza Shah era, see Issawi, “The Iranian Economy,” 133; and Baldwin, *Planning and Development*, 11–14.

¹⁶ Pamuk, “Economic Change in Twentieth-Century Turkey,” 277–78.

¹⁷ Koyagi, *Iran in Motion*, 68.

¹⁸ Sādeqī, *Siāsathā-ye San'ati*, 155.

¹⁹ For discussions of foreign investment and trade in interwar Iran, see, for example, Jenkins, “Nazi Order”; Koyagi, *Iran in Motion*, 75; Kauffeldt, “Danes,” chapter 5; Andersen, “Building for the Shah”; Millspaugh, *American Task*, 247; and Kondo, “Japan.”

The first of these Parsi economic initiatives took shape in 1926, through the efforts of Phiroz D. Saklatvala (1875–1934). Known famously by his contemporaries as “the Parsi Oil King,”²⁰ Saklatvala was born in Bombay, and was the nephew of Jamsetji Tata (1839–1904), the founder of what became the Tata Industrial Group, the largest and most successful Indian industrial firm of its era with holdings spanning numerous industries, including textiles, steel, and hydroelectric power.²¹ Initially working for the Tata family enterprises, Saklatvala spent his adult life in the United States as a pioneer in the American energy industry.²² By the 1920s, Saklatvala had established permanent residence in the United States, and had amassed his own fortune as president and major shareholder in a number of American oil companies, including the Dominion Oil Company and the Middle States Oil Corporation.²³ Both companies—with substantial assets in the oil fields of Oklahoma, Texas, Kansas, and Indiana—were among the many start-up oil ventures that briefly thrived in the aftermath of the 1911 antitrust litigation leading to the dissolution of John D. Rockefeller’s Standard Oil Company.²⁴

Saklatvala’s experience in the oil industry, his connections with American business and political leaders, combined with his Parsi background, compelled him to reach out to diplomats at the Iranian legation in Washington. As he later wrote, “I became awake—in relation to Persia—and began seriously studying the commercial and economic situation in the country.”²⁵ His sympathetic interest in Iran’s development, and his increasing contacts with Iranian diplomats in the United States, earned him the formal designation as Iran’s “honorary consul general in New York City” and “Persian Minister in Washington,” roles that Saklatvala took very seriously.²⁶

From his estate in Plainfield, New Jersey—which he affectionately dubbed “the Golestan”—he and his wife, Mae Saklatvala (née Bradley), hosted regular Iran-themed garden parties for American business and political leaders from the New York City and Washington areas.²⁷ In addition to members of the American corporate and political elite, others—including the former treasurer-general to Iran in 1911 Morgan Shuster, the noted Persophiles and art collectors Arthur Pope and Phyllis Ackerman-Pope, and Columbia University Professor of Iranian Studies A. V. Williams Jackson—were also among the occasional guests at these Saktavala-hosted garden parties.²⁸ The goal of these gatherings at

²⁰ Irach J. S. Taraporewala, “Parsi Oil King in Persia,” *Iran League Quarterly* I, no. 3 (October 1930): 233–34; Patel, “Caught between Two Nations,” 786. Saklatvala’s colorful life ended in 1934. His resting place in Woodlawn Cemetery, New York City, consists of a family mausoleum with cuneiform inscriptions; see Schmitt and Stolper, “An Old Persian Cuneiform Inscription.” For images of the mausoleum, see also “Saklatvala Mausoleum in New York,” Parsi Khabar, July 31, 2020, <https://parsikhobar.net/history/saklatvala-mausoleum-in-new-york/23755/>.

²¹ Raianu, *Tata*.

²² Hinnells, *The Zoroastrian Diaspora*, 449–50. Phiroz Saklatvala was also the brother of the more famous Shapurji Saklatvala (1874–1936), known as “Comrade Sak,” a leftist activist and British politician who joined the Communist Party of Great Britain in 1921 and was among the first Parsis to serve in the British House of Commons (1924–29). For the life of Shapurji Saklatvala and his family, see Squires, *Saklatvala*.

²³ Both companies were later steeped in controversy over alleged stock manipulation. Saklatvala, along with other officers, including the first governor of Oklahoma, were among those implicated in a 77-million-dollar financial scheme. See “Middle States Oil Corporation Elects Directors,” *New York Times*, March 22, 1922, 29; “Lay Irregularities to Ex-governor Haskell,” *New York Times*, June 7, 1924, 17; and “Receivers Tell Court of Large Claims,” *New York Times*, July 2, 1925, 29. See also “Middle States Oil Corporation,” Oil and Gas Historical Society, <https://aoghs.wpengine.com/stocks/middle-states-oil-corporation/>.

²⁴ Chernow, *Titan*, 556–57.

²⁵ Phiroz D. Saklatvala, “Rich Fields in Persia,” *Iran League Quarterly* III, no. 1 (October 1932): 18.

²⁶ *Ibid.*; “Saklatvala, Retired Oil Man, Named Honorary Consul General,” *New York Times*, June 8, 1932, 21.

²⁷ “Plainfield – Golestan,” Smithsonian Institution, Garden Club of American Collection, 1920–, NJ489, <https://sova.si.edu/details/AAG.GCA#ref20177>.

²⁸ “Hosts at Garden Party,” *New York Times*, July 11, 1926, 57. Saklatvala was also an early founder of the North American Zoroastrian Association in New York City, and was a benefactor of Columbia University’s Iranian Studies program; see Schmitt and Stolper, “An Old Persian Cuneiform Inscription,” 595.

the Golestan estate was to lobby influential Americans, and potential investors, to the cause of Iran's political and economic development.

Also in attendance at these garden parties were occasional diplomats and visiting dignitaries from Iran. Chief among Saklatvala's Iranian interlocutors was Hasan Taqizādeh (1878–1970). The two became acquainted in 1926 when Taqizādeh was visiting the United States as Iran's official delegate to the American republic's sesquicentennial anniversary celebration, held in Philadelphia between May and November of that year. Saklatvala seized the opportunity of Taqizādeh's visit to fête the visiting dignitary at his Golestan estate.²⁹ It was to Taqizādeh that Saklatvala submitted the first of what would become several increasingly elaborate drafts of *Rich Fields in Persia*, Saklatvala's report outlining what he considered the most promising sectors of Iran's economy suitable for foreign investment. Published in its final form in 1933, the twenty-page pamphlet eventually circulated widely among potential investors in Washington, New York, and Bombay.³⁰ Before completing its final draft, Saklatvala had also traveled to Iran, and spent six weeks during the fall of 1930 gathering data and discussing Iran's economic prospects with officials and ministers in the Iranian government.³¹

The goal of the pamphlet, as he stated, was to provide a "bird's-eye view" of the essential economic facts regarding Iran and its potential for "future possible development."³² The final version of the pamphlet, also published in serialized form in three successive issues of the *Iran League Quarterly* between October 1932 and April 1933, did indeed provide a general introduction to Iran's political and economic conditions in the early 1930s. After providing essential geographic and demographic details, Saklatvala emphasized the marked improvements in the security situation since the establishment of the Pahlavi state. Reza Shah, he noted, "has made the country entirely safe by reorganization of the army, police, and gendarmerie."³³ Commenting on recently initiated legal and judicial reforms, Saklatvala also concluded that these changes have "assured justice to all."³⁴ Security and legal reforms, he suggests, were the prerequisites for economic development and should serve to give confidence to potential investors considering economic engagement with Iran. Also working to build confidence, Saklatvala detailed, was the government's adoption of other international benchmarks of commerce and trade—such as the gold standard in banking transactions and the adoption of the metric system—which he states were likewise designed to "greatly encourage foreign trade relations."³⁵ Saklatvala also highlighted progress in building telegraph, telephone, road, rail, and postal service, as foundations on which to foster "commercial and industrial development."³⁶ Also of significance for Saklatvala's general assessment of Iran's economy was Iran's balance of trade. After accounting for the rents derived from the Anglo-Persian Oil Company, which he calculated cumulatively at ten million pounds sterling between the signing of the concession in 1901 and 1930, and the Pahlavi state's controlled imports of goods and basic commodities (e.g. cement, galvanized iron, glassware), he declared that the balance of trade was "uniformly in favor of Persia."³⁷ As part of a nationalist economic policy, the early Pahlavi state had used its newly asserted tariff power to impose a de facto state monopoly on many imports, and pursued a policy of import substitution to protect local production and encourage the growth of domestic industries.³⁸

²⁹ "Hosts at Garden Party," 57; Taqizādeh, *Zendege-ye Tufāni*, 205–6.

³⁰ Saklatvala, *Rich Fields in Persia*.

³¹ Phiroz Saklatvala, "Rich Fields in Persia," *Iran League Quarterly* III, no. 1 (October 1932): 19.

³² *Ibid.*

³³ Phiroz Saklatvala, "Rich Fields in Persia," *Iran League Quarterly* III, no. 2 (January 1933): 76.

³⁴ *Ibid.*

³⁵ *Ibid.*

³⁶ Saklatvala, "Rich Fields" (October 1932): 18.

³⁷ Saklatvala, "Rich Fields," *Iran League Quarterly* III, no. 3 (April 1933): 145–47.

³⁸ Abrahamian, *Iran between Two Revolutions*, 146; Issawi, *Economic History of Iran*, 378; Issawi, "The Iranian Economy," 131; Floor, *Industrialization in Iran*, 20; Katouzian, *Political Economy of Modern Iran*, 112; Sādeqi, *Siāsathā-ye San'ati*, 59–78; Zāhedi, *Lozum-e Progrām*, 18–32.

These conditions, combined with the fact that Iran was, as Saklatvala observed, “almost the only country of its size that is free from the burden of debts” led him to conclude that circumstances for investment were “really unique and ideal.” Iran was in an “envious position” to attract entrepreneurs whom, he states, should be eager to invest in “this practically virgin field, without any fear of financial risk.” These general conditions, combined with a growing domestic market and a central government eager to partner with foreign industrialists, made Iran—according to Saklatvala’s optimistic assessment—a place where investors could reap “handsome reward.”³⁹

After highlighting what he described as these positive economic conditions, Saklatvala next identified those areas of Iran’s economy that would be of greatest mutual benefit to foreign investors and Iran’s economy. As a former energy company executive, Saklatvala’s experience and expertise naturally led him to identify Iran’s potential for additional oil exploration as the area most worthy of consideration. He was quick to emphasize, however, that APOC maintained a monopoly over substantial areas of the known petroleum reserves. APOC, he stated, “under a sixty-year lease since 1901 has developed territory in the southwest around Masjed-e Soleyman.”⁴⁰ These wells, he pointed out, were at a shallow depth of 1,000 to 5,000 feet and regularly yield “production exceeding 4,000,000 gallons a day.”⁴¹ He also noted the 135 miles of pipeline that APOC had installed to transport the extracted oil to the refinery in Abadan. According to Saklatvala, the success of APOC in the southwest of Iran should serve to encourage other investors in Iran’s oil industry, including “wildcat” oil prospectors who had honed their skills in locating the similarly prodigious oil fields of the mid-western and southern American states. As he argued, “the five provinces in the north of Persia are not included in the [APOC] lease, and are available to the Imperial Persian Government for development.”⁴² In the early 1920s, the American energy companies Standard Oil and Sinclair Oil had already explored the possibility of gaining concessions in Iran’s northern provinces. This early American effort to enter into the oil fields of Iran was, however, forestalled both by the political pressure of the continuing Anglo-Russian rivalry, as well as the political imbroglios stemming from the American Teapot Dome scandal, and the 1924 murder of an American consul official, Robert Whitney Imbrie, in Tehran.⁴³ Saklatvala was surely aware of these earlier failed efforts to bring the United States into the Iranian oil business, and his advocacy for the possibilities of Iranian oil was likely designed to rekindle the interest of American energy companies after these earlier failed efforts.

In making this case, Saklatvala went on to argue that Iran was not seeking loans or credit to make these untapped fields productive, but was instead requesting partnerships and “foreign co-operation as regards experience and capital.”⁴⁴ Saklatvala did not detail the terms under which any potential oil agreement might be negotiated; however, by 1933 the Pahlavi government was in acrimonious discussions with APOC to improve Iran’s 16 percent annual royalty that had been stipulated in the original D’Arcy concession.⁴⁵ To explore renewed possibilities of American involvement in Iranian oil, Saklatvala concluded his discussion by offering himself as a potential intermediary between American investors and the Iranian government, stating “for further information or discussion...please consider me at your disposal.”⁴⁶

³⁹ Saklatvala, “Rich Fields” (April 1933): 147.

⁴⁰ *Ibid.*, 143.

⁴¹ *Ibid.*

⁴² *Ibid.*

⁴³ Rubin, “Stumbling through the ‘Open Door’”; Ghazvinian, *American and Iran*, 100–104. For Iranian overtures to American investors in the early 1920s, see also Koyagi, *Iran in Motion*, 65–68.

⁴⁴ Saklatvala, “Rich Fields” (April 1933): 147.

⁴⁵ For the details of efforts to renegotiate the terms of the D’Arcy concession in this period, see Brew, “In Search of ‘Equitability,’” 132–34. It was only after the oil nationalization movement of the Mossadeq period that the 50–50 profit sharing principle was established. See also Shafiee, *Machineries of Oil*, chapter 3.

⁴⁶ Saklatvala, “Rich Fields” (April 1933): 149.

There were, however, numerous considerations that prevented Saklatvala's proposals from becoming realized. In addition to British sensitivities regarding new players competing in what was still considered APOC's sphere of influence, Saklatvala's pamphlet does not mention that the Soviet Union also had growing interests in the oil fields of Iran's northern provinces. These interests only grew in subsequent years and ultimately contributed to both the Azerbaijan Crisis of 1947 and the politics of oil nationalization in the Mossadeq era. American energy investors—though often reckless in their ambitions—were sophisticated enough to be weary of entering into any partnership with the Iranian government to drill in its northern provinces, given the vagaries of Iran's politics and the unknown intentions of Iran's northern neighbor. Nevertheless, despite the political challenges, Saklatvala's goal in drafting *Rich Fields in Persia* was to help bolster the Pahlavi state's attempt to craft a nationalist strategy for economic development in the context of a global economy still dominated by competing imperial powers. An important part of that strategy, according to Saklatvala, was to identify well-intentioned overseas investors whose own political and economic interests lay outside of the still-lingering nineteenth-century Anglo-Russian rivalry for control of Iran. As an American of Parsi extraction, Saklatvala saw Parsi and American investors as ideal partners in this regard, whose technical skills and economic resources might help Iran chart a path toward both political independence and economic prosperity.

The Persia Industrial and Trade Corporation

The same combination of sentimental enthusiasm for Pahlavi Iran and cautious entrepreneurship characterized the work of the investment consortium led by Rustom Masani, Kaikhosrow Fitter, Hormusji Adenwalla, and Phiroze Sethna. This group of Bombay-based Parsi investors, which eventually became incorporated as the Persia Industrial and Trade Corporation, grew out of the 1932 visit to Iran by the Indian poet and Nobel Prize laureate Rabindranath Tagore.⁴⁷ While Tagore's visit to Iran has been recognized as a key moment in the cultural history of the Reza Shah period, the trip represented a seminal moment in Iran's economic history during the interwar period as well.

In addition to building cultural ties between Parsis and Iranians, the Iranian government had sponsored Tagore's trip as part of an effort to court Parsi investors and to encourage broader economic links between Parsis and Iranians. To foster this goal, Tagore's entourage included a delegation of prominent Parsi entrepreneurs who accompanied the poet, in order to "study the conditions there" for the purpose of "considering the means and ways that would render Parsi activity in Persia possible."⁴⁸ Iran's consul general in Bombay, Jalal al-Din Kayhan, a veteran Iranian diplomat and intrepid lobbyist for Iran's development among Parsi capitalists, played a central role in assembling the delegation. Assisting Kayhan in this task was Dinshah Irani, one of the founders of the Iran League, and perhaps the most important civic leader in the Parsi community to encourage renewed ties between Parsis and Iranians. Both Kayhan and Irani joined Tagore's entourage during the tour.⁴⁹

The most important member of the 1932 economic delegation was Rustom Masani (1875–1966), another leading figure in the Parsi civic and business community. Masani would eventually become the Managing Director of the Persia Industrial and Trade Corporation and a principal organizer of the Khosrovi Spinning and Weaving Company in Mashhad. He was in fact an excellent choice to lead the economic delegation associated with Tagore's trip to Iran. An experienced administrator and financier, Masani held executive positions in several Indian banks, including the National Bank of India, as well as in the Bombay Chamber of

⁴⁷ Marashi, *Exile and the Nation*, chapter 3.

⁴⁸ Irach J. S. Taraporewala, "India and Iran," *Iran League Quarterly* II, no. 4 (1931): 179–80.

⁴⁹ Jalal al-Din Kayhan served as Iran's consul general in Bombay from 1927 to 1932. Irach J. S. Taraporewala, "H.E. Aqa Jalal-ad-din Keyhan," *Iran League Quarterly* II, no. 2–3 (January–April 1932): 118–20. Dinshah Irani also wrote of his 1932 journey to Iran with Tagore; see "Regenerated Iran," *Iran League Quarterly* II, no. 4 (July 1932): 191–206.

Commerce and the Bombay Mill-Owners Association.⁵⁰ His administrative experience also led to his philanthropic work as a trustee of the Parsi-founded Wadia Charities Foundation. Masani eventually received a knighthood for his civic contributions, and rose to become vice-chancellor of the University of Bombay. His illustrious career also included his work as the first non-Anglo to serve as commissioner, or mayor, of Bombay, overseeing a number of large infrastructure projects during a period of rapid growth for the colonial metropolis.⁵¹

Masani's recollection of the delegation's visit to Iran in the spring of 1932 is filled with both great enthusiasm "to kiss the dust of the fatherland" and his shrewd determination to "investigate prospects of strengthening...commercial relations between India and Iran."⁵² As a former urban planner in charge of Bombay's city services and infrastructure projects, Masani was quick to notice the substandard sanitation that still characterized many of Iran's cities and towns. While commenting favorably on the progress in road construction linking disparate regions of the plateau, Masani also remarked that in "many a street little canals of water were bubbling along in the open...No wonder the toll annually taken by typhoid and other water-based diseases."⁵³ Tehran, by contrast, he described as comparatively modernized with both electrification and modern water systems under construction. "I was delighted to find," he commented, "that the sanitary engineer who had practically a monopoly for such was a Parsi, Mr. Jehangir Bodhi."⁵⁴ A small number of Parsis had, in fact, already settled in Iran to live and work by their own initiative. In addition to the case of Tehran's sanitation engineer, other enterprising Parsis had also found work in both the Anglo-Persian Oil Company and the Trans-Iranian Railway project. Still others had pioneered the nascent—but fast growing—Iranian tourism industry that catered to middle-class Parsi travelers embarking on "heritage tours" of the Iranian homeland.⁵⁵ To encourage such individual initiative, the *Iran League Quarterly*, in fact, included a series of regular columns written by Parsis living and working in Abadan, Ahvaz, and Shiraz.⁵⁶ Notably, all of these Parsi engineers, technical experts, and early entrepreneurs who came to live and work in Iran drew from what they understood to be their positive experiences of contributing toward the economic development of British India. Despite the social and economic inequalities that inevitably grew from many of these policies, as well as the destructive environmental consequences stemming from large-scale development schemes, from the vantage point of the 1930s, both Parsis and Iranians saw India's developmentalism as a model for Iran's own economic progress.

In addition to Tehran, Masani's delegation also visited other major cities, including Isfahan and Mashhad, both of which Masani also observed as having recently made important infrastructure improvements, and were experiencing growth of industrialization.⁵⁷

⁵⁰ Taraporewala, "India and Iran," 180, 185, 240.

⁵¹ Patel, "Caught between Two Nations," 784; Masani, *And All Is Said*, x; Masani, *Bliss Was It in That Dawn*, 15.

⁵² Masani, "With Dinshah Irani," xv.

⁵³ *Ibid.*, xviii.

⁵⁴ *Ibid.*, xix.

⁵⁵ Patel, "Caught between Two Nations," 782–83. The *Iran League Quarterly* regularly displayed advertisements for tours to Iran from the Bombay-based tourism agency Jeena & Company.

⁵⁶ See, for example, Feroze S. Madon, "Our Ahvaz Letter: Parsees in Persian Railway Service," *Iran League Quarterly* III, no. 3 (April 1933): 183–84; Noshirvan Hormazdji Bamboat, "My First Experiences in Persia," *Iran League Quarterly* IV, no. 4 (July 1934): 252–56; "Our Abadan Letter," *Iran League Quarterly* VI, no. 2–3 (January–April 1936): 160–61; "Our Shiraz Letter," *Iran League Quarterly* VI, no. 2–3 (January–April 1936): 166–69; "Our Shiraz Letter," *Iran League Quarterly* IX, no. 3 (April 1939): 196–98; and "Our Shiraz Correspondent," *Iran League Quarterly* X, no. 1 (October 1939): 31–33. Most of these letters suggest that early Parsi residents in Iran were employed in commercial, railway, and tourism industries. Some Parsis were also likely employed in skilled positions in the oil industry. For the Indian workforce in the early twentieth-century oil industry in Iran, see Atabaki, "Far from Home."

⁵⁷ By the time of the delegation's visit in 1932 the percentage of the state's annual budget allocated toward policies promoting industrialization was on an upward trajectory. While in 1926 13 percent of the budget was allocated toward industrialization policies, by 1940 the allocation had risen to 20 percent. Meanwhile the total annual budget

Masani suggested that both of these cities would be ideal for Parsi investment, since, as he observed, the Iranian government “has been engaged in the work of city improvement similar to that I had witnessed when the Bombay Improvement Trust took in hand the Dadar-Mantuga scheme.”⁵⁸ Also contributing to a favorable climate for foreign investment, according to Masani, was the social progress that he identified taking place throughout Iran. As Saklatvala had likewise detailed in *Rich Fields in Persia*, Masani also observed that both the rule of law and general security were now well established. He similarly commented on the changing social position of the Shi‘i ulama:

When Reza Shah ascended the throne, the country was groaning under the tyranny of the Mullahs and brigands. The brigands have been completely routed...the highwayman of yesterday is turned into the yeoman of today. As for the Mullahs, they were once the true rulers of Iran, being able to support or smash any government and to stifle any measure of reform....those days are gone.⁵⁹

Masani goes on to describe the legal changes that had been imposed since 1928 to restrict the wearing of clerical garb to officially registered members of the clergy. This legislation, along with other social reforms instituted in the early years of the Pahlavi monarchy, Masani observed approvingly, “thinned the ranks of those inveterate enemies of progress.”⁶⁰

In addition to promoting what he believed to be the general benefits of modernizing social reform, Masani also suggested that these reforms served as social prerequisites necessary to encourage foreign investment in Iran, especially by Parsis whose own social-economic success in Bombay had grown in harmony with their cultural appropriation of a British-mediated colonial modernity.⁶¹ The link between economic progress and social-cultural reform was made even more clear during the Parsi delegation’s audience with Reza Shah at the Sa‘adabad Palace on May 2, 1932. As Masani recalled, Reza Shah—whom he described with no shortage of hyperbole as “cool and collected, agile and alert, superb in stature and majestic in demeanor”⁶²—wanted to convey to the Parsi delegation that Iran’s social progress and economic development were intrinsically linked. According to Masani, Reza Shah was eager to see Parsis resettle in Iran and begin investing in what Reza Shah described as, “the land of your ancestors.”⁶³ Reza Shah was also aware of Parsi trepidations about the long-term durability of Iran’s reforms, and what those prospects might mean for any large-scale Parsi investments in Iran. According to Masani, Reza Shah sought to assuage these concerns, “come in small numbers...see things with your own eyes...wait and watch and then decide for yourselves...we will welcome you with arms outstretched.”⁶⁴

Reza Shah’s overture to his Parsi guests was at least partially successful. Following the economic delegation’s return to Bombay, Masani began to formally incorporate the Persia Industrial and Trade Company with a board of directors and initial capitalization. Their

increased more than tenfold during this period. In real terms this meant total expenditures toward industry grew from approximately 40 million rials in 1926 to almost 700 million rials in 1940. See Sādeqi, *Siāsathā-ye San‘ati*, 154–55.

⁵⁸ Masani, “With Dinshah Irani,” xviii. Initiated after the Bombay plague of 1896, the Bombay Improvement Trust (BIT) was an effort to expand the size of the city, facilitate the growth of industrialization, provide additional housing, improve sanitation systems, and build roads connecting new suburban districts. For the BIT, see Arnold, “The Bombay Improvement Trust”; and Chhabria, *Making the Modern Slum*, 142–78.

⁵⁹ Masani, “With Dinshah Irani,” xx.

⁶⁰ *Ibid.*

⁶¹ Luhrmann describes this Parsi appropriation of British cultural standards as “a community ideal as well as a strategic economic gamble.” See Luhrmann, *The Good Parsi*, 99.

⁶² Masani, “With Dinshah Irani,” xxiii.

⁶³ *Ibid.*, xxiv.

⁶⁴ *Ibid.* Reza Shah’s meeting with the Parsi delegation was also detailed in the *Iran League Quarterly*; see “Audience with H.I.M. the Shah,” *Iran League Quarterly* II, no. 4 (July 1932): 251–54; “Tafsīl-e Khetābeh bā ‘Alāhazrat Pahlavi,” *Iran League Quarterly* II, no. 4 (July 1932), Persian section: 57–60; and Oshidari, *Tārikh-e Pahlavi va Zartoshtiān*, 111–13.

first order of business was to inform the Iranian government of the delegation's positive impressions of Reza Shah's reforms and their determination to move forward with investment opportunities in Iran. Hormusji Adenwalla, a member of the company's initial investment group—and the president of the Iran League—wrote a letter to Iran's Minister of Court, Abdolhosayn Taymurtash (1883–1933), in August 1932, indicating that the Parsis were eager to “offer their humble services to...their ancient fatherland...and that we may have the good fortune of watering with willing service the tree of Iran's prosperity.”⁶⁵ Taymurtash replied to Adenwalla, stating that from the Iranian government's perspective the economic delegation's visit “had proved to be of great value” and that the Pahlavi state was likewise eager to move forward in “material co-operation” with the Parsi business community.⁶⁶

Immediately upon their return from Iran the Parsi-led Persia Industrial and Trade Company raised initial capital of two million rupees.⁶⁷ The board, under the directorship of Masani, then dispatched Dinshaw N. Pavri to Iran to conduct a more detailed assessment of economic opportunities. By October 1932, Pavri had returned and submitted his report to the company's board of directors.⁶⁸ Not surprisingly, it was Iran's emerging textile industry that Pavri identified as the most suitable potential partnership for the consortium of Parsi investors. Pavri had in fact been selected for his mission to Iran by Masani because of his expertise in India's Parsi-led textile industry.⁶⁹ The Iranian government had likewise identified textile manufacturing as an industry toward which it was directing its own resources.⁷⁰ Despite the growth of Persian carpets as a global commodity since the late nineteenth century, much of Iran's domestic textile “cottage industries” had precipitously declined during the Qajar period.⁷¹ Seeing the Iranian government's commitment to revitalize domestic production of textiles, Pavri informed the Persia Industrial and Trade Company's board, “the Persians are now seriously thinking of erecting cotton spinning and weaving mills...and there is a possibility of cotton mills coming into existence in Saman, Mashhad, Rafsanjan, or Yazd at no distant date.”⁷² By the early 1930s the Pahlavi state's economic policies had already achieved some measure of success in fostering a modern textile industry. The strict limits imposed on imported textiles and many other consumer goods, through the Pahlavi state's import-substitution policy, had been established to spur domestic production to meet both local demand and to grow Iran's textile exports in the global marketplace.⁷³ Given these Iranian objectives, a joint venture drawing on the Parsi community's long and successful history in the global textile industry seemed to be the ideal starting point for Parsi-Iranian economic cooperation.

News of Parsi plans to help build Iran's textile industry spurred both enthusiasm and skepticism within Bombay's Parsi business community. As one especially optimistic editorial in the *Iran League Quarterly* stated, “special Parsi commissions and individuals have visited the country [Iran]” and returned with “glowing accounts” of the “brilliant prospects in many fields.”⁷⁴ These commissions, according to the editorial, had concluded that the textile industry was the best choice for initial Parsi investment in Iran. Describing the initiative of the Persia Industrial and Trade Company, the editorial continued that “practical measures

⁶⁵ “Parsis and Persia,” *Iran League Quarterly* III, no. 1 (October 1932): 4–5.

⁶⁶ *Ibid.*, 5–6.

⁶⁷ “Trading and Industrial Opportunities,” *Iran League Quarterly* II, no. 4 (July 1932): 185.

⁶⁸ “Parsis and Persia” (October 1932): 1.

⁶⁹ *Ibid.*

⁷⁰ Floor, “Textile Industry in Iran.”

⁷¹ Floor, *The Persian Textile Industry*, 118. For Qajar and Constitutional-era industrial efforts, see also Sādeqi, *Siāsathā-ye San'ati*, 24–31.

⁷² Dinshaw N. Pavri, “Renaissance of Persia,” *Iran League Quarterly* III, no. 2 (January 1933): 93.

⁷³ Floor, *Industrialization in Iran*, 20; Issawi, “The Iranian Economy,” 131–32; Abrahamian, *Iran between Two Revolutions*, 146–47. For details relating to new factories in the 1930s specializing in cotton, wool, hemp, and silk weaving, see Zāhedī, *Lozum-e Progrām*, 100–112.

⁷⁴ “Parsis and Persia,” *Iran League Quarterly* III, no. 4 (June 1933): 197.

have already been taken for launching it in Persia in the immediate future.”⁷⁵ At the same time, however, the editorial states that there were others within the Parsi business community who were skeptical of any potential investment in Iran. This skepticism was sometimes expressed in the pages of the *Iran League Quarterly*, but was more often assumed, and just as often strategically preempted by arguments made by those eager to rebuild ties between Parsis and Iranians. “Some people,” the editorial continued, “were led to believe that it would be risky to invest anything in Persia....such unnecessary doubts and delays are not wise.”⁷⁶

The skeptics were no doubt justified in seeing risks in Parsi economic engagement with Iran. As a purely economic calculus there were still too many unknowns about Iran’s political and economic future to justify large-scale Parsi commitments. Chief among these risks, as some Parsis saw it, was the fragility of the Pahlavi state as well as the uncertainty posed by the Soviet Union’s intentions toward Iran. For Parsi entrepreneurs the most compelling arguments for investment in Iran were always those tied to philanthropic motives to assist what many Parsis increasingly saw as their ancestral homeland. Also motivating Parsis was a growing anxiety about the community’s own prospects in a potentially post-independence India. Both of these arguments rested more on sentimental attachment or political calculation than on economic opportunity. This underlying ambivalence may help to explain what ultimately became the tepid pace with which the Persia Industrial and Trade Company proceeded with the Khosrovi Mill project in Mashhad.

Over the next several years planning for the mill moved cautiously apace. In the spring of 1934, Hormusji Commissariat, another of the principal Parsi investors, made the first of what became three trips to Mashhad, to review the proposed site for the future factory and help make additional decisions regarding the project.⁷⁷ Like his Parsi colleagues who had previously toured the region, Commissariat was impressed with the potential of the historic cotton fields of the Khorasan and Golestan provinces to produce high-quality raw material for the mill in Mashhad. In addition to processing raw cotton into commodity-grade spun thread and yarn, Commissariat and his Iranian colleagues now decided to include the bleaching and dyeing of refined cotton, as well as industrialized weaving of finished textile products as part of the mill’s operation.⁷⁸ By September 1934 a 51–49 percent ownership agreement was finalized, favoring the Iranian owners. The terms of the ownership agreement were in keeping with the Pahlavi government’s general policy of maintaining majority Iranian control in new economic projects that included foreign capital. This policy was intended as an assertion of Iranian economic sovereignty, after the bitter nineteenth-century legacies of concession-mongering that characterized much of the Qajar era. It also meant that Parsi investors remained junior partners in the Khosrovi Mill agreement, a fact that in the following years may have hastened their desire to exit the project.

In the short term, however, the Parsi consortium did commit to a one-million-rupee investment and a fifty-year cooperation agreement.⁷⁹ The company’s board of directors was now also established to include three Parsis, three Iranians, and one Iranian government official. Arbab Kaikhosrow Shahrokh (1874–1940) was selected as the board member representing the Iranian government. As the president of the Zoroastrian Anjoman in Tehran, as well as the Majles deputy representing Iran’s Zoroastrian community, Shahrokh had played a central role in helping the Parsi investment team to navigate contacts with Iranian government officials and local investors in Mashhad.⁸⁰ The other prominent member of the

⁷⁵ Ibid.

⁷⁶ Ibid., 197–98.

⁷⁷ “New Industries,” *Iran League Quarterly* IV, no. 2–3 (January–April 1934): 82.

⁷⁸ Ibid., 83.

⁷⁹ Patel, “Caught between Two Nations,” 785; “Parsi Enterprise in Persia,” *Iran League Quarterly* IV, no. 4 (July 1934): 208.

⁸⁰ Abtahi and Hatit, “Kārkhāneh,” 79. Both Iranian and Parsi partners were so pleased with Kaikhosrow Shahrokh’s mediation that they agreed to name the company “Khosrovi” after him.

ownership team was Muhammad Vali Asadi-Birjandi (1878–1935), a former Majles deputy representing the Sistan province, and the government-appointed administrator of the Mashhad shrine complex.⁸¹

Despite formalizing the Parsi-Iranian agreement in 1934, it took several more years, until 1938, for the Khosrovi Mill to reach completion. Between these years, the project went through several stages of additional discussion, revisions to the original plan, and construction delays. Originally planned to begin operation in 1936, the Parsi investors received “disquieting news” in August 1935 that the original cost estimates were far below expectations and that substantial additional resources would be needed to keep the project on course.⁸² According to Kaikhosrow Fitter, secretary of the Iran League and a member of the Persia Industrial and Trade Company’s board of directors, the reasons given for the additional costs were a fall in the exchange rate, the rise in the cost of imported machinery, and the rising cost of iron and cement necessary to build the factory.⁸³ The Parsi consortium was especially concerned because it seemed that some of their muted skepticisms about the challenges of investing in Iran seemed to be coming to pass. They communicated to their Iranian partners that despite their affinity for Iran’s developmental ambitions, that no additional investment would be forthcoming until the Parsi investors reviewed the plan for additional expenditures.

To address these concerns, Commissariat traveled to Mashhad for a third time, in September 1935, to once again meet with the Iranian partners. The result of their discussions was a significant scaling back of the original plan for the Khosrovi Mill. Dyeing and bleaching facilities were eliminated from the plan, resulting in significant savings in the purchase of machinery and other materials. Commissariat also argued that much of the additional machinery that the Iranian investors felt was needed was unnecessary. While machinery and construction materials—including the electrical plant and the factory ventilation system—would still be needed, instead of purchasing these directly from manufacturers, Commissariat arranged to have some of this machinery acquired secondhand and shipped at cost from Bombay via shipping firms associated with Parsi investors.⁸⁴ Other machinery—including spindle machines, power looms, and electrical turbines from British and German firms—were eventually ordered, but in substantially reduced number in the fall of 1935.⁸⁵

This new agreement reduced the overall size and scope of the mill project, but still required a modest additional investment on the part of all the principal members of the joint venture. The goal was now to complete construction of the factory and install the machinery by the summer of 1936, with the final goal of commencing operations to coincide with that fall’s cotton harvest. To assuage what were perceived as growing Parsi concerns for the project, Commissariat was now also informed by his Iranian partners that the government of Reza Shah had decreed a moratorium on the construction of any additional textile mills in Iran, so that when completed, the Mashhad factory would meet the demand of a more substantial share of Iran’s domestic textile market.⁸⁶

In the end, the Khosrovi Mill was confronted with additional challenges and further delays. It took two additional years, until the spring of 1938, for the construction of the

⁸¹ Asadi’s membership in the ownership team did not last long. As the chief administrator of the shrine complex, he became a victim of the political controversy following the incident at the Gowharshād Mosque in July 1935, and was executed by order of a military court in December. See Makki, *Tārikh-e Bist Sāleh*, 6:304–9. For details of the Iranian ownership team of the Khosrovi Mill, see Ardakāni, *Tārikh-e Mu’assasāt*, 3:120–22; Zāhedī, *Lozum-e Progrām*, 102; and Abtahi and Hatit, “Kārkhāneh,” 79.

⁸² Kaikhosrow Fitter, “Khosrovi Spinning and Waving Factory—Meshed,” *Iran League Quarterly* IV, no. 4 (July 1936): 232.

⁸³ *Ibid.*

⁸⁴ *Ibid.*, 233.

⁸⁵ *Ibid.*, 234. The machinery was purchased from Platt Brothers, AEG, Union Matex, and Siemens Brothers.

⁸⁶ *Ibid.*

factory to be completed and for the last of the imported spinning and weaving machines to be installed. All of the details relating to the mill's subsequent history are not completely known, but it is clear that Parsi investors eventually became disillusioned with the project. Writing a decade later, in 1948, Masani remained muted in detailing all of the project's complications, stating only that he would leave a discussion of the "sordid business" relating to the mill project for another time.⁸⁷ Other Parsi observers were more direct, however, lamenting that despite the substantial investment of time and money, the Khosrovi Mill was in the end only "a small textile enterprise...hardly run to full capacity."⁸⁸ British consular officials in Mashhad also documented Parsi discontent with the mill project, reporting that their Iranian partners were not honoring the terms of the original agreement, and that "the Indians...are far from contented."⁸⁹ The commencement of World War II, the fall of Reza Shah, and the Parsi community's own complicated history during the final years of the Raj also contributed to the eventual demise of this Parsi-Iranian joint venture. As Kekobad Ardeshir Marker—one of the scions of the Parsi community of Bombay—recalled in his posthumously published memoir, the challenges of the mill project eventually became too difficult for the Parsi investors to manage, and "after some years the Parsi investors divested themselves of their shares in this enterprise."⁹⁰

Dreams of "Return" and Engineering the Iranian Homeland

In addition to the initiatives led by Phiroze Saklatvala and Rustom Masani, other Parsi entrepreneurs also sponsored economic surveys to assess areas of potential investment in Iran. Perhaps the most comprehensive of the Parsi-led economic surveys was the one conducted by Nadirshah Noshirvan Gocal. An industrial engineer by training, and a member of the British Institute of Engineers, Gocal belonged to the then still-thriving Parsi community of Karachi. Like its sister city of Bombay, colonial Karachi was also an Indian Ocean port city that was home to a prosperous community of Parsi commercial and industrial entrepreneurs.⁹¹ From Karachi, Gocal maintained close ties to Bombay's Iran League, and after his own visit to Iran in 1933, published a detailed five-part report in the *Iran League Quarterly* presenting his overall assessment of Iran's potential for economic development.⁹²

Gocal's report—titled "My Impressions of Present Persia"—was an enthusiastic endorsement of the breadth of opportunities that awaited Parsi investors in Iran, spanning the sectors of industry, commercial agriculture, hydroelectric power, mining, transportation systems, and a variety of other large public works projects. Like all of the Parsi entrepreneurs who had an interest in developing closer ties to Iran, Gocal's assessment of Iran's economic potential was colored not only by the potential for profit, but also by what Gocal described as a deep personal attachment to Iran. Discussing his satisfaction of fulfilling his wish to see Iran, he wrote that he had been "dreaming that a day would come when I should...proceed to Iran—the Iran of our glorious ancestors—that fountain-head of all valued

⁸⁷ Masani, "With Dinshah Irani," xvi.

⁸⁸ Pheroze Shah Sorabji Gazdar, "Impressions of a Second Visit to Iran," *Iran League Quarterly* IX, no. 1 (October 1938): 64.

⁸⁹ "Coll 28/10 'Persia. Diaries; Meshed Consular January 1931 – May 1940. Khorasan Political 1934 – May 1940. Khorasan Fortnightly Reports' [295r] (592/1301)," British Library: India Office Records and Private Papers, IOR/L/PS/12/3406, Qatar Digital Library, www.qdl.qa/archive/81055/vdc_100041964363.0x0000c0. I am grateful to Dinyar Patel for directing me to this source.

⁹⁰ Patel, "Caught between Two Nations," 785; Marker, *Pedal from the Rose*, 1:178; Abtahi and Hatit, "Kārkhāneh," 82. The Khosrovi Mill went through several further stages of its history following Parsi divestment, including becoming a major site of labor activism in the years after World War II; see Abtahi and Hatit, "Kārkhāneh," 84–94. It is in operation today, as part of the Āstān-e Qods-e Razavi foundation, <http://nasajikhosravi.ir/>.

⁹¹ Hinnells, *The Zoroastrian Diaspora*, 191–203.

⁹² Part I of the five-part report was published in the October 1933 issue of the *Iran League Quarterly*. See Nadirshah Noshirvan Gocal, "My Impressions of Present Persia," *Iran League Quarterly* IV, no. 1 (October 1933): 23–30. Part V was published in the July 1935 issue.

knowledge and the first world civilization.”⁹³ This sentimental attachment to Iran as an ancestral homeland shaped much of the Parsi community’s social, cultural, and also economic outreach to Iran during the 1920s and 1930s.

In addition to sentimental attachment, however, Gocal’s interest in Iran, like that of other Parsi entrepreneurs during this period, was also shaped by a sense of urgency and uncertainty regarding the Parsi community’s future in India. He begins the first of his reports, in the October 1933 issue of the *Iran League Quarterly*, by describing the Parsis as a “microscopic community” that will likely be outnumbered in a future independent India dominated by Hindus and Muslims, asking rhetorically, “what would be the position twenty-five or thirty years hence when these communities [Hindus and Muslims] will grow to their manhood and fully assert their born rights?”⁹⁴ The answer to this question was at the heart of the Parsi community’s anxiety in the final years of the Raj. As he writes, “history teaches us that a community that has very little share in the government of a country it resides in, must find itself at a material disadvantage.”⁹⁵ To avoid this possible future, which as Gocal describes, could mean that the Parsis might “slowly revert back to the old position they occupied prior to the advent of the British administration of India,”⁹⁶ the Parsis should seek new potential destinations where they might settle.

It is in this context that the possibility of Iran as not only a potential site of investment, but as a potential home for Parsis became central to both the logic of Gocal’s personal and economic interest in Iran. As he writes, echoing the larger interwar-era tone of Parsi anxiety about India and hope for Iran, “Parsis should try to find out new fields....Providentially one such field opens out in our ancient fatherland—Iran. After thirteen hundred years of chequered history....Persia...is raising its head once more from the ashes of its past.”⁹⁷ For Gocal, as for many other leaders of the Parsi civic and business community, Reza Shah’s government represented a potential lifeline for a community that was increasingly unsure of its future in India. The Pahlavi state’s espousal of a new cultural policy that placed special emphasis on the Zoroastrian element of Iran’s classical heritage, combined with its economic policies encouraging investment in capital intensive industrialization projects, indicated to Parsis like Gocal that building closer ties to Pahlavi Iran could be of enormous benefit to the community’s cultural and economic, as well as to its national, interests. As Gocal wrote, reflecting a broader Parsi optimism for Reza Shah’s developmentalist ambitions, “may Ahurmazd crown with success his efforts to bring Persia in the first rank of the empires of the world.”⁹⁸

Though expressed in these emotional terms, the prescriptive elements of Gocal’s economic report reflect the more prosaic assumptions of twentieth-century developmentalist economic policy. Large-scale infrastructure projects, especially those emphasizing transportation systems, were an essential part of Gocal’s recommendation for Iran. These investments, coupled with the construction of new water and irrigation systems, and the import of heavy machinery for mining operations, would create new possibilities of wealth tied to economic strategies linked to cash-crop agriculture and resource extraction. As an experienced engineer, it is not surprising that Gocal’s recommendations for Iran would follow along these lines. He is, in fact, emphatic in stating that “vast undertakings” are needed in the fields of engineering, including the fields of mining and transportation systems designed to bolster Iran’s economic potential. Gocal and other Parsi engineers could, he argued, bring the enormous technical skills and experience they had gained in building

⁹³ Gocal, “My Impressions of Present Persia” (October 1933): 23.

⁹⁴ *Ibid.*, 30.

⁹⁵ *Ibid.*

⁹⁶ *Ibid.*

⁹⁷ *Ibid.*

⁹⁸ *Ibid.*

the economic infrastructure of British India to help build Iran's modern economy. As he states, "in this the Parsis of India can play an important role."⁹⁹

The need for Iran to build modern irrigation systems was, according to Gocal, among the most urgent necessities. Like the textile industry, commercial agriculture—including the engineering of irrigation infrastructure to support the cultivation of cash crops such as cotton and opium—was also an economic sector that the Parsi business community had long excelled in. The just-completed Sukkur Barrage, designed as part of a network of dams, canals, and reservoirs in the Indus River valley of British India's Sindh province, was only one of many such infrastructure projects that Parsi engineers, like Gocal, had participated in since the late nineteenth century.¹⁰⁰ These projects became models for Gocal as he assessed Iran's water management needs. Surveying the various provinces of Iran for prospects of commercialized agriculture, Gocal identified a number of possibilities, including the beet-sugar industry, as a potential cash crop that could benefit from new investments in irrigation systems and industrialization. Beet cultivation for the production of sugar had a history in Iran dating to the nineteenth century, but as Gocal observed, by the early 1930s Iran only had a minimum number of beet-sugar mills.¹⁰¹ As Gocal argued, this was insufficient, and meant that Iran remained a net importer of sugar. Gocal's report included a suggestion to expand irrigation systems designed to grow Iran's beet crop as well as building additional processing factories, to achieve self-sufficiency for processed beet sugar. Iran, he argued, "required twelve such big sugar mills to meet its own local demand."¹⁰² He makes a similar argument for Iran's tea industry, traditionally concentrated in Iran's Caspian provinces.¹⁰³ Underdeveloped irrigation and transportation systems, he argued, restricted the scale of cultivation and export of tea exclusively to the Russian market, and usually at prices that were dictated by Iran's powerful northern neighbor. "Enormous possibilities" await Iran if it could expand and commercialize its tea industry. New irrigation systems could expand its cultivation, strategic investments in industry could modernize the processing and packaging of the commodity, and a modern transportation infrastructure could bring Iranian tea onto the global market. With these investments, Gocal observed, "Iran can become an exporter of tea, like India and China."¹⁰⁴

His most enthusiastic prescription for investments in irrigation and industrial infrastructure was, however, reserved for the province of Khuzestan. The Parsi community had an exceptionally optimistic view of Khuzestan's economic future, seeing the region as analogous to western India, and to the Parsi community's history with the city of Bombay. Kaikhosrow Fitter, the secretary of the Iran League and among the most prominent Parsi advocates for building Parsi-Iranian ties, had already argued that the newly completed deep-water port at the head of the Persian Gulf—known from 1932 to 1979 as Bandar-e Shahpur¹⁰⁵—would quickly transform the port and its surrounding region into Iran's principal commercial link to the global economy. Also as the terminus of the still under construction Trans-Iranian Railway project, this "up-to-date port," Fitter argued, would provide "good anchoring facility to big steamers for loading and unloading goods and passengers."¹⁰⁶ Seeing the future prosperity that the new port would potentially bring to Iran, Fitter encouraged land purchase in Khuzestan:

⁹⁹ Nadirshah Noshirvan Gocal, "My Impressions of Present Persia," *Iran League Quarterly* IV, no. 4 (July 1934): 257.

¹⁰⁰ For the history of the Sukkur Barrage project, see Haines, *Building the Empire*; see also Gilmartin, *Blood and Water*.

¹⁰¹ A'lam, "Beet"; McLachlan, *The Neglected Garden*, 33–34; Zāhedi, *Lozum-e Progrām*, 112–18.

¹⁰² Nadirshah Noshirvan Gocal, "My Impressions of Present Persia," *Iran League Quarterly* IV, no. 2–3 (January–April 1934): 141.

¹⁰³ Balland and Bazin, "Čāy"; McLachlan, *The Neglected Garden*, 44.

¹⁰⁴ Gocal, "My Impressions of Present Persia" (January–April 1934): 143.

¹⁰⁵ De Planhol, "Bandar-e Šāhpūr."

¹⁰⁶ K. A. Fitter, "Persia's Rapid Progress," *Iran League Quarterly* IV, no. 2–3 (January–April 1934): 117.

this is a golden opportunity for far-sighted Persian Zoroastrian and Parsi millionaires of India. This land will indeed be very valuable in the near future....In the same way as the land purchased in old Bombay by the forefathers of the Parsis some generations ago proved afterwards.¹⁰⁷

Fitter and other Parsi investors eager to build ties to Iran agreed that Khuzestan's proximity to Bandar-e Shahpur also meant that agricultural commodities cultivated in Iran's south-western region could be efficiently exported as cash crops.

Gocal's own assessment of Khuzestan's future echoed Fitter's optimistic projections. What was needed, Gocal argued, was a plan to provide a regular and controlled water supply to irrigate the region, and to unleash the productive potential of Khuzestan's agriculture. As Gocal observed, the natural supply of water was not the central problem for the region, since—writing in 1933—“nature has provided Persia with plenty of water.”¹⁰⁸ The mountains of western Iran, he stated, accumulate heavy snowfall that in turn produce “thousands of streams, and many big rivers.”¹⁰⁹ The most pressing problem that needed to be addressed, he continued, was that the majority of the water supplies flowing in these abundant streams and rivers “ultimately lose themselves either into the sea or in the big marshy deserts of the lowlands.”¹¹⁰ Once these rivers are controlled, Gocal argued, Khuzestan can become a major producer of valuable export crops, especially cotton:

with the required capital to build masonry dams on the Karun River and networks of canals this fertile province can be easily turned into a second Egypt. Great opportunities await Persia in the area of cotton production.¹¹¹

Gocal's reference to Egypt is apt given the long history of commercialized cotton cultivation in the Nile region. However, Gocal had other comparisons in mind as well. He advocated that Parsi investors and other entrepreneurs invest in the commercialization of Iranian agriculture, as well as in real estate and urbanization projects adjacent to the Bandar-e Shahpur. The transformation of the city of Shanghai into a major commercial and financial metropole in the global economy was one such model of what Gocal envisioned for Iran's future port city on the Persian Gulf, commenting “we want a Sir Victor Sassoon at this stage...to have the courage of conviction for transferring his activities to Persia, as Sir Victor has lately done in China.”¹¹² Gocal also drew from his own engineering experience in colonial India, claiming that the introduction of modern irrigation systems built in the subcontinent since 1880 had expanded the total area of land under cultivation from one million to sixty million acres.¹¹³ For a trained engineer like Gocal, these colonial-era infrastructure projects in Egypt, China, and India served as models for what Parsi investors foresaw as Iran's economic future.

Just as importantly for Gocal and like-minded Parsi entrepreneurs was the precedent of ancient Iranian water systems that existed in the Khuzestan region dating back to the Achaemenid and Sassanian eras. Popular histories had drawn on archaeological evidence to detail the sophisticated canals, aqueducts, and *qanats* that had been used since classical times to irrigate the Khuzestan region.¹¹⁴ Gocal's call to invest in modern water

¹⁰⁷ Ibid.

¹⁰⁸ Nadirshah Noshirvan Gocal, “My Impressions of Present Persia,” *Iran League Quarterly* V, no. 3 (April 1935): 191.

¹⁰⁹ Ibid.

¹¹⁰ Ibid.

¹¹¹ Gocal, “My Impressions of Present Persia” (January–April 1934): 140.

¹¹² Ibid., 144. Victor Sassoon (1881–1961) was active in a number of commercial and industrial ventures, including the real estate and hotel industry in interwar Shanghai. He was the great-grandson of David Sassoon (1792–1864), the patriarch of the Sassoon Baghdadi Jewish family of colonial Bombay. On the Sassoon family's business history in Shanghai, see Betta, “From Orientals to Imagined Britons,” 1000–1004. See also Ristaino, *Port of Last Resort*.

¹¹³ Gocal, “My Impressions of Present Persia” (April 1935): 192.

¹¹⁴ Christensen, *The Decline of Iranshahr*, 105–14.

infrastructure systems was, therefore, not only a prescription for modern infrastructure-based developmentalism, but was also an appeal to a nationalist imagination of *reviving antiquity* shared by Parsis and Iranians. Damming rivers, building reservoirs, and constructing canals would not only increase the amount of Iran's arable land, but would also restore what was imagined as Iran's once venerable tradition of agriculture. The results, Gocal concluded, would be to return "peace, security, and prosperity to the people of Iran."¹¹⁵ In this way, Gocal's optimism for Iran's developmentalist future coincided with the Parsi community's ideological and economic endorsement of the Pahlavi state's project of nationalization.

What is perhaps more surprising, however, is Gocal's criticism of the Pahlavi state's centerpiece infrastructure project, the Trans-Iranian Railway. The 800 miles of rail under construction since 1928 connecting Bandar-e Shah in the northern Caspian region with the Bandar-e Shahpur deep-water port in the south was, Gocal argued, entirely unjustifiable in purely economic terms.¹¹⁶ In a country like Iran characterized by such diverse and challenging topography, Gocal wrote, the costs associated with constructing a nationwide rail system would be very difficult to recover. Of the 800 miles of intended rail, he states, 35 percent will pass through hill country, requiring the construction of a large number of bridges, and an additional 10 percent will pass through the Alborz range, requiring substantial burrowing through mountain stone to construct tunnels leading to the northern terminus at Bandar-e Shah on the southeastern Caspian coast.¹¹⁷ Comparing the engineering challenges inherent in such an undertaking to the recently completed Frontier Strategic State Railway project in India's northwest province, Gocal concluded that the enormous technical challenges and exorbitant financial costs make the project unfeasible. "It has cost India about Rs. 35 crores to build one thousand and odd miles," he observed. The comparable distance and topography of the proposed railway line in Iran, Gocal argued, would exact a similarly "heavy figure" to complete.¹¹⁸ Instead, he argued, Iran would be much better served by investing in a nationwide system of high-quality roads suitable for long-distance lorry transport of goods, commodities, and passengers.¹¹⁹ He concedes that since 1925, the Pahlavi state had made road construction a priority, with over 3,000 miles of newly built or planned roads and highways traversing the plateau. Gocal observed, however, that the roads thus far built were of mixed quality, with many becoming washed out and impassable during rainstorms. He cites the much-touted Muhammara/Khorramshahr to Tehran and the Bandar-e Pahlavi to Tehran "trunk roads" as two recent examples of poorly constructed intercity highways. A major commitment to roads built to the standards of what he described as "1st class construction" would reap the same—or likely even more—economic benefits for Iran at a fraction of the costs associated with rail.¹²⁰

In addition to the cost and technical challenges, Gocal also argued that the railway would render as poorly integrated many hinter-towns and regions that would be geographically removed from the main nodal points of the railway system. This neglect would prevent these regions from benefitting from the future economic progress resulting from the rail project. Roads stretching into every corner of the plateau, by contrast, could be built more quickly and inexpensively, and would go much further to produce both social integration and economic development.¹²¹ A national roadway system conceived in this way, Gocal argued, is "the first and foremost need of present day Persia."¹²² He went on to propose a

¹¹⁵ Gocal, "My Impressions of Present Persia" (April 1935): 192.

¹¹⁶ He was not alone in this assessment. Some Iranians made similar arguments. See Koyagi, *Iran in Motion*, 70–71.

¹¹⁷ Gocal, "My Impressions of Present Persia" (July 1934): 261–63.

¹¹⁸ *Ibid.*, 263.

¹¹⁹ Others both inside and outside of Iran had made similar observations. See Millspaugh, *American Task*, 278. See also discussion of this issue in Clawson, "Knitting Iran Together," 241–42.

¹²⁰ Gocal, "My Impressions of Present Persia" (July 1934): 257–58.

¹²¹ *Ibid.*, 260.

¹²² *Ibid.* On the relative merits of road vs. rail construction, see also Katouzian, *Political Economy of Modern Iran*, 115–16.

five-year plan to quickly establish this road system, which he described as “unquestionably the most suitable and comparatively cheaper form of transport in Persia...[which] does not require stations, sheds, signals, sidings, costly bridges, permanent ways, tunnels, etc.”¹²³ Gocal’s economic arguments against the railway project ignored the Pahlavi state’s primary motive in pursuing the Trans-Iranian Railway, which, as Mikiya Koyagi has argued, was less tied to Iran’s economic needs than to the political history of nationalization.¹²⁴

Gocal was not, however, entirely unaware of the larger political context of Iran’s developmentalist challenges. In addition to the economic arguments against the Trans-Iranian Railway project, he was also keenly sensitive to the project’s political hazards. Writing elliptically, he observed:

it would be inexpedient to discuss at length the political aspect of the scheme...possibilities are that the history of 1914 may repeat itself, for it would be a temptation in the way of any strong power to take hold of this quick and ready means of communication to gain their own ends.¹²⁵

Gocal’s assessment of the Trans-Iranian Railway’s potential pitfalls for Iran’s independence was in fact both well reasoned and prophetic. Writing in 1933, he was already aware of the dangers posed by changing global politics and the multiple threats that Iran faced, including those posed by Nazi Germany and Soviet Russia. Given these conditions, the strategic value of a railway connecting the Persian Gulf to the Russian border could quickly become a military priority for external powers in any future war. This was no mere theoretical speculation. Gocal understood how important establishing a supply corridor to Russia had been during the last war. Lacking a north-south railway in 1914, the Gallipoli campaign had been waged by the Entente powers—at great human cost and ultimately without success—to establish a sea-borne corridor linking the Mediterranean to the Russian ports on the Black Sea via the Bosphorus Strait. At its completion, the Trans-Iranian Railway would serve the same strategic and military objective, Gocal feared, with the potential cost being Iran’s independence. It was in 1941, only two years following the railway’s successful completion, that the Allied invasion forced the abdication of Reza Shah and led to the seizure of the railway for establishing the “Persian Corridor” to supply the Soviet Union during World War II, vindicating the concerns that Gocal felt were too “inexpedient to discuss” in 1933.

Conclusion

Gocal’s concerns were not his alone, but rather reflected the broader trepidations that Parsi investors held about Iran in the 1930s. While committed to Pahlavi Iran for personal and sentimental reasons, Parsi entrepreneurs also understood that Iran’s political and economic uncertainties made any financial investment risky. All three of the Parsi economic research missions to Iran in the interwar period—Shaklatvala’s, Masani’s, and Gocal’s—were ultimately confronted by a common set of uncertainties. First, the global economic crisis of the 1930s put economic pressure on Parsi entrepreneurs. Instead of venturing into new investment projects in Iran, civic-minded members of the Parsi business community were moved to prioritize the directing of resources toward relief projects benefitting Bombay’s own unemployed urban population.¹²⁶ Second, the fragile status of Iran’s independence weighed on Parsi investors. Despite the assertions of sovereignty by the Pahlavi state, all

¹²³ Gocal, “My Impressions of Present Persia” (July 1934): 261.

¹²⁴ Koyagi, *Iran in Motion*, 64. See also Devos, “Engineering a Modern Society?”

¹²⁵ Gocal, “My Impressions of Present Persia” (July 1934): 262.

¹²⁶ See, for example, “The Parsis: Unemployment Remains Unremedied,” *Iran League Quarterly* VIII, no. 2–3 (January–April 1938): 85–87.

three of the Parsi-sponsored economic reports in the 1930s were clear-eyed about what the political ambitions of Iran's powerful northern neighbor would mean for any Parsi investments in Iran. Third, the Pahlavi state's insistence on majority ownership in joint ventures placed Parsi investors in a weaker decision-making position, especially when—as was the case in the Khosrovi Mill project—their Iranian business partners were continuously solicitous of ever-increasing investments of Parsi capital. Finally, the same Parsi anxieties about India's post-independence future that had encouraged some Parsis to consider broader engagement with Iran encouraged many other Parsis to consider yet other possibilities for the community's political and economic future. As a community that by the 1930s had an already well-established global presence, Parsi civic and business leaders considered possibilities for the community's future not only in India and Iran, but also in East Asia, Africa, Australia, Western Europe, and North America.

For these and other reasons—and despite their best-laid plans—the history of Parsi-Iranian engagement during the early twentieth century was far more consequential for Iran's cultural and intellectual history, than for its economic history. The history of twentieth-century Iranian neoclassicism and the politics of Pahlavi nationalism trace their origins, to a significant degree, to the cultural and intellectual encounter between Parsis and Iranians. By contrast, arguments that Parsi engagement with Iran effectively defined the trajectory of Iran's developmentalist economic history can only be suggestive. Other investment partners, and models of economic planning and development, including American, British, German, Japanese, Scandinavian, and Soviet models, were also studied, scrutinized, and considered by the Pahlavi state during the interwar period. Parsi economic engagement with Iran was significant, but ultimately remained more sentimental than serious. While the Khosrovi Mill began operation in the spring of 1938, by the fall of 1939 the commencement of World War II brought an abrupt end to even this most modest of beginnings for Parsi economic partnerships in Iran. Despite efforts to economically engage Parsis in subsequent decades, Parsi economic overtures to Iran never regained the momentum they had acquired during the 1930s. In the post-World War II period, while individual members of the Parsi professional class found work in Iran for short—and sometimes for longer-term—stays, the more common pattern of Parsi-Iranian engagement in this era was largely restricted to the growing “heritage tourism” industry that brought increasing numbers of Parsis to visit what they still considered their ancestral homeland.

Iran's developmentalist project, however, gained increasing momentum in the decades following World War II. Many of the proposals first outlined in the Parsi economic assessments initiated by Saklatvala, Masani, and Gocal in the 1930s—such as growth of the textile industry, explorations of new regions for oil prospecting, dam construction, irrigation systems, hydroelectric power, and the expansion of road and other transportation systems—were all eventually pursued by a new generation of developmentalist technocrats that emerged in Iran during the period of the Allied occupation and following World War II under the leadership of Abolhasan Ebtehāj (1899–1999) at the Iranian National Bank and the newly established Iran Plan Organization. The post-1953 politics of US-Iranian relations and the geopolitics of the Cold War also worked to increase the role of American development agencies, as well as the newly established World Bank and IMF, in Iran during this period.¹²⁷ As a consequence, large-scale Parsi economic engagement with Iran as envisioned in the 1930s in fact diminished in the postwar era. However, while ultimately failing to gain momentum, when understood in their larger historical context, interwar Parsi assessments of the “rich fields in Persia” can be viewed as economic foreshadows of the developmentalist history that was to come.

¹²⁷ Among the first development projects pursued by Ebtehāj at the Iran Plan Organization was a regional development program for the Khuzestan province that took shape in cooperation with the US Development Resources Corporation and the Tennessee Valley Authority. See Bostock and Jones, *Planning and Power in Iran*, 5. See also Ebtehāj, *Khāterāt-e Abolhasan Ebtehāj*, 1:373–88.

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