

DRAFT CHARTER

UNITED STATES: PROPOSED AMENDMENT

CHAPTER III
ECONOMIC DEVELOPMENT

Article 12

International Investment for Economic Development

1. The Members recognize that, with appropriate safeguards, including measures adequate to ensure that foreign investment is not used as a basis for interference in the internal affairs or national policies of Members, international investment, both public and private, can be of great value in promoting economic development and consequent social progress. They recognize that such development would be facilitated if Members were to afford, for international investments acceptable to them, reasonable opportunities upon equitable terms to the nationals of other Members and security for existing and future investments. Accordingly they agree to provide, consistent with the limitations/ safeguards^{1/} recognized as necessary in this Article, the widest opportunities for investment and the greatest security for existing and future investments.
2. ^{2/} Each Member shall, upon the request of any other Member enter into and carry out with such other Member negotiations directed to giving effect to the provisions of paragraph 1 of this Article.
3. ^{3/} Members shall promote co-operation between national and foreign enterprises or investors for the purpose of fostering economic development in cases where such co-operation appears to the Members concerned to be appropriate.

Footnotes:

- 1/ This amendment is a consequence of the proposed deletion of paragraph 2 of Article 12 of the Geneva Draft.
- 2/ The delegation of the United States suggests for this paragraph the simple statement that members shall, if requested, proceed with negotiations directed to giving effect to the provisions of paragraph 1 of Article 12. This statement is a desirable and unambiguous method of handling problems arising in connection with the provisions of Article 12 of the Geneva Draft. It is pointed out that there was substantial unanimity at Geneva on paragraph 1 as a statement of objectives. The paragraph now suggested as paragraph 2 provides for the carrying out in subsequent negotiations of the principles thus agreed under paragraph 1, and is not open to the objections and pitfalls which accompany an attempt to write detailed rules into the Charter.
- 3/ This paragraph has been retained in the form shown in the Geneva Draft.