

LAW
&
REGULATIONS
OF THE SEVEN YEAR PLAN.

BY THE GRACE OF GOD

WE,

PAHLEVI, SHAH-IN-SHAH OF IRAN,

According to principle twenty seven of the Supplementary Law of the Constitution, do hereby Ordain:

ARTICLE ONE:

Law for the authorization to execute the provisions of the Report of the Parliamentary Committee of the Plan, together with the actual text of the Report of the Parliamentary Committee of the Plan, which has been passed by the Majliss, at the session dated 26th Bahman, 1327 and is attached to this Royal Decree shall be put into effect.

ARTICLE TWO:

The responsibility for the execution of this law lies with the Government.

Dated this third day of Esfand, 1327.

THE LAW AUTHORIZING THE EXECU-
TION OF THE SEVEN YEAR PLAN ON
THE BASIS OF THE PARLIAMENTARY
COMMITTEE REPORT ON THE PLAN

SEVEN YEAR DEVELOPMENT PLAN ACT

(Enacted on the 26th of Bahman 1327)

SINGLE ARTICLE

The Government is required to carry out the execution of the Plan as prescribed in the report (No. 1-dated 4th Shahrivar 1327) of the Parliamentary Committee on the Development Plan, consisting of 15 articles and one addendum, and in compliance with Article 2 of the said Report, the Government shall submit the detailed projects of the Seven Year Plan to the above-mentioned Parliamentary Committee for approval within three months.

ADDENDUM 1

In accordance with Article 9 of the said Report, members of the High Council, the Board of Control, and the Managing Director shall be appointed by Royal Decree on the proposal of the Government and confirmation of the Majless. (x)

ADDENDUM 2

The statements made in the Preamble or in the text of the Bill concerning the southern oil are of a provisional nature and will not be final until the definite result of the Government negotiations with the Anglo-Iranian Oil Company representatives is known.

ADDENDUM 3

From the budget allocation for the Seven Year Plan nothing may be paid under the term of salary or allowances, etc., except to the technical staff. The Government must choose the members of the administrative staff of the Plan from the civil servants engaged in the Ministries and pay their salaries out of their own respective budget allocations.

ADDENDUM 4

In planning the various projects the Government shall give priority to agriculture and public health projects and it shall encourage private enterprise to participate in the execution of development projects and particularly agriculture.

(x) Note 1. Supplementary note to the Law on execution of the Parliamentary Plan Commission's regulations sanctioned on 26th of Bahman 1327, is hereby annulled; from now on the election of the Plan High Council and the Managing Director shall be effected at Government's proposal and by His Majesty's Decree.

THE TEXT OF THE BILL ON THE
SEVEN YEAR PLAN DATED 4TH
SHAHRIVAR 1327

THE SEVEN YEAR DEVELOPMENT PLAN BILL

ARTICLE I.

In order to increase production and the volume of exports, produce domestic needs, reform agriculture and industry, exploit mineral resources, particularly oil, develop transport, improve public health, and take every necessary step for the development of the country, raise the standard of living, advance public welfare and lower the cost of living, the Government shall carry out for a period of seven years beginning from the enactment of this Bill, the operations which in total shall be called the "Seven Year Development Plan."

ARTICLE II.

For the execution of the Plan the following allocations shall be made in various sections, economic and social.

CHAPTER I AGRICULTURE

	Million Rials
a) Research and Scientific Establishments	300
b) Prevention and control of plant pests and animal diseases, and the promotion of animal husbandry	1,100
c) Conservation of national resources such as forests and pasture lands, etc.	450
d) Expansion and improvement of agricultural production	450
e) Irrigation and construction of dams	1,850
f) Payment to the Agricultural Bank made for the following objectives:	
1 - Increase of the capital of the Agricultural Bank	150
2 - Loans to farmers	400
3 - Participation in the capital of cooperative societies	250
g) Agricultural machinery and chemical fertilizers	300
Total of the first chapter	5,250

CHAPTER II ROADS, RAILWAYS, HARBOURS & AIR FIELDS

	Million Rials
a) Railways	2,500
b) Construction and asphaltting of the roads	1,850
c) Harbours	250
d) Air fields	400
Total	5,000

CHAPTER III INDUSTRIES AND MINES

	Million Rials
a) Textile industries	1,200
b) Sugar industry	450
c) Iron foundries	450
d) Chemical industries	250
e) Cement works, china and glass factories	150
f) Rug and other miscellaneous industries	250
g) Mines	250
Total	3,000

CHAPTER IV OIL

	Million Rials
a) Investment in a joint-stock Iranian Oil Co.	1,000
Total	1,000

CHAPTER VI POST TELEGRAPH AND TELEPHONE

	Million Rials
a) Improvement of Postal Establishment	250
b) Improvement and Extension of telegraphic installations, radio stations and telephone communications	500
Total	750

CHAPTER VII SOCIAL AND MUNICIPAL IMPROVEMENT

	Million Rials
a) Construction of cheap houses	1,500
b) Loans to municipalities for the provision of potable water supplies, and installation of power plants	1,000
c) Preventive measures and promotion of public hygiene	1,500
d) Government subsidies to technical and industrial schools for technical training, raising the general level of technical skill among craftsmen and peasants, and finding useful work for the unemployed	1,000
e) Surveys and statistics	300
f) Construction of prisons in important towns	200
g) Other welfare activities	500
Total	6,000
Total for the six chapters	21,000

The sums allocated to the various chapters, mentioned in this article, shall be exclusively spent for the activities there in specified. If the allocation for any chapter is insufficient or in excess of the amount needed, the Government is authorized to increase or decrease it by ten percent, as the situation may require. The Government shall, within four months after the enactment of this Bill, prepare the detailed programs for each chapter, together with the annual budget for each section, and present them to Parliament.

ADDENDUM

While preparing the detailed program for each chapter, the Government will include in the detailed projects, firstly: measures for replacing the opium cultivation by other useful produce with a view to prohibiting the cultivation of opium and its consumption; secondly: projects for the construction of good hotels with modern accommodations, and publicity for attracting foreign tourists to Iran.

ARTICLE III.

The sums allocated in Article 2, shall be spent during the seven years in the following manner:

Second half of the year 1327	1000	million	rials
„ 1328	2000	„	„
„ 1329	2800	„	„
„ 1330	3200	„	„
„ 1331	3500	„	„
„ 1332	3600	„	„
„ 1333	3600	„	„
First half of the year 1334	1300	„	„
Total	21,000	„	„

The Government is authorized to reduce in case of need the budget allocation of any fiscal year by 10 percent and increase the allocation of the other years by the same amount. Any portion of the budget allocation of one year not utilized shall be added to that of the next year.

ARTICLE IV.

The sums specified in Article 2 shall be apportioned among the various provinces in such a way that the share of each during the seven years execution of the program shall not be less than 1000 million rials.

ARTICLE V.

For 1327 the sum of 600 million rials and for the six years following the whole of the income derived from the Anglo-Iranian Oil Co. shall be earmarked as funds for the execution of the "Seven Year Plan". After the expiration of this seven-year period, the abovementioned revenue shall be allocated to the payment of interest and amortization of loans made for the fulfillment of the "Seven Year Plan".

ARTICLE VI.

In order to supplement the funds necessary for the execution of the "Seven Year Plan" the Government is authorized to resort to the following sources:

- a) Loan from Bank Melli Iran up to a maximum amount of 4500 million rials for a period of seven years at 2 percent interest. The annual amount of this loan shall not exceed 750 million rials.
- b) The Government is authorized to negotiate a loan of up to 250 million dollars from the International Bank for Reconstruction and Development for the productive projects of the Plan on terms agreed upon between them in respect to repayment of principal and interest. Every arrangement made with regard to this loan shall be considered as binding only after its ratification by the Majless.
- c) Supplementary credits may be obtained from domestic and foreign commercial institutions.

ARTICLE VII.

Income derived gradually from the individual projects of the Seven Year Plan shall be set aside for the amortization of the sums spent on the execution of the entire plan; and even after the completion of

the Plan, as long as liabilities are outstanding, the said revenues shall be allocated for the abovementioned purpose.

ARTICLE VIII.

The execution of the plan will be supervised by an organization under the name of Plan Organization.

The Plan Organization will have the following functions:

a) To prepare detailed projects, and detailed budget, to draft the rules and regulations pertaining to the execution of the "Seven Year Plan" to supervise the operations from technical and financial points of view and to coordinate the various activities.

b) To receive all the funds earmarked for the execution of the "Seven Year Plan", to make payments out of the allocations, and to prepare yearly balance sheets.

That part of the operations under the Plan which concerns the Government will be carried out by the ministries, public departments and state enterprises with due consideration of the duties of the Plan Organization.

Whenever it is deemed expedient to carry out part of the Plan through individuals and private institutions, the Plan Organization with the agreement of the Council of Ministers shall encourage private enterprise to invest capital in productive channels by providing the necessary projects, credits and technical guidance.

ARTICLE IX.

The Plan Organization shall be composed of a High Council, a Board of Control and a Managing Director.

The High Council will consist of seven members, who will be appointed on the proposal of the Government by Royal Decree, and will hold office for the duration of the Plan. Vacancies which might occur in case of death or resignation or disqualification of one of the members of the said Council shall be filled on the proposal of the Government by Royal Decree.

The High Council shall approve the projects, and their relevant budget allocation within the limit of the powers granted to it under the detailed Program approved by the Parliamentary Committee on the Development Plan. It shall also draft the required regulations and approve the various contracts or agreements. The Council will supervise all the functions which have been assigned to the Plan Organization.

The Board of Control will have six members who will be selected by the Majless from a list of candidates nominated by the Government in the same way provided for the appointment of Councilors for the Government Board of Auditors. The members selected in the above-mentioned manner will hold office for two years.

The Board of Control will be in direct contact with the Council of Ministers and, in cases where the Government refers certain matters to it for investigation, will report to the Government.

The Managing Director is appointed on the proposal of the Government by Royal Decree for a period of three years. He can be reappointed for a second time at the end of his term of office. In case of death or resignation or disqualification before the term of his office expires, another person will be appointed to replace him on the proposal of the Government and by a Royal Decree.

The technical staff and subsidiary departments of the Plan Organization shall be under the direction of the Managing Director. He shall represent the Plan Organization before the Council of Ministers and with the various Ministries. In general he will be responsible for proper administration and the functions of the Organization.

The members of the High Council and of the Board of Control and the Managing Director of the Plan Organization shall receive remuneration for their services and shall not accept any other appointment whether official or unofficial, paid or unpaid.

The Plan Organization shall have legal personality and financial independence. The manner of its working and the extent of its functions shall be in accordance with a constitution drawn up with the agree-

ment of the Council of Ministers and the approval of the Parliamentary Committee on the Development Plan.

ARTICLE X

The execution of the Development Plan, as far as its financial and accounting problems or foreign exchange transactions and the procedures for concluding contracts are concerned shall be subject to special rules and regulations. The High Council in consultation with the Board of Control shall draft such rules and regulations with the purpose of effecting maximum speed and economy and obtaining the best results from the operations. Such rules and regulation shall be put into force after their approval by the Council of Ministers.

ARTICLE XI

The Ministries, Government departments, and enterprises to whom certain functions for the execution of the Development Plan are entrusted will be bound to act in accordance with the directions given to them by the Plan Organization. Any cases of delay or non-compliance or procrastination on their part shall be reported by the Plan Organization to the Council of Ministers, and the Council of Ministers shall take the necessary steps to settle the case in dispute within 15 days from the date of receiving the report. The relevant Ministries and other Government Departments that participate in the execution of the Development Plan must put at the disposal of the Plan Organization for inspection all the documents, vouchers and books of accounts relating to the execution of the Plan and also provide facilities for such inspection.

ARTICLE XII

The Plan Organization shall, at the end of every three months, prepare a report about the operations relating to the execution of the Development Plan, and at the end of every year it shall prepare a balance sheet showing the income and expenditures and also the increase to national production and national income as a result of the projects.

The Board of Control shall audit the balance sheet submitted, and if they have no objection it will send it for the approval of the Council of

Ministers. The approval of the Council of Ministers will be regarded as a proof of proper discharge of responsibility for the period of operation. The Plan Organization shall publish its quarterly reports and the annual balance sheets for public information.

ARTICLE XIII

The Plan Organization shall have at its disposal a sufficient number of specialists and technical staff to help them with the drawing up of the plans and with the financial and technical supervision. These specialists shall be paid out of the administrative budget of the Plan, which is prepared with approval of the Government and the sanction of the Parliamentary Committee on the Development Plan.

The staff required for the execution of the Seven Year Plan shall be selected from the civil service list, and only in exceptional cases, where technicians are not found among the civil servants, will others be employed.

The Plan Organization may, with the approval of the Council of Ministers, employ foreign specialists for a period ending not more than one year after the execution of the Plan. The number of such foreign specialists and the kind of jobs for which they are employed will be approved beforehand by the Parliamentary Committee.

ARTICLE XIV

Cooperative societies formed with the approval of the Plan Organization and for the promotion of welfare activities shall be exempt on the proposal of the Organization and approval of the Council of Ministers from the payment of registration and stamp fees and income tax for a period of five years from the date of their formation.

This act shall be enforced after the lapse of one week from the approval of the Detailed Program by the Parliamentary Committee as stipulated in Art. 2.

ACT OF 13 TIR 1328

SINGLE ARTICLE:

The Government is hereby authorized to approve within the limits of legal credits sanctioned for the years 1327 and 1328, and permit the Plan Organization to execute, such operations which the Organization deems beneficial and practicable within one year as from the date of the sanction of this law. A report concerning these operations, attached to the Program, for the succeeding years is to be prepared by the Plan Organization, and submitted, at the end of the year, through the Government to the Parliamentary Plan Committee for approval.

NOTE In order to expedite the operations covered by this article, the Plan Organization is authorized to prepare, with no consideration of Note 3 of Single Article of 26th. Bahman 1327, its statute together with any financial, budgetary and employment regulations which are deemed essential for efficient execution of the Plan and put them into effect, as a trial, after having been approved by the High Council.