

APPENDIX I

RESTRICTED

GENERAL AGREEMENT ON
TARIFFS AND TRADE

TN.60/17
5 December 1961
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1960-61 TARIFF CONFERENCE

WORKING PARTY ON ACCESSION

Report

1. The Working Party discussed the question of the relations between Portugal's separate customs territories and clarified certain other questions.
2. The Working Party appointed in 1960 by the Council to obtain information on Portugal's commercial policy and regulations was told by the Portuguese Government that it intended to "take measures directed towards a new stage in the process of domestic integration in order to ensure that all the objectives inherent in the concept of a free-trade area under the General Agreement on Tariffs and Trade shall be achieved in the case of the various Portuguese territories within a period which may be shorter but will not exceed in any case the period for the elimination of customs tariffs between Portugal and other signatories to the Stockholm Convention as provided for in Annex G to said Convention" (L/1411 and Add.1). The Working Party had before it the text of the Portuguese "Law Relating to the Unification of Portuguese Markets" (TN.60/14). The Secretariat had prepared draft provisions aimed at covering this matter in the Protocol which would embody the terms of Portugal's accession (TN.60/W.28).
3. The Working Party agreed to the text, with some drafting changes, which is to be incorporated in the draft Protocol. In order however to avoid any misunderstandings the Working Party wishes to make it clear that this text does not constitute a decision by the CONTRACTING PARTIES in respect of the formation of a free-trade area under Article XXIV of the Agreement. This would in fact not be possible since Portugal is not yet a contracting party. Nevertheless the Working Party considered that the provisions of the Portuguese Decree Law mentioned above, which is now in effect, constitute, basically, arrangements leading to the formation of a free-trade area. Consequently the proposed text incorporates in the terms of accession the implementation of this Decree Law.
4. Some delegations referred to certain agricultural measures which had been described by Portugal in the course of its consultation with Committee II. The representative of Portugal stated that, upon Portugal's accession to the General Agreement it would, of course, be accepting all the applicable rules of GATT and had every intention of giving effect to them. He recognized that this might in some cases involve a modification of present practices. The Working Party agreed that in the circumstances there would be no need for it to conduct any further examination.

5. The representative of India made the following statement:

"As a result of the discussions and deliberations in the Working Party provisions may be incorporated in the instruments or decisions relating to Portugal's accession, to cover Portugal's relations with its so-called overseas provinces. I should like to make it clear that we do not recognize any special relationship between Portugal and some of its so-called overseas provinces. In any protocol or instrument that we sign or in any discussion or consideration that takes place on this subject we shall make a reservation in regard to Portugal's accession to the Agreement, its right to apply the Agreement to some of its so-called overseas provinces and also in regard to any recognition of any special arrangements, relationships or preferences between Portugal and some of the so-called overseas provinces."

6. The Working Party noted the fact that Portugal and Israel appeared to have substantially completed their bilateral negotiations. It considers therefore that arrangements could be made to open separate protocols of accession for Israel and Portugal so as not to delay unduly their accession. The Working Party accordingly recommends that the Legal Drafting Group be instructed to prepare separate protocols of accession for each acceding government. The representative of India referred in this connexion to his reservation in paragraph 5 on the question of Portugal's accession and matters arising therefrom.