

each year subject to collective examination in the NATO Annual Review for the purpose of reaching agreement on force goals, taking into account expected mutual aid;

(b) the defence expenditures incurred by the member nations and the extent to which the recommendations emerging from the Annual Review have been carried out are the subject of periodical review during the year.

3. *Agrees* with the terms of the Agreement on Forces of Western European Union; and that with respect to the forces which the members of Western European Union will place under NATO Command on the mainland of Europe and for which maximum figures have been established in that Agreement, if at any time during the NATO Annual Review recommendations are put forward, the effect of which would be to increase the level of forces above the limits established in this Agreement, the acceptance by the country concerned of such recommended increases shall be subject to unanimous approval by the members of Western European Union, expressed either in the Council of Western European Union or in the North Atlantic Treaty Organization.

4. *Decides* that all forces of member nations stationed in the area of the Allied Command Europe shall be placed under the authority of the Supreme Allied Commander Europe or other appropriate NATO Command and under the direction of the NATO military authorities, with the exception of those forces intended for the defence of overseas territories and other forces which the North Atlantic Treaty Organization has recognized or will recognize as suitable to remain under national command.

5. *Invites* member nations to make an initial report for consideration and recognition by the Council on those forces which they plan to maintain within the area of Allied Command Europe for the common defence, but not to place under the authority of the North Atlantic Treaty Organization, taking into account the provisions of relevant NATO directives bearing on that subject; the initial report will include a broad statement of the reason for which the above forces are not so placed. Thereafter, if any changes are proposed, the North Atlantic Council action on the NATO Annual Review will constitute recognition as to the authority and size of forces to be placed under the authority of the appropriate NATO Command and those to be retained under national command.

6. *Notes* that the agreements concluded within the framework of the Organization of Western European Union on the internal defence and police forces which the members of that Organization will maintain on the mainland shall be notified to the North Atlantic Council.

7. *Agrees*, in the interest of most effective collective defence, that in respect of combat forces in the area of Allied Command Europe and under the Supreme Allied Commander Europe.

(a) all deployments shall be in accordance with NATO strategy;

(b) the location of forces in accordance with NATO operational plans shall be determined by the Supreme Allied Commander Europe after consultation and agreement with the national authorities concerned;

(c) forces under the Supreme Allied Commander Europe and within the area of Allied Command Europe shall not be redeployed or used operationally within that area without the consent of the Supreme Allied Commander Europe, subject to political guidance furnished by the North Atlantic Council, when appropriate, through normal channels.