

GENERAL AGREEMENT  
ON TARIFFS AND  
TRADE

ACCORD GENERAL SUR  
LES TARIFS DOUANIERS  
ET LE COMMERCE

RESTRICTED  
LIMITED B

GATT/CP.3/85  
12 August 1949

ORIGINAL: ENGLISH

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CONTRACTING PARTIES

Third Session

SEVENTH REPORT OF WORKING PARTY 2 ON ARTICLE XVIII

Report on the Ceylon Application in Respect of Brassware 1

1. The Working Party examined further the application of Ceylon under the provisions of sub-paragraph 8 (b) of Article XVIII for a release in respect of the measure for the development of the traditional brassware industry, together with the statement by India that it was materially affected by the proposed measure.
2. Agreement was reached in the Working Party with the representatives of Ceylon and India on the following course, which is accordingly recommended for the approval of the CONTRACTING PARTIES:
  - (a) India, which is the only contracting party which considers itself to be materially affected, should, in accordance with the provisions of sub-paragraph 8 (b), transmit any statement of its objections to the proposed measure to the Chairman of the CONTRACTING PARTIES not later than 30 September 1949.
  - (b) A conditional release be granted by the CONTRACTING PARTIES for a period of five years under the provisions of paragraph 8 (b) (i), subject to the limitations in the application that the figure of 1,500 tons shall be used as the maximum quantity of domestic availability in calculating the standard ratio between such quantities of domestic availability and imports for the purpose of issuing ~~import~~ licences under the provisions of the Industrial Products Act. This release to be effective only if, by 30 September 1949, no objection has been lodged by India.

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1. Cf. paragraph 53 in Section K of the Sixth Report of Working Party 2 (GATT/CP.3/73/Rev.1)

(c) (i) Under the provisions of paragraph 10, the CONTRACTING PARTIES determine that in the event of an objection being received the decision in respect of this measure be given under the provisions of sub-paragraph 8 (b) (ii) at the next ordinary session of the CONTRACTING PARTIES.

(ii) The CONTRACTING PARTIES approve the waiver set out in the Annex to this report. This waiver to be effective only in the event of there being an objection lodged by India by 30 September 1949.

ANNEX

DECISION

The CONTRACTING PARTIES

Exercising the power of waiver under sub-paragraph 5 (a) of Article XXV of the General Agreement on Tariffs and Trade,

Having noted that:

- (1) the Government of Ceylon has applied for a release under the provisions of sub-paragraph 8 (b) of Article XVIII with respect to brassware,
- (ii) the Government of India has stated that it is materially affected by the proposed measure and may, before 30 September 1949, lodge an objection under the provisions of sub-paragraph 8 (b) of Article XVIII,
- (iii) the Governments of Ceylon and India agree that if such an objection is lodged the CONTRACTING PARTIES should nevertheless agree to the introduction of the measure pending a formal decision by the CONTRACTING PARTIES at their next ordinary session,

Decide that if an objection is so lodged by the Government of India, the Government of Ceylon may nevertheless introduce the proposed measure subject to the limitation in the application that the figure of 1,500 tons shall be used as the maximum quantity of domestic availability in calculating the standard ratio between such quantities of domestic availability and imports for the purpose of issuing import licences under the provisions of the Industrial Products Act, pending a decision by the Contracting Parties under the provisions of sub-paragraph 8 (b) (ii) of Article XVIII at their next ordinary session.