5 November 1954

Draft of Section of the Final Report of the Working Party

The Working Party next considered the two items in the request of Ceylon for the extension of the date of the existing release on items not included in the Ceylon Schedule; namely, cotton sarongs and cotton banians. Because of a substantial difference in the circumstances under which Ceylon was applying for releases in these two cases, they were taken up separately.

Cotton sarongs

After hearing the statement of justification of a representative of Ceylon concerning this request, the Working Party decided that the request clearly fell within the provisions of Article XVII. The statement of the representative of Ceylon is reproduced in Annex A. The Working Party then noted the special circumstances in connexion with this request. Ceylon had obtained the original release from the CONTRACTING PARTIES on 13 August 1949 for a period of five years. It had not, however, adopted the measure permitted by that release (i.e., the application of the provisions of the Industrial Products Act) until 15 October 1952, or some two years and two months later than the date of the release. During the deliberations of the Working Party, Ceylon had amended its original request so as to permit the application of the measure for a full five years from the date on which it was originally imposed. The release requested relates to an item which is not in the Ceylon Schedule, and the proposed measure was one which the CONTRACTING PARTIES had decided in 1949 might be required for five years in order to place the industry on a firm footing which would permit it to compete without the special protection afforded by control under the Industrial Products Act. In the light of these considerations the Working Party felt that it must be reasonable for the CONTRACTING PARTIES to change the period covered by their original decision so as to permit the control for the time originally contemplated rather than to subject this application to the procedures of paragraph 8 of Article XVIII. The Working Party did not believe, however, that this would be desirable in all cases in which a release previously granted had not been fully used. It determined that no release granted to another contracting party fell in this category. Furthermore, the representative of Ceylon assured the Working Party that it did not intend to utilize any other releases granted to it in the past on which controls had not yet been imposed.
The Working Party accordingly recommends that the CONTRACTING PARTIES decide to modify the terms of the release granted to Ceylon on 15 August 1949 covering cotton sarongs so as to permit the continuation of control of this item under the Industrial Products Act until 15 October 1957.