11 November 1954

DRAFT SECOND INTERIM REPORT OF WORKING PARTY 1 ON
ARTICLE XVIII APPLICATIONS

Application of Ceylon concerning Cotton Banians

1. The Working Party has considered the portion of the Ceylon application which relates to the extension of releases for cotton banians. After hearing a statement by the representative of Ceylon in support of this item, the Working Party decided that the request clearly fell within the provisions of Article XVIII.

2. The item is not one on which Ceylon has assumed an obligation under Article II, and the Government of Ceylon had intended to submit the application under the provisions of paragraph 7 of Article XVIII. After a full discussion of the meaning of condition (1) in sub-paragraph 7(a), the Working Party considered, there being one member dissenting, that the proposed measure could not be examined under the provisions of paragraph 7, and that the request should be made under paragraph 8. The Ceylon representative then indicated that his delegation would proceed according to the provisions of sub-paragraph (a) of paragraph 8 and would enter into direct consultations with the following contracting parties which in its judgment would be materially affected by the proposed measure:

   India,
   United Kingdom in respect of Hong Kong,
   United Kingdom.

3. Sub-paragraph 8(a) requires that an opportunity be afforded to the CONTRACTING PARTIES to determine whether all materially affected contracting parties are included in the proposed consultations. For this purpose the Working Party

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1 Cf. L/269.

2 The Cuban representative dissented from this decision and the Indian representative reserved his Government's position.
proposes that the CONTRACTING PARTIES request that the Working Party be notified as soon as possible, and in any case not later than 25 November, by any contracting party, other than those mentioned in paragraph 2 above, that considers itself materially affected by the measure with respect to cotton banians. If any such notifications are received the Working Party will submit to the CONTRACTING PARTIES its recommendations as to whether any of these contracting parties should be included in the consultations.

4. The Working Party will report on this item upon completion of the consultations carried out by Ceylon with all the materially affected contracting parties. The remaining items in the Ceylon application will be dealt with in a further report of the Working Party.