

*Article 42.—Territorial Application of Chapter IV: Frontier Traffic—
Customs Unions*

This Article provides that the rights and obligations arising under this Chapter shall be deemed to be in force between each and every territory which is a separate customs territory and in respect of which the Charter has been accepted. It also deals with the conditions attaching to the formation of Customs Unions, and provides reasonable safeguards against the application of new unilateral preferences under the guise of a partial Customs Union.

Article 43.—General Exceptions to Chapter IV

The general exceptions to Chapter IV are divided into two categories, permanent and temporary. Exceptions of a permanent nature are those relating to public morals, health, gold or silver, enforcement of legislation, products of prison labour, protection of national treasures, conservation of exhaustible natural resources, inter-governmental commodity agreements, and export restrictions in connection with governmental stabilization plans. Exceptions which are intended to be used only until 1951 are those relating to the acquisition or distribution of products in short supply, to price control by Member countries undergoing shortages subsequent to the war, and to the orderly liquidation of wartime surplus stocks or of uneconomic wartime industries. The Organization may extend these exceptions beyond 1951 in particular instances if necessary.