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Developing Iran

COMPANY TOWNS, ARCHITECTURE,
AND THE GLOBAL POWERS

HAMIDREZA MAHBOUBI SOUFIANI



Developing Iran

This book examines the emergence of modern company towns in Iran by delineating the architectural, political, and industrial histories of three distinct resource-based 'company town' projects built in association with the 'Big Three' powers of World War II.

The book's narrative builds upon a tripartite research design that chronologically traces the formation and development of the oil, steel, and copper industries, respectively favoured by Great Britain, the Soviet Union, and the United States in this part of the world. By applying three sets of comparative studies, the book provides critical vantage points to three different ideological design paradigms: postcolonial regionalism, socialist universalism, and rationalist modern nation building. From a global political context, the book contributes to the disclosure of new information about the geopolitical confrontation of these three nations in the Global South to increase their sphere of influence after the Second World War. Furthermore, it demonstrates how postwar architectural modernism was adopted by each power and adapted to their ideological mind frame to fulfil distinct social, cultural, political, and economic targets.

This book examines multiple interconnections between architecture, politics, and industrial development by adopting a transdisciplinary approach based on comprehensive fieldwork, site surveys, and the analysis of original multilingual documents. As such, it will be of interest to researchers and students of architecture, history, international relations, and Middle Eastern studies.

Hamidreza Mahboubi Soufiani is a researcher in architectural history based in Australia. He was awarded a master's of architecture and a PhD from the University of Western Australia.

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Company Towns, Architecture,
and the Global Powers

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*To Mahsa,
and to my parents, Farzin & Ali
and,
to the loving memories of
Mehdi Mahboubi Soufiani & Dr. Abolghasem Alavi.*



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Introduction

The significance of Iran for the ‘Big Three’ was sharply manifested in the 1943 Tehran Conference, a meeting between the leaders of the Soviet Union, the United States, and Great Britain during World War II. For decades, Iran had been predominantly the matter of interest for Britain and Russia because of its position as the buffer state between the two empires. However, the Second World War brought about the onset of the United States’ interests in this country as well. During the postwar era, the second Pahlavi monarch, Mohammad Reza Shah, found himself tangled in a web of complex and conflicting relations between the three wartime allies. In this postwar geopolitical confrontation, the rivals attempted to increase their sphere of influence in Iran through instruments of leverage, which included development programs based on modernisation and industrialisation. This was partly intertwined with the acute reliance of these countries on the raw materials from the Global South. On the other side, Iran, while lacking the necessary modern institutions, was also subjected to local demands to be modernised. Therefore, despite the Iranian government adopting a technocratic approach toward its industrial development, an interdependency was formed between Iran and the major powers, which was tied to the extractive industries. Whereas for the developed countries, access to raw materials as well as increasing their leverage would be realised through investments and technical improvements in this region, the settlements built to serve the established institutions were to become the instruments of development. Thus, in the creation of the industrial complexes, these powers devised the architecture and town planning to fulfil their political and economic targets.

The term ‘company town’ was initially coined before the 20th century in the United States.¹ However, the boom of company towns in Iran occurred alongside the intense, foreign-assisted industrialisation during the second Pahlavi period and was carefully incorporated into the new phase of modernisation and in accordance with the architecture and urban planning ideas proposed by the Congrès Internationaux d’Architecture Moderne (CIAM). The result was a series of modern company towns that today can be regarded as the postwar industrial heritage of Iran. This book does not examine the modern Iranian company town as a merely architectural phenomenon. Rather, it studies three resource-based company towns within a cycle of politics, economy, modernisation, industrialisation, development,

2 *Introduction*

architecture, and urbanism. Consequently, as much as the study of these towns places emphasis on architectural and town planning analysis, it relies on in-depth investigations into the political and economic motives behind their formation. The narrative builds upon a tripartite research design that chronologically traces the formation and development of the oil, steel, and copper industries, respectively favoured by Great Britain, the Soviet Union, and the United States in this part of the world. By applying three sets of comparative studies, this book provides critical vantage points to three different ideological design paradigms: postcolonial regionalism, socialist universalism, and rationalist modern nation building. Therefore, it is illustrated that the ‘modern company town’ phenomenon, when instrumentalised by the world superpowers for industrial development in the Global South, became inextricably linked to global and regional political affairs. Accordingly, as each of the leading powers endorsed modernisation and development based on different theories, these towns were planned to follow specific design models while also being subjected to modifications within various local contexts. To scrutinise this phenomenon in the context of Iran positioned within the complex global matrix of politics, economy, architecture, and urban planning, it is required on the one hand to undertake a global study on the practices and mechanisms of the colonial and postcolonial powers of 20th century, and on the other hand, to examine the issue in the local context within which the country was moving toward industrialisation and modernisation. This book studies the relations between Iran and these three nations and their relative agency in forming a transnational exchange of expertise through which various forms of know-how were imported to Iran.

This book demonstrates that, during the last three decades of the Pahlavi Monarchy, the political, economic, and military relations between the government of the Shah of Iran and the three superpowers of Britain, the Soviet Union, and United States fluctuated as the result of continued upheaval of policies and, in turn, the company towns were created through the partnership each state forged with the government of Iran. Moreover, the increasing role of the local agency throughout the development of these towns was also a considerable factor that reflected the concerns for the housing to respond to the cultural specificities of Iran.

Accordingly, from an Iranian perspective, there was a desire for the planning and design to respond to Iranian Islamic culture and traditional lifestyle (privacy, provision of mosques, nature of public space, design of dwellings to separate inward-focused and outward-focused spaces, etc.). However, from the foreign architects’ perspective, their commissions dealt with the accommodation of populations that were only partially modernised, or in some cases, their undesirable habits needed to be rectified. Therefore, from one perspective, these differences pertained to cultural essences, and from the other, pertained to the degree of civilisation and enlightenment.

As discussed by Ali Mozaffari and Nigel Westbrook, the process of development during the Pahlavi period had clear repercussions on the social, cultural, and economic aspects of the Iranians’ life, and this rapid modernisation had provoked concerns about the Iranian culture.² The significant modification in Iran’s economic

system, the massive influx of petrodollars that transformed the old economy, aligned with urban development mismanagement, resulted in significant effects on the quality of life and the architectural environment of its people. The heavy industrial development had caused two major issues: firstly, how they could accommodate the wave of internal migrants, who were pursuing a better quality of life in the industrialising cities; and secondly, how they could provide appropriate forms of housing and social facilities required for foreign technical experts, specialists, and other workers, based on their cultural background and lifestyle. Already confronted with the problems correlated with the rapid population growth, shortage of housing, and inadequate urban services, Iran had now to deal with the new issues interconnected with cultural and architectural identity. The convergence of diverse modes of development and lifestyles ultimately brought about enormous changes in the urban context of this country.

By using the cases of company towns to reflect on the process and outcomes of modernisation promoted by the Pahlavi government, this narrative demonstrates the cultural and architectural identity that emerged through the creation of these towns. From a broader viewpoint, within the global context, these industries played a significant role when the government of Iran exercised agency in moving towards a more balanced and independent international stance. Finally, through the chronological arrangement of these episodes, we can observe the gradual transformation of Mohammad Reza Shah Pahlavi from a passive ruler appointed by the three war-time allies to a powerful monarch occupying a position of supremacy in the Persian Gulf region in close partnership with the United States. Moreover, these anecdotes offer a retrospective on the increasing role of the local agencies and technocracy during an era when the Pahlavi government was attempting to obtain industrial independence until its downfall in 1979.

Notes

- 1 For more about company towns' history, see, for example: Margaret Crawford, *Building the Workingman's Paradise: The Design of American Company Towns* (London/New York: Verso, 1995).
- 2 Ali Mozaffari and Nigel Westbrook, *Development, Architecture, and the Formation of Heritage in Late-Twentieth Century Iran: A Vital Past* (London: Manchester University Press, 2020).

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Part I

Oil Industry and Britain

Prelude

On the winding Masjed-i-Suleiman-Shushtar Road, about five kilometres before Masjed-i-Suleiman, a parabolic arch draws the attention of a passerby. There, on top of a hill, stands an L-shaped desolate building, which leaves enough visible clues for an eye familiar with the works of the British avantgarde modernist architect, Jane Beverly Drew, to instantly identify the designer of this deserted building in that remote area. This was the perfect beginning for my adventurous trip to southern Iran to find the buildings and towns designed by this architect. Among all the townships I visited, Gachsaran, as a town planned and designed by Jane Drew almost from scratch, was surely the jewel in the crown. This was where the principles of modern town planning and tropical modernism were substantiated in one place. It has been more than sixty-five years now since Drew first set foot on these remote Persian oil lands. But the surprisingly large number of the buildings she and her team executed in this part of the world has remained unknown, and none of their works has hitherto been properly documented.

For any Iranian coming from other parts of the country, visiting the oil towns in the south can be mesmerizing – to see towns and buildings erected in styles that are not similar to what can be found in other cities, towns that are reminiscent of a foreign land. While these towns owe much of their modernisation and development to Drew, whose numerous town planning and building designs are extended from the easternmost parts of the south country to the furthest west, one can observe more than 60 years of British architectural development within this urban fabric. Drew's works in Iran not only need to be observed within the constellation of her numerous projects in various countries but also, in this book, will be demonstrated as a fraction of the whole scope of British architecture and planning in this region of the world. The following chapter will expound the history of the oil towns prior to Drew's presence. However, this historiography is not confined to the architectural aspects of these towns. Rather, it will bring to light the inextricable ties between the political and economic dominance of the British Empire in this part of the world and the subsequent architecture and town planning created therein. Thence, the next chapter will investigate the new phase of the oil towns development and planning that was marked not only by Drew's appointment but also by the nationalisation of oil, the Consortium Agreement, and the Cold War rivalry.



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1 Iran's Oil Company Towns

Introduction

It is a universally acknowledged fact that, in Iran, the oil industry has been, and continues to be, the backbone of the country's economy. However, this industry owes much of its existence today to the British adventures of more than a century ago. In 1901, after several unsuccessful attempts by the British to find oil deposits in the former Persia, William Knox D'Arcy, a British entrepreneur, obtained a concession from the Qajar ruler of the Persian Empire for the exploitation of this country's oil deposits. This concession was followed by more than forty years of British monopoly in the southwestern regions of Iran. During these years, political, economic, and social changes in the country constantly compelled the British to adjust their policies in line with new circumstances to secure their ongoing presence in the oil fields. Meanwhile, architecture and town planning served a determining role in fulfilling this goal. The construction of housing for the company's personnel, as well as other administration and service buildings, and the subsequent planning and formation of townships near the Persian oil fields and Abadan refinery can be divided into three major periods: (1) from 1908 until 1927 under the supervision of the Anglo-Persian company's engineers; (2) from 1927 until 1951 following the employment of the British architect James Mollison Wilson; (3) after 1955 during the postnationalisation period and the formation of the Oil Consortium. Although Iran was never officially colonised by Britain, the design and construction in the Persian oil towns was a collateral part of British empire building and was greatly influenced by the British Empire's pervading styles and techniques of architecture in their colonies as well as within the country.

The Advent of the Modern Oil Industry in Iran

In Persia, from ancient times, natural seepages of oil had been noticed in different parts of the country, and the occurrences of bitumen were discovered and employed by Achaemenians for various purposes such as caulking ships, bonding bricks, and other medicinal uses.¹ After the discovery of a method for the refining of oil by the Scottish chemist James Young, which marked the advent of modern oil industry, from the 1850s several unsuccessful attempts were made by the British to

get access to Persia's oil deposits. Among these attempts, the first oil prospecting activities in this state were undertaken by William Loftus, a British geologist, in 1855.² Several years later, in 1872, a 70-year concession was granted to Baron Julius de Reuters, a British banker and businessman, for exploration and exploitation of almost all mineral deposits of Persia, including oil,³ a concession for which the Persian authorities received bribes from the British.⁴ Nevertheless, two years later, the Persian public's violent opposition, along with Russian pressure, resulted in the rapid cancellation of this concession.⁵ In 1884, Hots, a British commercial firm in Bushehr, which was engaged in import and export activities, also obtained a concession from the Persian government for oil exploitation in Dalaki, a place near Bushehr. But since no oil was struck, the firm gave up its activities and consequently ceded its rights of the concession.⁶ In 1889 another concession for the exploitation of mineral resources including oil, named 'The Imperial Bank Concession', was granted to Baron de Reuters's son.⁷ The Imperial Bank of Persia obtained the Persian Government's approval to transfer its rights for the exploitation and production of the Persian mines to a British firm named "the Persian Mining Corporation." Subsequently, the company's geologists started oil prospecting in Semnan and Dalaki, as well as Qeshm Island. For the first time in what was then known as Persia, modern oil rigs were employed in these areas. However, no oil was found, and the concession was automatically annulled at the end of the ten-year agreement.⁸

In the early 1890s, a French archaeologist, Jacques Jean Marie de Morgan, was sent to Persia to lead a scientific mission. De Morgan, who had been engaged in archaeological excavations in Susa for several years, prepared a comprehensive report in which, based on the maps that he created of the oil seeps, he claimed that oil deposits existed in the western and southwestern regions of Persia.⁹ Morgan's reports were realised by Antione Kitabgi Khan, a high-ranking Iranian officer and the organiser of the Persian exhibition in Paris (Paris Expo 1900), and Sir Henry Drummond Wolff, British special envoy in Tehran (1888–91) through Edouard Cotte, Reuters's agent, who had spent time with de Morgan in Persia. Following discussions between the three, Wolff introduced Kitabgi to William Knox D'Arcy.¹⁰ D'Arcy was a British entrepreneur who, after making a substantial fortune from the Mount Morgan mine in Australia, had moved to England. The acquaintance of Kitabgi and D'Arcy resulted in an historic oil concession for the latter throughout the entire country of Persia except the northernmost provinces adjoining Russia.¹¹ This concession was signed between the Qajar king Muzaffar-o-din Shah and D'Arcy in 1901:

The Government of His Imperial Majesty the Shah grants to the Concessionaire ... exclusive privilege to search for, obtain, exploit, develop, render suitable for trade, carry away and sell natural gas, petroleum, asphalt, and ozokerite... throughout the whole extent of the Persian Empire for a term of 60 years¹²

Following the granted concession, a team sent to Persia by D'Arcy started the field operations. The first selected site for drilling was in Chia-Surkh, and the

team continued the search for oil in that region for several years. The unsuccessful results expended a significant amount of D'Arcy's capital. Unshaken and resolute, he approached the Burma Oil Company. By the time D'Arcy turned to this company for financial assistance, Burma had become the first international British oil firm to enjoy an industrial monopoly in accordance with the British government's policy of 'excluding all non-British oil companies from exploiting oil resources in Burma and India.'¹³ Through the fund provided by Burma Oil Company, in 1905, a new company named 'Concessions Syndicate Limited' (CS Ltd.) was formed in Glasgow, and a team headed by George Reynolds embarked upon new operations in the Khuzestan Province.¹⁴ Despite all Reynolds's efforts, in 1908, D'Arcy despaired of finding oil, and Burma Oil Company was disinclined to contribute further capital on this project. Therefore, a telegram was sent to Reynolds from his directors instructing him to stop the operations: 'drill to 1,600 feet and give up'.¹⁵

Here, it is instructive to consider one historic agreement that was made between Great Britain and the Czarist Russia during 1907, known as the 'Anglo-Russian Convention.' Based on that agreement, the two states divided the territory of Persia into three zones: the southern region for the British sphere, the northern region for the Russian sphere, and the remaining territory between the two sections as the 'neutral zone'. Accordingly, the contracting parties were bound not to seek any concessions of a political or commercial nature outside their respective zones.¹⁶ D'Arcy's oil concession, which was obtained prior to this agreement and covered the greater part of the Persian state, would consequently fall within the 'neutral zone'. Evidently, with regard to the rivalry with the Russians, the realisation of the oil exploitation concession by the British company would bring a further control and a stronger presence for the British government in Persia. The significance of this matter was emphasised in a letter from Arnold Talbot Wilson to Major Percy Cox¹⁷, acknowledging his frustration about the decision made by D'Arcy and his partners to stop the drilling operations in Persia. Wilson, a British civil commissioner at the time of writing this letter (April to May 1908), had been sent from India to Persia to assist the Oil Company team and support them by mediating between them and the local governors and tribesmen, concurrent with his work of surveying the southern lands of Persia for the Intelligence Office of the British government¹⁸:

It amazes me that the directors of the Concession Syndicate Ltd. should be in a position to risk the complete loss of a concession covering all oil deposits over the greater part of Persia, without consultation with the FO [Foreign Office] and without telling you or the Minister or the Government of India. This is the "neutral" zone of Persia. What is to stop a Russian controlled oil company from getting a new concession from Persia? What is to prevent CS Ltd. From selling D'Arcy's rights to an American or German Company?

It is noteworthy that Wilson, later in 1926, became the manager of Middle Eastern Operations for the Anglo-Persian Oil Company and would furthermore play a significant role in the formation of the oil towns. The letter that Wilson wrote to Cox

in his earlier career in Persia reveals some aspects about the importance of the D'Arcy concession for the British government. Meanwhile, Wilson was not the only person disagreeing with this decision. Reynolds also decided to go ahead and ignore the syndicate's order and declared that 'it would not be safe to act on the telegram and that he would await written confirmation'.¹⁹ But the company's luck was about to turn. After he persisted with drilling in the Maidan-i-Naftun site in Masjed-i-Soleiman, very soon, on 26 May, a geyser erupted there.²⁰ Within a year, in 1909, the Anglo-Persian Oil Company (APOC) was established, and the company launched its development in the Persian land. However, it is noteworthy that in establishing APOC, Burma, with the help of its relations with the British officialdom, managed to acquire a 97 per cent shareholding in the company.²¹ By 1911, the refinery and terminals in the city of Abadan, near the Persian Gulf, were under construction, and the company had commenced to establish its strong presence in the region.²² Later, in 1914, despite having exploited a considerable amount of oil, APOC nearly became bankrupt because of the lack of market. Consequently, at this point, the British government took over the company by becoming its major shareholder. Indeed, it was Winston Churchill, the then First Lord of Admiralty, who had decided to modernise British navy by replacing the coal-fired steamships with oil-fired ones to consolidate its forces, and therefore, persuaded the British government to become a stockholder in the Anglo-Persian Oil Company to secure Britain's oil. Immediately after the agreement between the Oil Company and the British government, the First World War began, and the oil extracted from the Persian fields played a significant role during the time of crisis.²³

Prior to the 1920s, when the Qajar rulers had neither the strength nor the prestige to control Persia's provinces, the company had to make special arrangements with the actual controlling powers of each region through local middlemen in order to secure its presence in these areas.²⁴ However, the British government, which was, for many years, in rivalry with the Russian Empire over control of the Persian lands, changed its strategy in favour of a strong centralised government, and consequently, assisted an Iranian army officer, Reza Khan, to lead a coup in 1921 and seize Tehran. Reza Khan became the supreme power of the country for four years between 1921 and 1925, first as the minister of the war and then as the prime minister. Finally, in 1925, the last ruler of the Qajar dynasty, Ahmad Shah, was deposed and Reza Khan was elected and crowned as the first shah (from Old Persian *kšāyaṭiya* 'king') of the Pahlavi dynasty.

From Camps to Company Towns: The British Military Board Style (1908–27)

The first period in the history of Persian oil towns starts from before the discovery of oil until 1927. This era covers the constructions started prior to the official involvement of the British government in 1914. During the days of explorations for oil until its discovery in 1908, drillers and the other staff were residing in encampments of tents, as well as in a series of small dome-roofed row houses near the first oil well in Masjed-i-Soleiman. After the discovery of oil, further constructions were carried