

[No. 10]

Oil Nationalisation Law of 1st May, 1951

By the grace of Almighty God
Pahlavi Shahinshah of Persia
hereby command, by virtue of article 27 of the Supplementary Constitutional
Law that:

ARTICLE 1. The bill concerning the procedure for enforcement of the
law concerning the nationalisation of the oil industry throughout the country

which was approved by the Senate and the Majlis on 9th Urdibihisht (30th April) and is hereto attached may be enforced.

ARTICLE 2. The Council of Ministers are charged with the enforcement of this law.

The text of the bill concerning procedure for enforcement of the decision relating to the nationalisation of oil, as approved by the two Houses of Parliament after amendments by the Majlis.

ARTICLE 1. With a view to arranging the enforcement of the law of 24th and 29th Esfand, 1329 (15th and 20th March, 1951), concerning the nationalisation of the oil industry throughout Persia, a mixed board composed of five Senators and five Deputies elected by either of the two Houses and of the Minister of Finance or his Deputy shall be formed.

ARTICLE 2. The Government is bound to dispossess at once the former Anglo-Iranian Oil Company under the supervision of the mixed board. If the Company refuses to hand over at once on the grounds of existing claims on the Government, the Government can, by mutual agreement, deposit in the Bank Milli Iran or in any other bank up to 25 per cent. of current revenue from the oil after deduction of exploitation expenses in order to meet the probable claims of the Company.

ARTICLE 3. The Government is bound to examine the rightful claims of the Government as well as the rightful claims of the Company under the supervision of the mixed board and to submit its suggestions to the two Houses of Parliament in order that the same may be implemented after approval by the two Houses.

ARTICLE 4. Inasmuch as the nationalisation of the oil industry was also approved by the Senate on 29th Esfand (20th March, 1951) and inasmuch as all income from oil and oil products are the established property of the Persian nation the Government is bound to audit the Company's accounts under the supervision of the mixed board which must also closely supervise exploitation as from the date of the implementation of this law until the appointment of an executive body.

ARTICLE 5. The mixed board must draw up, as soon as possible, the statute of the National Oil Company in which provision is to be made for the setting up of an executive body and a supervisory body of experts, and must submit the same to the two Houses for approval.

ARTICLE 6. For the gradual replacement of foreign experts by Persian experts the mixed board is bound to draw up regulations for sending, after competitive examinations, a number of students each year to foreign countries to undertake study in the various branches of required knowledge and gain experience in oil industries, the said regulations to be carried out by the Ministry of Education after the approval of the Council of Ministers. The expenses connected with the study of such students shall be met out of oil revenues.

ARTICLE 7. All purchasers of products derived from the wells taken back from the former Anglo-Iranian Oil Company can in future buy annually the same quantity of oil they used to buy annually from the Company from the beginning of the Christian year 1948 up to 29th Esfand, 1329 (20th March, 1951), at a reasonable international price. For any surplus quantity they shall have priority in the event of equal terms of purchase being offered.

ARTICLE 8. All proposals formulated by the mixed board for the approval of the Majlis and submission to the Majlis must be sent to the Oil Commission.

ARTICLE 9. The mixed board must finish its work within three months as from the date of approval of this law and must submit the report of its activities to the Majlis in accordance with Article 8. In the event of requiring an extension it must apply, giving valid reasons, for such extension. Whilst, however, the extension is before the two Houses for approval the mixed board can continue its functions.
