

No. 5631

**CANADA
and
PORTUGAL**

**Trade Agreement (with schedule and exchange of notes).
Signed at Lisbon, on 28 May 1954**

Official texts: English and Portuguese.

Registered by Canada on 21 March 1961.

**CANADA
et
PORTUGAL**

**Accord de commerce (avec tableau et échange de notes).
Signé à Lisbonne, le 28 mai 1954**

Textes officiels anglais et portugais.

Enregistré par le Canada le 21 mars 1961.

No. 5631. TRADE AGREEMENT¹ BETWEEN CANADA AND PORTUGAL. SIGNED AT LISBON, ON 28 MAY 1954

The Government of Canada and the Government of Portugal, desiring to strengthen and develop the economic relations existing between the two countries, have decided to conclude a Trade Agreement to supersede the commercial arrangements made applicable between Canada and Portugal as from October 1, 1928.

And, for this purpose, have appointed their representatives who have agreed upon the following articles :

Article I

1. For the purpose of this Agreement, it is understood that "Portuguese products" shall mean goods the produce or manufacture of Portugal, of the Portuguese Adjacent Islands or the Portuguese Overseas Provinces, and that "Canadian products" shall mean goods the produce or manufacture of Canada.

2. Each Contracting Party shall accord to the other Contracting Party unconditional most-favoured-nation treatment in all matters with respect to customs duties and charges of any kind imposed on or in connection with importation or exportation or imposed on payments for imports or exports, and with respect to the method of levying such duties and charges, with respect to the rules and formalities connected with importation or exportation, and with respect to all internal taxes or other internal charges of any kind, and with respect to all laws, regulations and requirements affecting internal sale, offering for sale, purchase, distribution or use of imported goods within the territory of such Contracting Party.

3. Accordingly, products of either Contracting Party imported into the territory of the other Contracting Party shall be subject to the lowest duties, taxes or other charges, and to treatment with respect to regulations and formalities no less favourable than that granted to similar products of any other country.

4. Similarly, products exported from either Contracting Party and consigned to the territory of the other Contracting Party shall not be subject to any duties, taxes or charges higher or more burdensome than, or to any

¹ Applied provisionally as from 1 July 1954 and came into force definitively on 29 April 1955, the date of the exchange of the instruments of ratification at Ottawa, in accordance with article VIII.

formalities differing from those which apply to like products, when exported and consigned to any other country.

5. Either Contracting Party undertakes to grant unconditionally to the products of the other Contracting Party, in regard to the matters referred to in paragraph 2 of this Article, any privilege, favour or advantage granted to any product originating in any other country.

6. Goods, the produce or manufacture of Portugal, enumerated and described in Schedule A¹ annexed to this Agreement, shall on importation into Canada be exempt from ordinary customs duties in excess of those set forth in the said schedule. Schedule A shall have full force and effect as an integral part of this Agreement.

7. The provisions of this Article relating to most-favoured-nation treatment are not applicable neither can they be invoked with regard to the advantages :

- (a) granted by either of the Contracting Parties to a neighbouring State, for the purpose of facilitating frontier traffic;
- (b) granted by the Government of Portugal to Spain or Brazil;
- (c) granted by the Government of Portugal to the territories contiguous to her Overseas Provinces;
- (d) granted by the Canadian Government exclusively to member countries of the British Commonwealth of Nations, including their dependent territories, and to the Republic of Ireland.

Article II

Either Contracting Party shall accord to the products of the other Contracting Party, which have been in transit through the territory of any third country receiving most-favoured-nation treatment from the importing country, treatment no less favourable than that which would have been accorded to such products had they been transported from their place of origin to their destination without going through the territory of such third country.

Either Contracting Party shall, however, be free to maintain its requirements of direct consignment existing on the date of the present Agreement in respect of any products in regard to which such direct consignment has relation to the Contracting Party's prescribed method of valuation for duty purposes.

Article III

1. No prohibitions or restrictions shall be maintained or applied by either Contracting Party on the importation of any product of the other Contracting

¹ See p. 262 of this volume.

Party unless such measures apply equally to the importation of the like product from any other country. No prohibitions or restrictions shall be maintained or applied to the exportation of any product from the territories of either Contracting Party to the territories of the other unless such measures apply equally to the exportation of like goods to any other country.

The only exceptions to this general rule shall be those that may be provided in legislation regarding essential security interests or regarding protection to the health of human beings, animals and plants.

2. In all matters relating to the allocation of foreign exchange, and to the administration of foreign exchange restrictions, affecting transactions involving the importation and exportation of products, each Contracting Party shall accord to the other Contracting Party unconditional most-favoured-nation treatment.

3. Both Contracting Parties recognize that the existence of balance of payments difficulties in many countries and the widespread inconvertibility of currencies, do not permit the immediate and full achievement of non-discriminatory application of trade and exchange restrictions affecting imports. Accordingly, notwithstanding the provisions of the present Agreement, either Contracting Party may, in the application of such trade and exchange restrictions affecting imports for the purpose of safeguarding its external financial position and balance of payments, temporarily deviate from the provisions of Paragraphs 1 and 2 of this Article, provided that :

- (a) it always keeps in view that such restrictions shall be applied in such a way as to avoid any unnecessary damage to the economic or commercial interests of the other Contracting Party;
- (b) such restrictions shall be applied in such a way as not to result directly or indirectly in discrimination as between countries which are treated as part of the United States dollar area under its exchange control regulations.

Article IV

1. Each of the Contracting Parties undertakes to make available to the other, without charge, the benefits provided by its national legislation pertaining to the protection within its territorial limits, of the natural or manufactured products of the other party particularly in matters relating to trade marks, marks of origin and rights under patents, and to co-operate with the other Contracting Party with a view to preventing any practices which might prejudicially affect the commerce between the two countries.

2. Recognizing that the names "Port" and "Madeira" constitute designations of origin defined and protected by Portuguese legislation and applying, un-

der such legislation, exclusively to the fortified wines produced in the region of the Douro and in the island of Madeira respectively, Canada undertakes to make available to these wines the protection provided by her national legislation concerning false, misleading and deceptive labelling and advertising.

Article V

The provisions of the present Agreement are applicable to the territories of Canada and of Portugal and the Portuguese Adjacent Islands and Overseas Provinces.

Article VI

The Government of either Contracting Party shall give sympathetic consideration to any representations which the Government of the other Contracting Party may make in respect of the implementation of the present Agreement.

Article VII

The present Treaty shall terminate and replace the Agreement concluded at Lisbon and embodied in the exchange of Notes of September 10 and 12, 1928, between the Government of Portugal and the Government of the United Kingdom, providing for unconditional most-favoured-nation treatment to goods produced or manufactured by either of the Contracting Parties in the territory of the other Contracting Party.

Article VIII

The present Agreement shall be ratified by both Contracting Parties in accordance with their respective constitutional procedures and shall enter into force on the date of the exchange of the instruments of ratification which shall take place as soon as possible; the Contracting Parties agree, however, that this Agreement shall enter into force provisionally as from July 1, 1954.

Article IX

The present Agreement shall remain in force for a period of two years and thereafter shall automatically be renewed for successive periods of one year until three months from the date upon which either Contracting Parties shall have given notice of its intention to terminate the Agreement, to the other Contracting Party.

IN WITNESS WHEREOF the representatives of the two Governments, duly authorized for the purpose, have signed the present Agreement.

DONE at Lisbon this 28th day of May 1954, in duplicate in the English and Portuguese languages, both equally authentic.

For Canada :
Robert H. WINTERS

For Portugal :
Paulo CUNHA

SCHEDULE A

<i>Canadian Tariff Item</i>		<i>Tariff on goods the production or manufacture of Portugal</i>
Ex. 109	Almonds, shelled or not	Free
495	Corks, manufactured from corkwood, over three-fourths of an inch in diameter measured at the larger end	2 cents per lb.
496	Corks, manufactured from corkwood, three-fourths of an inch and less in diameter measured at the larger end	2 cents per lb.

EXCHANGE OF NOTES

I

Lisbon, May 28th, 1954

Excellency,

With reference to the Trade Agreement signed this day¹ between our two countries, I have the honour to bring to the notice of Your Excellency that the Portuguese Government being aware of the efforts of the Government of Canada in trying to increase the production of codfish of types and qualities suitable to the Portuguese market, will grant licences for the importation each year as from July 1st, 1954, of a minimum of 3,000 tons of dried codfish, the produce of countries which are treated as part of the U.S. dollar area under its exchange control regulations, and to make available the exchange required for the payment of such fish.

Recognizing, however, the current difficulties in supplying large and medium fish for the Portuguese market, the Portuguese Government will be prepared to take the necessary measures to allow, within the above quota, the importation from the countries above described of a minimum of 1,000 tons of small codfish. It is clearly understood that the licensing of 1,000 tons of small fish is not conditional on the supplying of the full balance of the above quota.

Furthermore, the Portuguese Government, in order to avoid frustration of the intention of the Trade Agreement and in consideration of the cordial relations between Canada and Portugal, will recommend to the competent Portuguese authorities that the fish, produce of the countries above described, will receive in the Portuguese market a treatment equal to that accorded to

¹ See p. 254 of this volume.

any other similar fish sold therein, and also that the minimum established above be increased, provided that the conditions required in this letter concerning qualities and sizes are respected.

If the Canadian Government agrees with this proposal, I have the honour to suggest that this letter and the acknowledgment of Your Excellency shall constitute an integral part of the Trade Agreement signed today.

Accept, Excellency, the assurances of my highest consideration.

José Augusto CORRÊA DE BARROS

His Excellency the Hon. W. F. A. Turgeon, P.C., Q.C.
Minister of Canada
Lisbon

II

Lisbon, May 28th, 1954

Excellency,

I have the honour to acknowledge your letter of May 28 which states as follows :

[See note I]

I have the honour to inform you that the Canadian Government agrees with this proposal and with your suggestion that your letter and this acknowledgment shall constitute an integral part of the Trade Agreement signed today.

Accept, Excellency, the assurances of my highest consideration.

W. F. A. TURGEON
Minister

His Excellency Dr. José Augusto Corrêa de Barros, C.B.E.
Director-General of Economic and Consular Affairs
Ministry of Foreign Affairs
Lisbon
