Treaties of India

For the Year 1950

TABLE OF CONTENTS

Country/Org	Subject	Format	Date of signature
Afghanistan	Treaty of Friendship	Treaty	04/01/1950
USA	Financing Certain Educational Exchange Programmes	Agreement	02/02/1950
Iran	Treaty of Friendship	Treaty	15/03/1950
Pakistan	Security and Rights of Minorities (Nehru-Liaquat Agreement)	Agreement	08/04/1950
West Germany	Extending Direct Trade Relations	Agreement	04/07/1950
Nepal	Treaty of Peace and Friendship	Treaty	31/07/1950
Nepal	Treaty of Trade and Commerce	Treaty	31/07/1950
USA	Point Four General Agreement for Technical Co-Operation	Agreement	22/12/1950

TREATY¹ OF FRIENDSHIP BETWEEN THE GOVERNMENT OF INDIA AND THE ROYAL GOVERNMENT OF AFGHANISTAN New Delhi, 4 January 1950

The Government of India and the Royal Government of Afghanistan recognising the ancient ties which have existed between the two countries for centuries and their mutual need for co-operation in strengthening and developing these ties and urged by their mutual desire to establish peace between the two countries with a view to the common benefit of their people and the development of their respective countries, wish to enter into a Treaty of Friendship with each other and to this end have appointed as their plenipotentiaries the following persons, viz.,

The Government of India:

The Honourable Jawaharlal Nehru, Prime Minister and Minister for External Affairs.

The Royal Government of Afghanistan:

His Excellency Nadjibullah Khan, Ambassador to India,

who having examined each other's credentials and found them good and in due form have agreed as follows:

Article 1

The two Governments recognise and respect the independence and rights of each other.

Article 2

There shall be everlasting peace and friendship between the two Governments who will further strive to maintain and strengthen the cordial relations existing between the people of their respective countries.

¹ Came into force on 30 September 1950, by the exchange of the instruments of ratification at New Delhi, in accordance with article 8.

Article 3

- (1) In order to establish and maintain the relations referred to in Article 2, the parties agree to continue diplomatic relations with each other by means of representatives with all such suitable staff as the representatives may require for the due performance of their functions and to such extent as may be mutually agreed on from time to time by the respective Governments.
- (2) Such representatives and their agreed staff shall have such diplomatic privileges and immunities as are customarily granted by international law on a reciprocal basis:

Provided that in no case shall these be less than those granted to persons of a similar status of any other State having diplomatic relations with either Government.

Article 4

The two Governments agree to appoint Consuls-General, Consuls, Vice Consuls and Consular Agents, who shall reside in towns, ports and other places in each other's territory as may be agreed to.

Consuls-General, Consuls, Vice Consuls and Consular Agents shall be provided with exequaturs or other valid authorisation of their appointment. Such exequatur or other authorisation is liable to be withdrawn by the country which issued it, if considered necessary. The reasons for the withdrawal shall be indicated wherever possible.

The persons mentioned above shall enjoy on a reciprocal basis all the rights, privileges, exemptions, and immunities that are accorded to persons of corresponding status of any other State.

Article 5

The two Governments agree that such trade agencies of either Government as already exist in the territories of the other shall be continued and others may be established in the future.

Article 6

The two Governments agree to strengthen and develop cultural ties between their respective countries and to assist in each other's industrial and agricultural progress.

Article 7

Any differences arising out of the interpretation or application of this Treaty shall be settled by negotiations through the ordinary diplomatic channels. If no settlement is arrived at within a reasonable time the matter shall be referred to arbitration in such manner as may be mutually agreed upon.

Article 8

The Treaty shall be subject to ratification and shall come into force from the date of the exchange of the instruments of ratification, which shall take place as soon as possible at New Delhi.

Article 9

This Treaty shall continue in force for five years after coming into force as provided in Article 8 and shall thereafter continue in force:

Provided that after the said period of five years either Government may give to the other not less than six months' notice of its intention to terminate the Treaty, and on the expiry of the period of such notice the Treaty shall cease to be in force.

In faith whereof, the said Plenipotentiaries have signed the present Treaty in the English and Persian languages, both texts being equally authentic, and have affixed thereto their seals.

Done in duplicate in New Delhi on the fourth day of January 1950.

For the Government of India:

JAWAHARLAL NEHRU

Prime Minister and Minister
for External Affairs.

In the presence of: I.S. CHOPRA

For the Royal Government of Afghanistan:
NADJIBULLAH

Ambassador of Afghanistan to India In the presence of: A. KAYOUM.

AGREEMENT BETWEEN THE GOVERNMENT OF INDIA AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA FOR FINANCING CERTAIN EDUCATIONAL EXCHANGE PROGRAMS New Delhi, 2 February 1950

The Government of India and the Government of the United States of America:

Desiring to promote further mutual understanding between the peoples of the United States of America and India by a wider exchange of knowledge and professional talents through educational contacts;

Considering that Section 32(b) of the United States Surplus Property Act of 1944, as amended by Public Law No. 584, 79th Congress, provides that the Secretary of State of the United States of America may enter into an agreement with any foreign government for the use of currencies or credits for currencies of such foreign government acquired as a result of surplus property disposals for certain educational activities; and

Considering that certain Indian rupees have been received by the Government of the United States of America pursuant to the Agreement between the Government of United States of America and the Government of India on Settlement of Lend Lease, Reciprocal Aid, Surplus War Property, and Claims, signed May 16, 1946, as modified in accordance with the Indian Independence (International Arrangements) Order of 1947;

Have agreed as follows:

Article 1

There shall be established a foundation to be known as the United States Educational Foundation in India (hereinafter designated "the Foundation"), which shall be recognized by the Government of the United States of America and the Government of India as an organization created and established to facilitate the administration

of the educational program to be financed by funds made available by the Government of the United States of America under the terms of the present agreement. Except as provided in Ariticle 3 hereof the Foundation shall be exempt from the domestic and local laws of the United States of America and India as they relate to the use and expenditures of currencies or credits for currencies for the purposes set forth in the present agreement.

The funds made available by the Government of the United States of America, within the conditions and limitations hereinafter set forth, shall be used by the Foundation or such other instrumentality as may be agreed upon by the Government of the United States of America and the Government of India for the purpose, as set forth in Section 32(b) of the United States Surplus Property Act of 1944, as amended, of

- (1) financing studies, research, instruction, and other educational activities of or for citizens of the United States of America in schools and institutions of higher learning located in India or of the nationals of India in United States schools and institutions of higher learning located outside the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, including payment for transportation, tuition, maintenance, and other expenses incident to scholastic activities; or
- (2) furnishing transportation for nationals of India who desire to attend United States schools and institutions of higher learning in the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands and whose attendance will not deprive citizens of the United States of America of an opportunity to attend such schools and institutions.

Article 2

In furtherance of the aforementioned purposes, the Foundation may, subject to the provisions of the present agreement, exercise all powers necessary to the carrying out of the purposes of the present agreement including the following:

- (1) Receive funds.
- (2) Open and operate bank accounts in the name of the Foundation in a depository or depositories to be designated by the Secretary of State of the United States of America.
- (3) Disburse funds and make grants and advances of funds.

225

- (4) Acquire, hold, and dispose of property in the name of the Foundation as the Board of Directors of the Foundation may consider necessary or desirable, provided however that the acquisition of any real property shall be subject to the prior approval of the Secretary of State of the United States of America.
- (5) Plan, adopt, and carry out programs in accordance with the purposes of Section 32(b) of the United States Surplus Property Act of 1944, as amended.
- Recommend to the Board of Foreign Scholarships, provided for in the United States Surplus Property Act of 1944, as amended, students, professors, research scholars, residents in India, and institutions of India qualified to participate in the programs in accordance with the aforesaid Act.
- Recommend to the aforesaid Board of Foreign Scholarships such (7)qualifications for the selection of participants in the program as it may deem necessary.
- Provide for period audits of the accounts of the Foundation as directed by auditors selected by the Secretary of State of the United States of America.
- Engage an Executive Officer, administrative and clerical staff and fix and pay the salaries and wages thereof out of the funds made available.

Article 3

All commitments, obligations and expenditures by the Foundation shall be made pursuant to an annual budget to be approved by the Secretary of State of the United States of America pursuant to such regulations as he may prescribe.

Article 4

The management and direction of the affairs of the Foundation shall be vested in a Board of Directors consisting of eight Directors (hereinafter designated "the Board"), four of whom shall be citizens of the United States of America and four of whom shall be nationals of India. In addition, the principal officer in charge of the Diplomatic Mission of the United States of America to India (hereinafter designated "the Chief of Mission") shall be Honorary Chairman of the Board. He shall cast the deciding vote in the event of a tie vote by the Board and shall appoint the Chairman of the Board. The Chairman as a regular member of the Board shall have the right to vote. The Chief of Mission shall have the power to appoint and remove the

citizens of the United States of America on the Board, at least two of whom shall be officers of the United States Foreign Service establishment in India. The Government of India shall have the power to appoint and remove the nationals of India on the Board.

The Directors shall serve from the time of their appointment until the following December 31 and shall be eligible for reappointment. Vacancies by reason of resignation, transfer of residence outside India, expiration of service or otherwise, shall be filled in accordance with the appointment procedure set forth in this Article.

The Directors shall serve without compensation but the Foundation is authorised to pay the necessary expenses of the Directors in attending the meetings of the Board.

Article 5

The Board shall adopt such by-laws and appoint such committees as it shall deem necessary for the conduct of the affairs of the Foundation.

Article 6

Reports acceptable in form and content to the Secretary of State of the United States of America shall be made annually on the activities of the Foundation to the Secretary of State of the United States of America and the Government of India.

Article 7

The principal office of the Foundation shall be in the capital city of India, but meetings of the Board and any of its committees may be held in such other places as the Board may from time to time determine, and the activities of any of the Foundation's officers or staff may be carried on at such places as may be approved by the Board.

Article 8

The Executive Officer shall be responsible for the direction and supervision of the Board's programs and activities in accordance with the Boards resolutions and directives and the provisions of this agreement. In his absence or disability, the Board may appoint a substitute for such time as it deems necessary or desirable. In the event it is found to be impracticable for the Board to engage an Executive Officer, the Government of the United States of America may provide an Executive Officer and such assistants as may be deemed necessary to ensure the effective operation of the program.

Article 9

The Secretary of State of the United States of America will make available for expenditure as authorized by the Board currency of the Government of India in an amount not to exceed the equivalent of \$400,000.00 (United States currency) during any single calendar year from Indian currency held in the account of the Treasurer of the United States and available for purposes of this agreement in accordance with United States law. Such amounts made available shall not be in excess of the budgetary limitation established pursuant to Article 3 of the present Agreement.

Article 10

Furniture, equipment, supplies, and any other articles intended for official use of the Foundation shall be exempt in the territory of India from customs duties, excises, and surtaxes, and every other form of taxation.

All funds and other property used for the purposes of the Foundation, and all other official acts of the Foundation within the scope of its purposes shall likewise be exempt from taxation of every kind in the territory of India.

Article 11

The Government of India shall extend to citizens of the United States of America residing in India and engaged in educational activities under the auspices of the Foundation such privileges with respect to exemption from taxation, and other burdens affecting the entry, travel, and residence of such persons as are extended to Indian nationals residing in the United States of America engaged in similar activities.

Article 12

Wherever, in the present agreement, the term "Secretary of State of the United States of America" is used, it shall be understood to mean the Secretary of State of the United States of America or any officer or employee of the Government of the United States of America designated by him to act in his behalf.

Article 13

The present agreement may be amended by the exchange of diplomatic notes between the Government of the United States of America and the Government of India.

Article 14

The Government of the United States of America and the Government of India shall make every effort to facilitate the exchange of persons programs authorized in this agreement and to resolve problems which may arise in the operations thereof.

Article 15

The present agreement shall come into force upon the date of signature.

 $In\, \hbox{\tt WITNESS\,WHEREOF}\, the\, undersigned, being\, duly\, authorized\, thereto\, their\, respective\, Governments,\, have\, signed\, the\, present\, agreement.$

Done at New Delhi, in duplicate, this second day of February, 1950.

For the Government of the United States of America

For the Government of India:

Sd/-

Loy W. Henderson Ambassador Sd/-

JAWAHARLAL NEHRU Prime Minister and Minister for External Affairs.

EXPLANATORY MEMORANDUM AS TO THE MANNER IN WHICH THE GOVERNMENT OF INDIA AGREES TO IMPLEMENT THE PROVISIONS OF ARTICLES, 10 AND 11.

The Government of India desires to inform the Government of the United States of America as to the manner in which it is prepared to give effect to the provisions of Articles 10 and 11 with respect to the granting of exemptions from customs duties, excises and other forms of taxation on furniture, equipment, supplies and other articles intended for the use of the Foundation, and likewise to the exemption from income-tax of the beneficiaries of the fund working in India. Under the existing laws the Government of India is prevented from granting outright exemption. The Government of India, however, is prepared to make an annual grant to the Foundation of an amount equivalent to the total amount of taxes paid by the Foundation and its participants for customs duties, excises and other forms of taxation, including income-tax, for use as the Foundation sees fit. This modification seems to accomplish the objectives as set forth in Articles 10 and 11.

The procedure outlined in this memorandum for the implementation of Articles 10 and 11 is agreeable to the Government of the United States.

Sd/-JAWAHARLAL NEHRU Prime Minister and Minister for External Affairs. Sd/-Loy W. Henderson Ambassador

TREATY¹ OF FRIENDSHIP BETWEEN THE GOVERNMENT OF INDIA AND THE IMPERIAL GOVERNMENT OF IRAN Tehran, 15 March 1950

The President of India and His Imperial Majesty the Shahanshah of Iran recognising the ancient ties which have existed between the two countries for centuries and their mutual need for co-operation in strengthening and developing these ties and urged by their mutual desire to establish peace between the two countries with a view to the common benefit of their people and the development of their respective countries, wish to enter into a treaty of friendship with each other and to this end have appointed as their plenipotentiaries the following persons, viz.,

The President of India:

 $\mbox{\sc His}$ Excellency Mr Syed Ali Zaheer, Ambassador Extraordinary and Plenipotentiary

His Imperial Majesty the Shahanshah of Iran:

HIS EXCELLENCY DR. ALI GHOLI ARDALAN, Acting Minister for Foreign Affairs

who having examined each other's credentials and found them good and in due form have agreed as follows:

Article 1

There shall be perpetual peace and friendship between the Governments of India and Iran and the said Governments shall promote and strengthen such peace and friendship between their respective nationals.

Article 2

The High Contracting Parties agree to appoint diplomatic representatives at the capitals of the two countries, and consular

Instruments of Ratification Exchanged at Tehran on 16 November, 1951. Came into force on 3 December, 1951.

representatives as may be necessary and 'at such places as may be agreed upon. Each party shall grant to such representatives of the other party such privileges and immunities as are accorded under International Law, so however that neither party shall deny to any diplomatic or consular representative of the other party any special privileges and immunities which it grants to the diplomatic and consular representatives of a similar status of any other State.

Article 3

The High Contracting Parties agree to conduct their commercial, customs, navigation, aviation and cultural relations as well as matters relating to:

- (a) extradition,
- (b) judicial assistance between the two countries, and
- (c) the conditions of residence and stay of the nationals of one party in the territory of the other,

in accordance with special agreement between the parties.

Article 4

The High Contracting Parties agree to settle all differences of any kind between them through ordinary diplomatic channels, by arbitration and by such other peaceful means, as they deem most suitable.

Article 5

- (1) This Treaty shall be ratified by the legislative body of each Party and the exchange of the instruments of ratification shall take place in Tehran as soon as possible.
- (2) This Treaty shall take effect fifteen days after the exchange of the instruments of ratification has taken place.

IN FAITH WHEREOF the said plenipotentiaries have signed the present Treaty in the English and Persian languages, both texts being equally authentic, and have affixed thereto their seals.

Done in duplicate in Tehran on the fifteenth day of March, 1950.

For the President of India, (Sd.) S. ALI ZAHEER

For His Imperial Majesty the Shahanshah of Iran, (Sd.) A.G. ARDALAN

Seal Seal

AGREEMENT BETWEEN THE GOVERNMENTS OF INDIA AND PAKISTAN REGARDING SECURITY AND RIGHTS OF MINORITIES (NEHRU-LIAQUAT AGREEMENT) New Delhi, 8 April 1950

The Governments of India and Pakistan solemnly agree that each A. shall ensure, to the minorities throughout its territory, complete equality of citizenship, irrespective of religion, a full sense of security in respect of life, culture, property and personal honour, freedom of movement within each country and freedom of occupation, speech and worship, subject to law and morality. Members of the minorities shall have equal opportunity with members of the majority community to participate in the public life of their country, to hold political or other office, and to serve in their country's civil and armed forces. Both Governments declare these rights to be fundamental and undertake to enforce them effectively. The Prime Minister of India has drawn attention to the fact that these rights are guaranteed to all minorities in India by its Constitution. The Prime Minister of Pakistan has pointed out that similar provision exists in the Objectives Resolution adopted by the Constituent Assembly of Pakistan. It is the policy of both Governments that the enjoyment of these democratic rights shall be assured to all their nationals without distinction.

Both Governments wish to emphasise that the allegiance and loyalty of the minorities is to the State of which they are citizens, and that it is to the Government of their own State that they should look for the redress of their grievances.

- B. In respect of migrants from East Bengal, West Bengal; Assam and Tripura, where communal disturbances have recently occurred, it is agreed between the two Governments:
 - (i) That there shall be freedom of movement and protection in transit;

- (ii) That there shall be freedom to remove as much of his moveable personal effects and household goods as migrant may wish to take with him. Moveable property shall include personal jewellery. The maximum cash allowed to each adult migrant will be Rs. 150 and to each migrant child Rs. 75;
- (iii) That a migrant may deposit such of his personal jewellery or cash as he does not wish to take with him with a bank. A proper receipt shall be furnished to him by the bank for cash or jewellery thus deposited and facilities shall be provided, as and when required for their transfer to him, subject as regards cash to the exchange regulations of the Government concerned;
- (iv) That there shall be no harassment by the Customs authorities. At each customs post agreed upon by the Governments concerned, liaison officers of the other Government shall be posted to ensure this in practice;
- (v) Rights of ownership in or occupancy of the immoveable property of a migrant shall not be disturbed. If, during his absence, such property is occupied by another person, it shall be returned to him provided that he comes back by the 31st December, 1950. Where the migrant was a cultivating owner or tenant, the land shall be restored to him provided that he returns not later than the 31st December, 1950. In exceptional cases, if a Government considers that a migrant's immoveable property cannot be returned to him, the matter shall be referred to the appropriate Minority Commission for advice.

Where restoration of immoveable property to the migrant who returns within the specified period is found not possible, the Government concerned shall take steps to rehabilitate him.

(vi) That in the case of a migrant who decides not to return, ownership of all his immoveable property shall continue to vest in him and he shall have unrestricted right to dispose of it by sale, by exchange with an evacuee in the other country, or otherwise. A committee consisting of three representatives of minority and presided over by a representative of Government shall act as trustees of the owner. The Committee shall be empowered to recover rent for such immoveable property according to law.

The Governments of East Bengal, West Bengal, Assam and

Tripura shall enact the necessary legislation to set up these Committees.

The Provincial or State Government, as the case may be, will instruct the District or other appropriate authority to give all possible assistance for the discharge of the Committee's functions.

The Provisions of this sub-paragraph shall also apply to migrants who may have left East Bengal for any part of India, or West Bengal, Assam or Tripura for any part of Pakistan, prior to the recent disturbances but after the 15th August, 1947. The arrangement in this sub-paragraph will apply also to migrants who have left Bihar for East Bengal owing to communal disturbances or fear thereof.

- C. As regards the Province of East Bengal and each of the States of West Bengal, Assam and Tripura respectively the two Governments further agree that they shall:
 - (1) Continue their efforts to restore normal conditions and shall take suitable measures to prevent recurrence of disorder.
 - (2) Punish all those who are found guilty of offences against persons and property and of other criminal offences. In view of their deterrent effect, collective fines shall be imposed, where necessary. Special Courts will, where necessary, be appointed to ensure that wrong doers are promptly punished.
 - (3) Make every possible effort to recover looted property.
 - (4) Set up immediately an agency, with which representatives of the minority shall be associated, to assist in the recovery of abducted women.
 - (5) NOT recognise forced conversions. Any conversion effected during a period of communal disturbance shall be deemed to be forced conversion. Those found guilty of converting people forcibly shall be punished.
 - (6) Set up a Commission of Enquiry at once to enquire into and report on the causes and extent of the recent disturbances and to make recommendations with a view to preventing recrudescence of similar trouble in future. The personnel of the Commission, which shall be presided over by a Judge of the High Court, shall be such as to inspire confidence among the minority.

- (7) Take prompt and effective steps to prevent the dissemination of news and mischievous opinion calculated to rouse communal passion by press or radio or by any individual or organisation. Those guilty of such activity shall be rigorously dealt with.
- (8) Not permit propaganda in either country directed against the territorial integrity of the other or purporting to incite war between them and shall take prompt and effective action against any individual or organisation guilty of such propaganda.
- D. Sub-paragraphs (1), (2), (3), (4), (5), (7) and (8) of C of the Agreement are of General scope and applicable according to exigency to any part of India or Pakistan.
- E. In order to help restore confidence, so that refugees may return to their homes, the two Governments have decided
 - (i) to depute two Ministers, one from each Government, to remain in the affected areas for such period as may be necessary;
 - (ii) to include in the Cabinets of East Bengal, West Bengal and Assam a representative of the minority community. In Assam the minority community is already represented in the Cabinet. Appointments to the Cabinets of East Bengal and West Bengal shall be made immediately.
- F. In order to assist in the implementation of this Agreement, the two Governments have decided, apart from the deputation of their Ministers referred to in E, to set up Minority Commissions, one for East Bengal, one for West Bengal and one for Assam. These Commissions will be constituted and will have the functions described below:
 - (i) Each Commission will consist of one Minister of the Provincial or State Government concerned, who will be Chairman, and one representative each of the majority and minority communities from East Bengal, West Bengal and Assam, chosen by and from among their respective representatives in the Provincial or State Legislatures, as the case may be.
 - (ii) The two Ministers of the Governments of India and Pakistan may attend and participate in any meeting of any Commission. A Minority Commission or any two Minority Commissions jointly shall meet when so required by either

- Central Minister for the satisfactory implementation of this Agreement.
- (iii) Each Commission shall appoint such staff as it deems necessary for the proper discharge of its functions and shall determine its own procedure.

Minorities

- (iv) Each Commission shall maintain contact with the minorities in Districts and small administrative headquarters through Minority Boards formed in accordance with the Inter-Dominion Agreement of December, 1948.
- (v) The Minority Commissions in East Bengal and West Bengal shall replace the Provincial Minorities Boards set up under the Inter-Dominion Agreement of December, 1948.
- (vi) The two Ministers of the Central Governments will from time to time consult such persons or organisations as they may consider necessary.
- (vii) The functions of the Minority Commission shall be:
 - (a) to observe and to report on the implementation of this Agreement and, for this purpose, to take cognizance of breaches or neglect;
 - (b) to advise an action to be taken on their reommendations.
- (viii) Each Commission shall submit reports, as and when necessary, to the Provincial and State Governments concerned. Copies of such reports will be submitted simultaneously to the two Central Ministers during the period referred to in E.
- (ix) The Governments of India and Pakistan and the State and Provincial Governments will normally give effect to recommendations that concern them when such recommendations are supported by both the Central Ministers. In the event of disagreement between the two Central Ministers, the matter shall be referred to the Prime Ministers of India and Pakistan who shall either resolve it themselves or determine the agency and procedure by which it will be resolved.
- (x) In respect of Tripura, the two Central Ministers shall constitute a Commission and shall discharge the functions that are assigned under the Agreement to the Minority Commissions for East Bengal, West Bengal and Assam. Before the expiration of the period referred to in E, the two

Central Ministers shall make recommendations for the establishment in Tripura of appropriate machinery to discharge the functions of the Minority Commissions envisaged in respect of East Bengal, West Bengal and Assam.

G. Except where modified by this Agreement, the Inter-Dominion Agreement of December, 1948 shall remain in force.

AGREEMENT BETWEEN THE GOVERNMENT OF INDIA AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY FOR EXTENDING DIRECT TRADE RELATIONS Bonn, 4 July 1950

The Government of India and the Federal German Government being desirous of extending direct trade relations between their respective countries have agreed as follows:—

Article I

With respect to the items mentioned in Annexures 'A' and B' which are attached to this Agreement and which shall be taken to form an integral part of this Agreement, the contracting parties agree that, wherever necessary, import and export licences shall be granted in accordance with the laws and regulations in force in either country from time to time upto the yearly value mentioned against each item.

Article II

The granting of the licences referred to in Article I above shall be subject to negotiation of contracts which are mutually satisfactory regarding specifications, prices, delivery and other terms.

Article III

The yearly value of any of the items mentioned in Annexures 'A' and 'B' can be altered or fresh items added by mutual agreement between the contracting parties.

Article IV

Article I—III of this Agreement are without prejudice to the rights of nationals or firms of either country entering into business transactions in respect of goods and commodities not forming part of

this Agreement subject to and in conformity with the laws and regulations of either contracting party for the time being in force.

Article V

The Federal German Government will facilitate the employment of German technicians and specialists in India subject to mutual agreement in regard to terms and conditions between the Indian employer on the one hand and the German technician or specialist on the other and shall afford assistance, wherever possible and necessary, for the training of Indian technicians in the Federal German Republic.

Article VI

During the currency of this Agreement the contracting parties agree, in order to facilitate the execution of the Agreement, to consult each other in respect of any matters arising from or in connection with the supply of goods between the countries or the employment of German technicians and specialists in India and the training of Indian technicians in the Federal German Republic in accordance with this Agreement.

Article VII

Ships belonging to either of the two contracting parties shall be accorded, in the ports of the other party, the usual facilities in respect of bunkering and other services and the customary treatment in respect of duties, charges and taxes, except that any concessions made to ships engaged in the coasting trade of either party shall not be available under this Article to the other party.

Article VIII

This Agreement, having received the approval of both Governments, comes into force with effect from the first day of July, 1950. It shall remain valid until the 30th Day of June, 1951, and for such successive periods as may be mutually agreed upon before its expiry.

Done and Signed in duplicate, in English and in German, either text being authentic, in Bonn, on the 4th day of July, 1950.

ANNEXURE A

LIST OF PROPOSED FEDERAL GERMAN IMPORTS FROM INDIA 1st July, 1950 — 30th June, 1951

	Commodity	Dollar Value
I.	Chemicals—	
	1. Bones crushed and hide cuttings	400,000
	2. Caster seed	125,000
	3. Crude drugs	100,000
	4. Essential oil	100,000
	5. Gums	400,000
	6. Linseed	300,000
	7. Manganese dioxide	50,000
	8. Shellac and sticklac	600,000
		2,075,000
II.	Textile—	
	1. Capok	50,000
	2. Coarse animal hair	200,000
	3. Coir matting	Pro Memoria.
	4. Coir yarn	1,800,000
	5. Raw jute	Pro Memoria.
	6. Raw wool (carpet wool)	250,000
		2,300,000
III.	Fibres and bristles—	
	1. Bristles and hair	500,000
	2. Palmyra fibre	400,000
		900,000
IV.	Ores	
	1. Manganese	1,000,000
		1,000,000
V.	Mica—	
	1. Mica, blocks and splittings	1,500,000
		1,500,000
VI.	Hides and Skins—	
	1. Buffalo hides	500,000
	2. Goat skins and lamb skins	1,600,000
	3. Half tanned bastard skins (Madras)	550,000
	4. Myrabola	200,000
	5. Salted cattle hides	250,000
		3,100,000
VII.	Stones and Earths—	
	1. Caustic magnesite	75,000
	2. Mica powder	25,000
		100,000
VIII.	Food and Agriculture Products—	
	1. Coffee	100,000
	2. Peanuts	1,160,000

	Commodity	Dollar Value
	3. Peanut oil	700,000
	4. Sausage casings	200,000
	5. Spices	2,500,000
	6. Tea	5,000,000
	7. Tobacco	5,000,000
		15,100,000
IX.	Miscellaneous-	
	1. Birds feathers, raw	20,000
	2. Cattle horn	250,000
	 Mother of pearls, small white seapearls rough stones, Indian cut stones, sapphires, ruby, moonstone, green 	
	jasper, moosagata, green aventurine	50,000
	4. Wild animals	30,000
**	** /\ ***	350,000
	GRAND TOTAL	26,425,000

ANNEXURE B

LIST OF PROPOSED FEDERAL GERMAN EXPORTS TO INDIA 1st July 1950 — 30th June 1951

***************************************		Commodities.	Dollar Value.
I.	Che	micals and Related Products—	
	1.	Acetic acid (80% technical) and Butyl acetate	120,000
	2.	Auxiliaries for textiles and dyes, and Rongalit	150,000
	3.	Coal tar dyes	1,160,000
	4.	Fertilisers	Pro Memoria.
	5.	Highly concentrated anti oxidents and accelarators.	15,000
	6.	Pharmaceuticals and laboratory chemicals.	500,000
	7.	Photographic equipment.	50,000
	8.	Synthetic raw materials for lacquers.	10,000
	9.	Titanium dioxide	10,000
			2,455,000
II.	Mac	chinery and Metal Products—	
	1.	Car spares	20,000
	2.	Electrical machinery and parts	6,350,000
	3.	Industrial sewing machines, chiefly spares	100,000
	4.	Machinery and parts	6,500,000
	5.	Machine tools and metal working machinery and tools for machine tools	2,125,000
	6.	Machinery for locomotive manufacture and railway equipments, including locomotive spares	2,100,000
	7.	Printing and lithographic machinery	250,000
	8.	Special electric and electromedical equipment	250,000
	9.	Steam turbines and spares	500,000
	10.	Switchgear	350,000

272 INDIA Bilateral Treaties and Agreements, Volume 1

	Commodity	Dollar Value
	11. Telephone equipment, mainly spares	20,000
	12. Textile mill stores and accessories	100,000
	13. Tubular steel poles	100,000
	14. Wiring accessories, insulation and installation material.	100,000
		18,865,000
III.	Metals—	
	1. Non-Ferrous metals, ingots	250,000
		250,000
IV.	Instruments and Apparatus—	
	1. Microscopes	200,000
	2. Miscellaneous instruments	100,000
	3. Precision and X-ray cameras and photographic equipment	200,000
	4. Surgical and medical instruments	100,000
	- -	600,000
V.	Iron and Steel—Rolled steel products—	
	 Cold rolled and drawn steel products including steel bars etc. 	750,000
	2 Hot rolled steel products including steel plates and sheets,	
	spring steel, galvanised iron and steel pipes and tubes, sleeper	3,500,000
	bars etc.	4, 250,000
	OR LATE MOTELY	
	GRAND TOTAL	26,420,000

^{*} May be replaced by mutual agreement, by machinery and metal products or other items.

TREATY¹ OF PEACE AND FRIENDSHIP BETWEEN THE GOVERNMENT OF INDIA AND THE GOVERNMENT OF NEPAL Kathmandu, 31 July 1950

The Government of India and the Government of Nepal, recognising the ancient ties which have happily existed between the two countries;

Desiring still further to strengthen and develop these ties and to perpetuate peace between the two countries;

Have resolved therefore to enter into a Treaty of Peace and Friendship with each other, and have, for this purpose, appointed as their plenipotentiaries the following persons, namely,

THE GOVERNMENT OF INDIA:

HIS EXCELLENCY SHRI CHANDRESHWAR PRASAD NARAIN SINGH, Ambassador of India in Nepal.

THE GOVERNMENT OF NEPAL:

Mohun Shamsher Jang Bahadur Rana, Maharaja, Prime Minister and Supreme Commander-in-Chief of Nepal,

who having examined each other's credentials and found them good and in due form have agreed as follows:—

Article 1

There shall be everlasting peace and friendship between the Government of India and the Government of Nepal. The two Governments agree mutually to acknowledge and respect the complete sovereignty, territorial integrity and independence of each other.

Article 2

The two Governments hereby undertake to inform each other of any serious friction or misunderstanding with any neighbouring State

^{1.} Came into force on 31 July 1950, as from the date of signature, in accordance with Article 9.

likely to cause any breach in the friendly relations subsisting between the two Governments.

Article 3

In order to establish and maintain the relations referred to in Article 1 the two Governments agree to continue diplomatic relations with each other by means of representatives with such staff as is necessary for the due performance of their functions.

The representatives and such of their staff as may be agreed upon shall enjoy such diplomatic privileges and immunities as are customarily granted by international law on a reciprocal basis: Provided that in no case shall these be less than those granted to persons of a similar status of any other State having diplomatic relations with either Government.

Article 4

The two Governments agree to appoint Consuls-General, Consuls, Vice-Consuls and other consular agents, who shall reside in towns, ports and other places in each other's territory as may be agreed to.

Consuls-General, Consuls, Vice-Consuls and consular agents shall be provided with exequaturs or other valid authorization of their appointment. Such exequatur or authorization is liable to be withdrawn by the country which issued it, if considered necessary. The reasons for the withdrawal shall be indicated wherever possible.

The persons mentioned above shall enjoy on a reciprocal basis all the rights, privileges, exemptions and immunities that are accorded to persons of corresponding status of any other State.

Article 5

The Government of Nepal shall be free to import, from or through the territory of India, arms, ammunition or warlike material and equipment necessary for the security of Nepal. The procedure for giving effect to this arrangement shall be worked out by the two Governments acting in consultation.

Article 6

Each Government undertakes, in token of the neighbourly friendship between India and Nepal, to give to the nationals of the other, in its territory, national treatment with regard to participation in industrial and economic development of such territory and to the grant of concessions and contracts relating to such development.

Article 7

The Governments of India and Nepal agree to grant, on a reciprocal basis, to the nationals of one country in the territories of the other the same privileges in the matter of residence, ownership of property, participation in trade and commerce, movement and other privileges of a similar nature.

Article 8

So far as matters dealt with herein are concerned, this Treaty cancels all previous Treaties, agreements, and engagements entered into on behalf of India between the British Government and the Government of Nepal.

Article 9

This Treaty shall come into force from the date of signature by both Governments.

Article 10

This Treaty shall remain in force until it is terminated by either party by giving one year's notice.

DONE in duplicate at Kathmandu this 31st day of July 1950.

(Signed)

CHANDRESHWAR PRASAD NARAIN SINGH For the Government of India.

(Signed)

Mohun Shamsher Jang Bahadur Rana For the Government of Nepal.

TREATY¹ OF TRADE AND COMMERCE BETWEEN THE GOVERNMENTS OF INDIA AND NEPAL Kathmandu, 31 July 1950

The Government of India and the Government of Nepal being desirous of facilitating and furthering trade and commerce between their respective territories have resolved to conclude a treaty of Trade and Commerce and have, for this purpose, appointed as their plenipotentiaries the following persons, namely,

The Government of India:

HIS EXCELLENCY SHRI CHANDRESHWAR PRASAD NARAIN SINGH, Ambassador of India in Nepal;

The Government of Nepal:

MOHUN SHAMSHER JANG BAHADUR RANA, Maharaja, Prime Minister and Supreme Commander-in-Chief of Nepal,

who having examined each other's credentials and found them good and in due form have agreed as follows:—

Article 1

The Government of India recognise in favour of the Government of Nepal full and unrestricted right of commercial transit of all goods and manufactures through the territory and ports of India as provided in Articles 2, 3 and 4 below.

Article 2

Subject to such arrangements as may be agreed upon between the two Governments, the Government of India agree to allow all goods imported at any Indian port and intended for re-export to Nepal to be transmitted to such place or places in Nepal as may be approved by the two Governments, without breaking bulk *en route* and without payment of any duty at any Indian port.

^{1.} Came into force on 1 November 1950, three months after the date of signature by both parties, in accordance with Article 10.

Article 3

Trade and Commerce

Subject to such arrangements as may be agreed upon between the two Governments the right of passage without payment of excise or import duties shall similarly extend also to goods of Nepalese origin in transit through Indian territory from one approved place to another within the territories of the Kingdom of Nepal.

Article 4

Subject to such arrangements as may be agreed upon between the two Governments, the Government of Nepal shall enjoy full and unrestricted right of commercial transit, from approved place or places in Nepalese territory, through the territories and ports of India, of all goods and manufactures of Nepalese origin for export outside India.

Article 5

The Government of Nepal agree to levy at rates not lower than those leviable, for the time being, in India customs duties on imports from and exports to countries outside India. The Government of Nepal also agree to levy on goods produced or manufactured in Nepal, which are exported to India, export duty at rates sufficient to prevent their sale in India at prices more favourable than those of goods produced or manufactured in India which are subject to central excise duty.

Article 6

The Government of India and the Government of Nepal agree to assist each other, by making available, to the maximum extent possible, commodities which are essential to the economy of the other.

Article 7

The two Governments agree to promote contacts between the trade interests of the two countries and undertake to give every reasonable facility for the import and export of commodities, and in particular to facilitate the use of the routes and methods of transportation which are most economical and convenient.

Article 8

Civil aircraft of either State shall be permitted to fly over the territory of the other in accordance with normal international procedure.

Article 9

So far as matters dealt with herein are concerned this Treaty cancels all previous treaties, agreements or engagements concluded between the British Government on behalf of India and the Government of Nepal.

Article 10

This Treaty shall come into force three months after the date of signature by both parties. It shall remain in force for a period of 10 years, in the first instance, and shall unless terminated by either party by giving notice of not less than one year in writing, continue in force for a further period of 10 years.

DONE in duplicate at Kathmandu this 31st day of July 1950.

For the Government of India: (Signed)

CHANDRESHWAR PRASAD NARAIN SINGH

For the Government of Nepal:
(Signed)
MOHUN SHAMSHER JANG BAHADUR RANA

MEMORANDUM

(Vide Articles 2 and 3 of the Treaty of Trade and Commerce between Nepal and India)

PART A

The arrangements contemplated in Article 2 of the Treaty of Trade and Commerce between Nepal and India signed on 31-7-50 shall be as follows:—

- (1) When goods are imported for re-export to Nepal, the importer or his agent, shall, at the time of entering them at the Customs House—
 - (a) declare that the goods are intended for re-export to Nepal and would not be diverted en route to any other country;
 - (b) furnish, in quadruplicate, an invoice of the goods in a prescribed form, certified by a Nepalese officer appointed for

the purpose, specifying therein by which authorised land routes the goods are intended to be transported and also the land customs station through which the goods will be taken out of India:

- (c) deposit an amount equal to the duty chargeable under the Indian Customs Tariff, or furnish a bond with the surety of a bank of standing, binding him to pay duty on any portion of the consignment that is not cleared from the custody of the Nepal customs on payment of the (Nepal) customs duty.
- (2) On compliance with the above provisions, the goods shall be sealed with the Customs seal and delivered to the owner together with the original copy of the invoice, duly completed and registered. The duplicate and triplicate copy of the invoice shall, at the same time, be forwarded to the land customs officer of the station referred to in paragraph (1) (b) above.
- (3) The land customs officer to whom the goods are presented shall examine the seals and, if these are intact, certify that the goods have crossed the Indian frontier with the seals intact. The original copy of the invoice shall be returned to the owner with the goods for presentation to the Customs authorities in Nepal. The duplicate copy, duly endorsed, shall be returned to the Customs House whence it was received, and the triplicate copy, duly endorsed, forwarded to the Indian Embassy in Nepal.
- In order to secure the refund of the deposit, or cancellation of the bond furnished under paragraph (1) (c), the importer, or his agent, must present an application to that effect supported by the original invoice, duly certified by the land customs officer referred to in paragraph (3) above to the effect that the goods have crossed the Indian frontier and by the Nepal Customs to the effect that they have reached Nepal with the Indian Customs seal intact, and that the packages corresponding with the details in the invoice have been cleared from their custody on payment of customs duty. The certificate by the Nepal Customs shall be countersigned by an officer or officers designated in this behalf by the Government of Nepal. The original invoice should be received in the Customs House within a period of six months; this period may be raised at the discretion of the Indian Customs authority concerned in any case in which it is proved, to its satisfaction, that the delay is due to circumstances beyond the control of the importer.
- (5) Before granting the refund of deposit or cancellation of the bond, the officer concerned in the Customs House shall compare the

original copy of the invoice received from the importer with the duplicate copy received from the land Customs officer concerned.

PART B

At present the Government of India do not consider it necessary, for reasons of their administrative convenience, to prescribe any arrangements under Article 3 of the Treaty; but if and when Government of India should decide to do so, the arrangements described in Part A will apply mutatis mutandis to the transit of goods under Article 3 of the Treaty.

PART C

The two Governments approve for the purposes of Articles 2 and 3 of the Treaty convenient points, within Nepalese territory contiguous to the following rail heads:—

- 1. Raxaul.
- 2. Jogbani.
- 3. Nepalganj.
- 4. Nautanwa.
- 5. Jayanagar.

(Signed) Chandreshwar Prasad Narain Singh Signed at Kathmandu on the 31st July 1950 on behalf of the Government of India. (Signed) Mohun Shamsher Jang Bahadur Rana Signed at Kathmandu on the 31st July 1950 on behalf of the Government of Nepal.

MEMORANDUM

(Vide Article 4 of the Treaty of Trade and Commerce between Nepal and India)

PART A

The arrangements contemplated in Article 4 of the Treaty of Trade and Commerce between Nepal and India signed on 31-7-50 shall be as follows:—

(1) Goods of Nepalese origin or manufacture imported into India for subsequent re-export to a country outside India, shall enjoy freedom of transit across the territories of India. This shall include exemption from Indian customs duties, cess or excise duties as well as exemption from compliance with Indian export and import control regulations provided that the exporter or his authorised agent .

- (a) makes a declaration in the prescribed form at the Indian land customs station of entry to the effect that the goods are intended for re-export out of India;
- (b) furnishes in quadruplicate, an invoice of the goods in a prescribed form, counter signed by a Nepalese officer appointed for the purpose, specifying therein by which authorised land routes the goods are intended to be transported and also the port through which the goods will be taken out of India; and
- (c) deposits an amount equal to the duty chargeable under the Indian Customs Tariff, or furnishes a bond with the surety of a bank of standing, binding him to pay duty on any portion of the consignment that is not cleared for export out of India through the Customs House of the port referred to in (b) above.
- (2) On compliance with the above provisions, the goods shall be sealed with the seal of the Indian Land Customs station referred to in 1 (a) above and delivered to the exporter or his agent together with the original copy of the invoice, duly completed and registered. The duplicate and triplicate copy of the invoice shall, at the same time, be forwarded to the Customs House of the port of exit referred to in paragraph 1 (b) above.
- (3) The Customs Officer at the port of exit shall, before the goods are re-exported, examine the seals and, if these are intact, certify that the goods have been brought for shipment with the seals intact. After the goods have actually been reexported the original copy of the invoice shall be returned to the owner with a certificate to the foregoing effect for presentation to the Customs authorities, at the land customs station of entry. The duplicate copy, duly endorsed, shall be returned to the land customs station from which it was received, and the triplicate copy, duly endorsed retained in the Customs House for record.
- (4) In order to secure the refund of the deposit, or cancellation of the bond furnished under paragraph 1 (c), the exporter or his agent must present an application to that effect supported by the original invoice duly certified by the Customs House of the port of exit referred to in paragraph (3) above to the effect that the

goods have been re-exported out of India. The original invoice shall be presented at the land customs station of entry within a period of six months or such extended time as the Customs authority at the port of exit might certify as being due to circumstances beyond the control of the exporter.

(5) Before granting the refund of deposit or cancellation of the bond, the officer concerned in the land customs station shall compare the original copy of the invoice received from the exporter with the duplicate copy received from the Customs House concerned.

PART B

The two Governments approve for the purpose of Article 4 of the Treaty convenient points within Nepalese territory contiguous to the following rail heads:—

- 1. Raxaul.
- 2. Jogbani.
- 3. Nepalgani.
- 4. Najitanwa.
- 5. Jayanagar.

(Signed) Chandreshwar Prasad Narain Singh Signed at Kathmandu on the 31st July 1950 on behalf of the Government of India. (Signed) Mohun Shamsher Jang Bahadur Rana Signed at Kathmandu on the 31st July 1950 on behalf of the Government of Nepal.

POINT FOUR GENERAL AGREEMENT¹ FOR TECHNICAL CO-OPERATION BETWEEN INDIA AND THE UNITED STATES OF AMERICA New Delhi, 28 December 1950

The Government of the United States of America and the Government of India

Have agreed as follows:

Article I

Assistance and Cooperation

- 1. The Government of the United States of America and the Government of India undertake to cooperate with each other in the interchange of technical knowledge and skills and in related activities designed to contribute to the balanced and integrated development of the economic resources and productive capacities of India. Particular technical cooperation programs and projects will be carried out pursuant to the provisions of such separate written agreements or understandings as may later be reached by the duly designated representatives of India and the Technical Cooperation Administration of the United States of America, or by other persons, agencies, or organizations designated by the governments.
- 2. The Government of India through its duly designated representatives in cooperation with representatives of the Technical Cooperation Administration of the United States of America and representatives of appropriate international organizations will endeavor to coordinate and integrate all technical cooperation programs being carried on in India.
- 3. The Government of India will cooperate in the mutual exchange of technical knowledge and skills with other countries

^{1.} Came intoforce on 28 December 1950, as from the date of signature, in accordance with Article V.

participating in technical cooperation programs associated with that carried on under this Agreement.

- 4. The Government of India will endeavor to make effective use of the results of technical projects carried on in India in cooperation with the United States of America.
- 5. The two governments will, upon the request of either of them, consult with regard to any matter relating to the application of this Agreement to project agreements heretofore or hereafter concluded between them, or to operations or arrangements carried out pursuant to such agreements.

Article II

INFORMATION AND PUBLICITY

- 1. The Government of India will communicate to the Government of the United States of America in a form and at intervals to be mutually agreed upon:
 - (a) Information concerning projects, programs, measures and operations carried on under this Agreement, including a statement of the use of funds, materials, equipment and services provided thereunder;
 - (b) Information regarding technical assistance which has been or is being requested of other countries or of international organizations.
- 2. Not less frequently than once a year, the Government of India and the United States of America will in mutual consultation make public in their respective countries periodic reports on the technical cooperation programs carried on pursuant to this Agreement. Such reports shall include information as to the use of funds, materials, equipment and services.
- 3. The Governments of the United States of America and India will endeavor in mutual consultation to give full publicity to the objectives and progress of the technical cooperation program carried on under this Agreement.

Article III

PROGRAM AND PROJECT AGREEMENTS

1. The program and project agreements referred to in Article I, Paragraph 1 above will include provisions relating to policies, administrative procedures, the disbursement of and accounting for funds, the contribution of each party to the cost of the program or project, and the furnishing of detailed information of the character set forth in Article II, Paragraph 1 above.

- 2. With respect to any funds, materials and equipment introduced into India by the Government of the United States of America pursuant to such program and project agreements, the Government of the United States of America shall not be liable for taxes, service charges, and investment or deposit requirements, and will be exempt from exchange restrictions.
- 3. The Government of India agrees to bear a fair share, as may be mutually agreed upon, of the cost of technical assistance programs and projects.

Article IV

PERSONNEL

- 1. All employees of the Government of the United States of America assigned to duties in India in connection with cooperative technical assistance programs and projects and accompanying members of their families shall be exempt from Indian income taxes with respect to (1) salaries and emoluments paid to them by the Government of the United States of America and (2) any non-Indian income upon which they are obligated to pay income or social security taxes to the Government of the United States of America.
- 2. Such employees and members of their families shall receive exemption with respect to the payment of customs and import duties on personal, household and professional effects and supplies including one personal automobile on certificates being furnished, by such employees, to the Collector of Customs concerned, through the Technical Assistance Unit of the Finance Ministry of the Government of India, to the effect that these effects and supplies are for the personal use and consumption of such employees and members of their families. Duty is liable to be paid in respect of any such article imported without payment of duty and sold or disposed of within three years, but there shall be no liability if such articles are re-exported within the period.

Article V

ENTRY INTO FORCE, AMENDMENT, DURATION

- 1. This Agreement shall enter into force on the day on which it is signed. It shall remain in force until three months after either government shall have given notice in writing to the other of intention to terminate the Agreement.
- 2. If, during the life of this Agreement, either government should consider that there should be an amendment thereof, it shall so notify the other government in writing and the two governments will thereupon consult with a view to agreeing upon the amendment.
- 3. Subsidiary project and other agreements and arrangements which may be concluded may remain in force beyond any termination of this Agreement, in accordance with such arrangements as the two governments may make.
- 4. This Agreement is complementary to and does not supersede existing agreements between the two governments except insofar as other agreements are inconsistent herewith.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective Governments, have signed the present agreement.

Done at New Delhi, in duplicate, this twenty-eighth day of December, 1950.

For the Government of India: [SEAL]

G.S. Bajpai Secretary General, Ministry of External Affairs. For the Government of the United States of America:

[SEAL]

Loy W. HENDERSON Ambassador.