

There is no obligation on a Member to consult another Member who is not a contracting party to the General Agreement regarding withdrawal or modification in terms of Article 40 of a tariff concession embodied in the General Agreement, nor is the latter entitled under the Article to take compensatory action in such cases by withdrawal from obligations under the Charter.

It is understood that any action to withdraw or modify concessions would be non-discriminatory as among members of the Organization.

Article 41: Consultation

This Article provides for consultation among Members with respect to all matters covered by Chapter IV.

Article 42: Territorial Application of Chapter IV

Chapter IV applies to metropolitan and dependent territories, as does the whole Charter. Some dependent territories however have separate Customs tariffs of their own and for the purposes of Chapter IV it is therefore necessary to treat these separate Customs territories as separate Members. It is, however, specifically provided that this provision does not create any rights as between two dependent territories of the one Member.

Article 43: Frontier Traffic

This Article recognizes that special treatment is necessary to cope with the large volume of traffic across land frontiers, which usually involves a large number of small transactions.

Subparagraph (b) of this Article recognizes the special treatment necessary for the well-being of the economy of the Free Territory of Trieste, which will need time to become readjusted to its new state of independence.

Article 44: Customs Unions and Free-trade Areas

This Article gives recognition to the desirability of increasing freedom of trade by the development through voluntary agreements of closer integration between the economies of countries parties to such agreements. Agreements of that nature should, however, not raise barriers to the trade of other Members.

Chapter IV is accordingly not to be construed to prevent as between Members the conclusion of Customs unions or free-trade areas provided that they conform to the latter requirement.

The Article stipulates that any Member deciding to enter into a Customs union or free-trade area or an interim agreement leading to the formation of such union or area shall furnish the Organization with full information of the proposals. If the Organization considers that that agreement is not likely to achieve the objective within the period