

non-Member would not be extended to all other Members.

It must be noted, however, that the "automatic approval" provisions of Article 15, under which the Organization must give its authorization, does not apply to a new preferential agreement involving Members and non-Members.⁽¹⁾ In such cases, approval can only be granted by a two-thirds majority of the Members present and voting, and subject to such conditions as the Organization may impose.

- (2) Similarly, paragraph 3 allows Members to enter into customs unions or free trade area arrangements with non-Members, but in this case, as in the case of new preferential arrangements, a two-thirds majority of the Members present and voting is required in accordance with paragraph 6 of Article 44.
- (3) The third exception is contained in an interpretative note to Article 98. This note provides that the provisions of Article 98 will not be construed to prejudice or prevent the operation of the provisions of paragraph 1 of Article 60 regarding the treatment to be accorded to non-participating countries under the terms of a commodity control agreement which conforms to the requirements of Chapter VI.

There are, of course, other cases where a Member would not be bound by the provisions of Article 98 in his relations with non-Members. For example, a Member can take action or enter into agreements with non-Members for national security reasons in accordance with sub-paragraph 1 (b) and (c) of Article 99.

It can be seen that the provisions of the Article are rather loosely worded. Many specific problems of relations between Members and non-Members have not been clearly foreseen and provided for, and will have to be solved on an ad hoc basis. Although the basic principles and undertakings which were deemed to be minimum requirements have been incorporated, it seemed impossible at Havana to reach agreement much beyond that point.

There were two general considerations which affected discussions on this issue and which in the case of certain delegations permeated their whole attitude. Firstly, the commercial relations of western and eastern European countries. Both groups were anxious to arrive at provisions which would not seriously impede commercial relations between them. Similarly, once it became almost certain that Argentina would not sign the Final Act at Havana, that country (which continued to take part in discussions) and other Latin American countries, such as Chile and Bolivia, were anxious not to make too "unfavourable" the treatment of non-Members under the Charter. The same considerations applied to Switzerland.

Secondly, it became clear that without knowledge of what countries would be Members and what countries would be non-Members of the Organization, particularly in the first few years of operation, that it would be premature to provide in the Charter itself for relatively "unfavourable" relations between Members and non-Members. It was recognized that any Member whose vital interests might become prejudiced by too rigid provisions could not afford to remain for very long a Member