APPENDIX A

MEMORANDUM OF AGREEMENT ON THE EMPLOYMENT AND DIS-POSITION OF THE ITALIAN FLEET AND MERCANTILE MARINE BETWEEN THE ALLIED NAVAL COMMANDER-IN-CHIEF, MEDITERRANEAN, ACTING ON BEHALF OF THE ALLIED COM-MANDER-IN-CHIEF, AND THE ITALIAN MINISTER OF MARINE.

> Office of Commander-in-Chief, Mediterranean Station, 23rd September, 1943.

- 1. The Armistice having been signed between the head of the Italian Government and the Allied Commander-in-Chief under which all Italian warships and the Italian Mercantile Marine were placed unconditionally at the disposal of the United Nations, and His Majesty the King of Italy and the Italian Government having since expressed the wish that the Fleet and the Italian Mercantile Marine should be employed in the Allied effort to assist in the prosecution of the war against the Axis Powers, the following principles are established on which the Italian Navy and Mercantile Marine will be disposed:—
 - (a) Such ships as can be employed to assist actively in the Allied effort will be kept in commission and will be used under the orders of the Commander-in-Chief, Mediterranean, as may be arranged between the Allied Commander-in-Chief and the Italian Government.
 - (b) Ships which cannot be so employed will be reduced to a care and maintenance basis and be placed in designated ports, measures of disarmament being undertaken as may be necessary.
 - (c) The Government of Italy will declare the names and whereabouts of warships, merchant ships, now in their possession which previously belonged to any of the United Nations. These vessels are to be returned forthwith as may be directed by the Allied Commander-in-Chief. This will be without prejudice to negotiations between the Governments which may subsequently be made in connection with replacing losses of ships of the United Nations caused by Italian action.
- (d) The Allied Naval Commander-in-Chief will act as the agent of the Allied Commander-in-Chief in all matters concerning the employment of the Italian Fleet or Merchant Navy, their disposition and related matters.
- (e) It should be clearly understood that the extent to which the terms of the Armistice are modified to allow of the arrangements outlined above and which follow, are dependent upon the extent and effectiveness of Italian co-operation.
- 2. Method of operation. The Commander-in-Chief, Mediterranean, will place at the disposal of the Italian Ministry of Marine a high ranking Naval Officer with the appropriate staff who will be responsible to the Commander-in-Chief, Mediterranean, for all matters in connection with the operation of the Italian Fleet, and be the medium through which dealings will be carried out in connection with the Italian Mercantile Marine. The Flag Officer acting for these duties (Flag Office, Liaison) will keep the Italian Ministry of Marine informed of the requirements of the Commander-in-Chief, Mediterranean, and will act in close co-operation as regards issue of all orders to the Italian Fleet.