

large and steadily growing demand within its own territory through measures appropriate to its political, economic, and social institutions," having due regard to the interests of other Members. Article 4 provides for the elimination of sub-standard labour conditions, in co-operation with the International Labour Organization. Article 5 obliges Member countries with a persistent maladjustment in their balance of payments which involves other Members in balance of payments difficulties to take appropriate corrective action, and, in doing so, to avoid action which contracts international trade. Article 6 provides for concerted action by Members in the employment field, and Article 7 provides safeguards for Members which are subject to external deflationary pressure because of a serious or abrupt decline in the effective demand of other countries.

CHAPTER III.—ECONOMIC DEVELOPMENT. (Articles 8–15)

This Chapter recognizes the importance of economic development, particularly in countries the resources of which are relatively undeveloped, as a factor contributing to the expansion of trade and the raising of levels of real income. It deals with the means whereby economic development may be promoted, both by national and by international action.

Article 12 deals with one factor in economic development—namely, international investment—and lays down a code governing the treatment of foreign investments. Members undertake to provide, for international investments acceptable to them, "reasonable opportunities upon equitable terms" to nationals of other Members and also "security for existing and future investments." These undertakings are, however, qualified by a recognition of a Member's right to decide what foreign investments are acceptable to it, and to take measures to ensure that foreign investments are not used as a basis for interference in a Member's domestic affairs. Moreover, subject to an obligation regarding compensation, there is no restriction of a Member's right to nationalize an industry or to require that an industry shall be owned by its own nationals.

Article 13 deals with the situation which arises when a Member desires to protect an industry by employing a measure which would conflict with an obligation undertaken during negotiations under Article 17 or which may be contrary to some other provision of the Charter—*e.g.*, Articles 18 or 20. The general requirement is that the prior approval of the Organization must be obtained for such measures, but paragraph 4 (c) allows a Member, in certain circumstances, to take such action as is necessary, pending the Organization's decision, to prevent its plans from being jeopardized by an increase or threatened increase of imports of the product concerned.

Article 14 covers the case of a Member which, at the time of signing the Charter, has in force protective measures of a type not permitted