

(b) The formation of a customs union or the adoption of an interim agreement necessary for the attainment of a customs union ; *Provided* that the duties and other regulations of commerce imposed by, or any margins of preference maintained by, any such union or agreement in respect of trade with Members of the Organization shall not on the whole be higher or more stringent than the average level of the duties and regulations of commerce or margins of preference applicable in the constituent territories prior to the formation of such union or the adoption of such agreement, and *Provided* further that any such interim agreement shall include a definite plan and schedule for the attainment of such a customs union within a reasonable length of time.

3. (a) Any Member proposing to enter into a customs union shall consult with the Organization and shall make available to it such information regarding the proposed union as will enable the Organization to make such reports and recommendations to Members as it may deem appropriate.

(b) No Member shall institute or maintain any interim agreement under the provisions of paragraph 2 (b) of this Article if, after a study of the plan and schedule proposed in such agreement, the Organization finds that such agreement is not likely to result in such a customs union within a reasonable length of time.

(c) The plan or schedule shall not be substantially altered without consultation with the Organization.

4. For the purpose of this Article a customs territory shall be understood to mean any territory with respect to which separate tariffs or other regulations of commerce are maintained for a substantial part of the trade of such territory with other territories. A customs union shall be understood to mean the substitution of a single customs territory for two or more customs territories, so that all tariffs and other restrictive regulations of commerce as between the territories of members of the union are substantially eliminated and substantially the same tariffs and other regulations of commerce are applied to each of the members of the union to the trade of territories not included in the union.

Article 43

General Exceptions to Chapter IV

Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable

Article 42.

Paragraph 4 of the text of the former Article 38 proposed by the New York Drafting Committee has been deleted since the subject dealt with therein is covered by the new Article 15 and by Article 74. The Delegation of Chile favoured its retention pending the World Conference.