agree with this letter. The exchange of letters thus effected will be considered as an Annex to the Protocol modifying and completing the Brussels Treaty, within the meaning of Article IV, paragraph l, of the said Protocol.

Reply to the Letters from the Governments
of the Federal Republic and of Italy to the
Other Governments Signatory of the Protocol
Modifying and Completing the Brussels Treaty

I have the honour to acknowledge receipt of Your Excellency's communication of 'date'. and to state that /the Government concerned? have noted with satisfaction that the Government of the Federal Republic of Germany/the Italian Government undertake to declare their acceptance of the compulsory jurisdiction of the International Court of Justice in accordance with Article X (formerly Article VIII) of the Brussels Treaty, having made known to the High Contracting Parties the reservations accompanying their acceptance.

I confirm that /the Government concerned/interpret paragraph 5 of Article X (formerly Article VIII) of the Treaty as stated in the third paragraph of Your Excellency's communication.

In the reply to the Federal Government's letter only 7

With regard to the fourth and fifth paragraphs of Your Excellency's communication, / the Government concerned 7 are in agreement with the proposal of the Federal Government that the High Contracting Parties should discuss at once the question of establishing an appropriate procedure for the settlement of the possible disputes to which the Federal Government draw attention.

In the reply to both Governments 7

They also agree to consider this exchange of letters as an Annex to the Protocol modifying and completing the Brussels Treaty within the meaning of Article IV, paragraph 1 of the said Protocol.

4. Resolution on Production and Standardisation of Armaments (Adopted by the Nine-Power Conference on 21st October, 1954)

The Governments of the Kingdom of Belgium, the French Republic, the Federal Republic of Germany, the Italian Republic, the Grand Duchy of Luxembourg, the Kingdom of the Netherlands, and the United Kingdom of Great Britain and Northern Ireland,

Anxious to increase the effectiveness of their common Defence forces to the maximum,

Desirous of ensuring the best possible use of their available armament credits by means of the rational organization of production, Noting the importance in this connection of , standardising weapons and weapon components,

Desirous of facilitating any agreements to this end between all or certain of the Seven Powers:

- (1) Recall the decision taken at the London Conference to set up a Working Party to study the draft directives submitted by the French Government on 1st October 1954 and such other documents as might subsequently be submitted on the problem of the production and standardisation of armaments.
- (2) Agree to convene a Working Group in Paris on the 17th January 1955 of the Representatives of Belgium, France, Italy, Luxembourg, the Netherlands, the Federal Republic of Germany and the United Kingdom, to study the draft directives and other documents referred to in the foregoing paragraph, with a view to submitting proposals to the Council of Western European Union when it comes into being.

IV. NORTH ATLANTIC COUNCIL

1. RESOLUTION TO IMPLEMENT SECTION IV OF THE FINAL ACT OF THE LONDON CONFERENCE

THE NORTH ATLANTIC COUNCIL:

1. RECOGNISING the necessity of strengthening the structure of the North Atlantic Treaty Organization and of reinforcing the machinery for the collective defence of Europe, and desirous of specifying the conditions governing joint examination of the defence effort of member countries.

2. RECALLS that:

- (a) the resources which member nations intend to devote to their defence effort as well as the level, composition and quality of the forces which the member nations are contributing to the defence of the North Atlantic area are 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