

May 16, 1956

**AGREEMENT BETWEEN THE GOVERNMENT OF INDIA AND THE GOVERNMENT OF THE POLISH
PEOPLE'S REPUBLIC REGARDING SHIPPING COOPERATION**

New Delhi

The Government of India and the Government of the Polish People's Republic, with a view to the strengthening of the economic cooperation and further development of trade between the two countries, have agreed as follows :

Article 1

For the purpose of maintaining regular cargo shipping communications between the Indian ports on the one part and the Polish ports on the other, a regular shipping service will be organised with equal tonnage participation by both the sides.

Article 2

Each party will, before the First Day of October, 1956, nominate a Shipping Organisation which will be responsible for the operation of its ships assigned to the service referred to in Article 1 of the present Agreement. The two Organisations shall, within a month after their nomination, conclude a detailed agreement for the actual operation of the service. The two Organisations shall work in close cooperation with each other and shall review from time to time the working of the service with a view to improving and further developing its scope and efficiency.

Article 3

To begin with, each party will assign three ships suitable for operation on this service. Names and specifications of the ships will be stipulated in the agreement between the two Organisations referred to in Article 2 of the present Agreement.

Each Organisation will have the right to substitute its vessels by other vessels, as well as to assign by mutual agreement additional vessels depending upon the volume of cargo moving and other connected factors. Such substitution or addition may be made with ships on time charter as a temporary arrangement pending replacement by owned tonnage. With effect from the date of commencement of this regular service, all cargoes moving between India and Poland under any existing or future contracts between the two parties shall be offered to the ships of this service.

Article 4

The service shall be operated on the basis of equality of advantages on both sides and avoidance of competition. In particular, the two Organisations referred to in Article 2 of the present Agreement shall endeavour to arrive at an arrangement for the pooling and sharing of freight earnings. Subject to these general principles, each Organisation will operate its ships assigned to the service independently and bear responsibility for the financial results of such operation as also for any amount of claims that may arise in connection with the operation of the ships.

Article 5

The schedule of sailings of the service will be fixed from time to time jointly by the two Organisations referred to in Article 2.

Article 6

The freight rates for the service between Indian and Polish ports shall be fixed by mutual consent between the Directorate General of Shipping of the Government of India, Bombay and the Central Board of the Merchant Marine Transports of the Ministry of Shipping of the Polish People's Republic. The freight rates will be liable to modification and revision from time to time by mutual consent between these two Authorities. The freight tariff will be based on Liner practice, that is to say loading, discharging and stowage would be on shipowner's account, except that in regard to bulk commodities like iron ore and cement, the tariff may provide for freight to be charged on "free in and out and stowed" basis.

Article 7

The vessels of each party will upon entry into, stay in, and departure from, the ports of the other country enjoy most favourable conditions allowed by the corresponding laws, rules and regulations applicable to these ports. All the dues on the ships allocated to the service shall be levied at the ports of India and at the ports of Poland in accordance with the laws and regulations in force at the ports of the two countries.

Article 8

The parties to the Agreement will, consistently with the rules and regulations in force and any international conventions to which they may be parties, take all possible steps to minimise delays to shipping and accelerate their turn-round at their respective ports.

Article 9

No income-tax shall be levied or collected by the Government of India on the freight earnings of Polish ships of this service -at the Indian ports and likewise income-tax shall not be levied or collected by the Government of the Polish People's Republic on the freight earnings of Indian ships of this service at the Polish ports. The provision will also cover ships time-chartered by either party for the service.

Article 10

All payments arising out of the operation of the service, including freight payments for transportation of cargoes, will be effected in accordance with the payment arrangements in force between India and Poland as detailed in Article 4 of the Trade Agreement dated the 3rd April,1956, between the Government of India and the Government of the Polish People's Republic.

Article 11

The Indian ships at the Polish ports will be handled by the existing State Enterprises "Shipping Agency" at those ports. The Polish ships at the Indian ports will be handled by Indian firms to be appointed by the Polish Shipping Organisation referred to in Article 2 after consultation with the Directorate General of Shipping, Bombay.

Article 12

This agreement will come into force from the date of its signing and shall continue to be in force until either party declare their intention to terminate it by giving six months' notice in writing to the other party.

DONE in duplicate in New Delhi on the Sixteenth day of May, 1956, in Hindi, Polish and English, all the texts being equally authentic but the English text being relied upon in case of doubts. IN WITNESS WHEREOF the representatives of the parties duly authorised thereto by their respective Governments have signed the present Agreement.

Sd/- N.M. AYYAR,

On behalf of the Government of India

Sd/- JERZY GRUDZINSKI,

Sd/- HELLER RUDOLF,

On behalf of the Government of the Polish People's Republic.