

As a capital-importing country we will be obliged, at the request of any other Member which wants to make an investment in New Zealand, to enter into negotiations concerning terms, but we would be under no obligation to reach an agreement if the proposed terms, or if any investment at all, were not acceptable to us.

To the extent that investment of New Zealand capital is made abroad, the rights and responsibilities of capital-exporting countries under this Article would apply.

*Article 13: Governmental Assistance to Economic Development and Reconstruction*

In this Article recognition is given to the fact that to enable them to establish or develop industries, or branches of agriculture necessary for their economic development or reconstruction, the smaller or under-developed countries, in particular, may require to provide assistance to such industries in the form of special protection against imports involving measures which might conflict with commitments to Members or obligations under the Charter. It might be necessary, for example, to obtain release from a tariff commitment or from obligations in Chapter IV not to employ quantitative regulation of imports for protective purposes.

The Article sets out the procedure which a Member is required to follow with a view to obtaining release. Where the case involves only securing release from a tariff commitment the Member may engage in direct negotiations with the Member to whom the commitment was made, and shall be free to act in accordance with any agreement reached as a result of the negotiations. In all other cases, however, involving conflict with obligations under the Charter the prior approval of the Organization must be sought, but if certain specified conditions or criteria can be met the Organization is required to give its approval. In all cases the measure employed must be non-discriminatory. Paragraph 3 covers the procedure where only a tariff commitment is involved—that is, where it is desired to increase a rate of duty bound at a certain level under a trade agreement. The Member may (a) engage in direct negotiations with the other Member concerned, or (b) either initially, or in the event of failure to reach agreement, apply to the Organization. In the former case effect may be given to the agreement reached on the negotiations provided the Organization is informed thereof. In the latter case the Organization will sponsor negotiations with the Member or Members having contractual rights. On substantial agreement being reached the Organization may authorize release from the obligation accordingly.

Paragraph 4 sets out the procedure which a Member may follow should imports increase unduly following upon the initiation of negotiations to give increased protection. In that event the Member may, after informing and, where practicable, consulting with the Organization, adopt such measures as the situation may require, provided that imports are not