SECOND COMMITTEE: ECONOMIC DEVELOPMENT

SUB-COMMITTEE B ON ARTICLE 12 - INTERNATIONAL INVESTMENT FOR ECONOMIC DEVELOPMENT

CORRIGENDUM TO REDRAFT* SUGGESTED AS BASIS FOR DISCUSSION BY AUSTRALIAN DELEGATION

1. The Members recognize:
   (a) that international investment both public and private can be of great value in promoting economic development and consequent social progress; and
   (b) that the flow of international capital will be stimulated to the extent that Members afford nationals of other countries opportunities for investment and security for existing and future investments within their territories;
   (c) that, on the other hand, a Member has the right:
      (i) to take any safeguards necessary to ensure that foreign investment is not used as a basis for interference in the internal affairs or national policies of Members;
      (ii) to determine to what extent and upon what terms it will allow foreign investment within its territories;
      (iii) to prescribe and give effect to requirements as to the ownership of investments within its territories.
   (d) that the interests of Members whose nationals are in a position to provide capital for international investment and of Members who desire to obtain the use of such capital to promote their economic development may be promoted if such Members were to enter into bilateral or multilateral agreements relating inter alia to the opportunities and security for investment which the Members are prepared to offer and any limitations which they are prepared to accept of the rights referred to in sub-paragraph (c) above.

2. Members undertake therefore:
   (a) to provide the widest opportunities for investments acceptable

* This redraft would substitute for paragraphs 1 and 2 of Article 12 of the Geneva draft, but would not affect paragraph 3.
to them and, subject to sub-paragraphs (c) (i) and (iii) of paragraph 1 above, the greatest security for existing and future investments;

(b) to participate at the request of any other Member in negotiations directed towards the conclusion of such agreements; provided that if a Member decides as a result of such negotiations that an acceptable agreement cannot be concluded, this decision shall not be interpreted as in any way nullifying or impairing any benefit accruing to any other Member directly, indirectly or by implication under the Charter.