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 the representative of Ceylon in justification of this request, the Working Party decided that the request clearly fell within the provisions of Article XVIII. The statement of the representative of Ceylon is reproduced in Annex A. The Working Party then took note of the following special circumstances in connection 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, i.e., some three years and two months later than the date of the release. The reason for this was that at the date of the release Ceylon did not produce sufficient yarn derived from indigenous raw material to allow the industry concerned to rely upon local yarn, and it was not until later that this condition was satisfied. It was a condition of the earlier release that indigenous raw materials should be used.

Ceylon had, as stated in the interim report (L/269), originally intended to ask for a renewal for a period of five years from a current date, but during the proceedings of the working party Ceylon amended its request and decided to ask only for the period of which it did not take advantage under the original release.

The release requested relates to an item which is not in the Ceylon Schedule and which, therefore, falls to be dealt with under Part C of Article XVIII. In 1949, the CONTRACTING PARTIES, dealing with the matter under paragraph 7 of Article XVIII, decided that the release should be given "for a period of five years".

In the light of these considerations, the Working Party felt that it would be reasonable for the period of release to run for five years from the date that the Industrial Products Act was first applied to cotton sarongs. The Working Party consider that if a decision were taken in this sense it could not assume importance as a precedent. Cases of delayed use of releases were unknown for countries other than Ceylon, and as regards Ceylon the representative of that country assured the Working Party that his Government did not intend to utilize any of the releases granted to it in the past under which controls had not yet been imposed, nor to apply for any extensions of a kind similar to the extension proposed in the case of sarongs.

The Working Party accordingly recommends that the CONTRACTING PARTIES should decide that the release granted to Ceylon on 13 August 1949, covering cotton sarongs should be available until 15 October 1957.