Preliminary Draft of Agreement of Association

Note by the Executive Secretary

A communication from the Government of Yugoslavia requesting an opportunity for its representatives to discuss with the CONTRACTING PARTIES at the Thirteenth Session the question of some form of association between Yugoslavia and the CONTRACTING PARTIES has been distributed in document L/870 and it has been proposed, in L/854/Add.1, that this question should be added to the Agenda for the Session. In the event that the CONTRACTING PARTIES decide to examine this question, and since it will not be possible for the Government of Yugoslavia to accede to the GATT under the terms of Article XXXIII, the following draft decision may serve as a basis for discussion:

Preliminary Draft Decision

CONSIDERING

that the Government of Yugoslavia wishes to establish closer relations with the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade, and through such association to contribute to the establishment of commercial relations on a mutually advantageous basis with the governments which are parties to the General Agreement and, as a result, to the expansion of international trade;

CONSIDERING

that a number of governments which are parties to the General Agreement wish to facilitate the establishment of closer relations between Yugoslavia and the CONTRACTING PARTIES to the General Agreement and to contribute to the establishment of commercial relations with Yugoslavia on a mutually advantageous basis;

I.

THE GOVERNMENT OF YUGOSLAVIA HEREBY DECLARES

1. that it will take as a basis for its commercial relations with the other countries which are signatories to this Declaration, the objectives of the General Agreement and that, in particular, it will take into account, in the conduct of this commercial policy, the legitimate interests of the said signatories;
2. (a) that it will also give sympathetic consideration to any representations which may be addressed to it by any other signatory to this Declaration concerning the implementation of the undertaking contained in paragraph 1 above and will be prepared to enter into consultations concerning such representations;

(b) that it will seek the opinion and advice of the CONTRACTING PARTIES where such consultations do not result in a satisfactory settlement being reached;

(c) that it will take part in any discussions which the CONTRACTING PARTIES might initiate when they are called upon by another signatory to give an opinion or advice on the grounds that bilateral consultations undertaken at the request of the said signatory had not resulted in a satisfactory settlement being reached;

3. that it is prepared to enter into consultation with the CONTRACTING PARTIES concerning import restrictions applied for balance-of-payments reasons, in the same conditions and at the same intervals as other contracting parties acting under Article XVIII, section (B), of the General Agreement.

II.

THE CONTRACTING PARTIES TO THE GENERAL AGREEMENT, SIGNATORIES TO THE PRESENT DECLARATION, HEREBY DECLARE

1. that they will take as a basis for their commercial relations with Yugoslavia the objectives of the General Agreement and that, in particular, they will take into account, in the conduct of this commercial policy, the legitimate interests of Yugoslavia;

2. (a) that they will also give sympathetic consideration to any representations which may be addressed to them by the Government of Yugoslavia concerning the implementation of the undertaking contained in paragraph 1 above and will be prepared to enter into consultations concerning such representations;

(b) that they will seek the opinion and advice of the CONTRACTING PARTIES where such consultations do not result in a satisfactory settlement being reached;

(c) that they will take part in any discussions which the CONTRACTING PARTIES might initiate when called upon by Yugoslavia to give an opinion or advice on the grounds that bilateral consultations undertaken at the request of Yugoslavia had not resulted in a satisfactory settlement being reached;
3. that they will take part in consultations initiated by the CONTRACTING PARTIES concerning import restrictions applied by Yugoslavia for balance-of-payments reasons;

4. that they will request the CONTRACTING PARTIES

(a) to take note of this Declaration;

(b) to invite the Government of Yugoslavia to take part in the work of the CONTRACTING PARTIES, including consultations organized between the CONTRACTING PARTIES and any signatory to this Declaration in accordance with the provisions of Articles XII or XIV or of Article XVIII:12 of the General Agreement, on the understanding that Yugoslavia will not take part in the vote when a decision is to be taken by the CONTRACTING PARTIES;

(c) to undertake the functions set out in paragraphs 2(b) and (c) and 3 of the declaration by Yugoslavia, in Section I above, and in paragraphs 2(b) and (c) of this Declaration by the other signatories.

III.

This Declaration shall be opened for signature by Yugoslavia and by the contracting parties to the General Agreement when it has been approved by the CONTRACTING PARTIES by a two-thirds majority. This Declaration shall enter into force when it has been signed by Yugoslavia and a number of contracting parties representing no less than two-thirds of the governments which are at present parties to the General Agreement. This Declaration shall remain in force for a period of three years from the day upon which it enters into force. It shall be open to the signatories to this Declaration to extend the period of validity of this Declaration if they so agree, provided however that the CONTRACTING PARTIES shall renew by a decision taken by a two-thirds majority the arrangement set out in paragraph 4 of Section II above.

IV.

The Government of Yugoslavia or any other government signatory to this Declaration shall be free to withdraw from this arrangement subject to sixty days written notice being given to the Executive Secretary of the CONTRACTING PARTIES to the General Agreement. If Yugoslavia should withdraw from this arrangement, the Declaration shall lapse and any arrangements made by the CONTRACTING PARTIES shall cease to be valid. If a contracting party which is a signatory to this present Declaration should withdraw from the Agreement, the sole effect of such withdrawal shall be to terminate the undertakings entered into by such signatory in respect of Yugoslavia and to terminate the undertakings entered into by Yugoslavia in respect of such signatory under this Declaration.

In witness whereof

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