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S/1174
5 January 1949

ORIGINAL: ENGLISH

REPORT OF THE ADMINISTRATION OF THE BRITISH/UNITED STATES

ZONE OF THE FREE TERRITORY OF TRIESTE

1 JULY TO 30 SEPTEMBER 1948

BY

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COMMANDER BRITISH-UNITED STATES ZONE

FREE TERRITORY OF TRIESTE

/INDEX

INDEX

<u>Section</u>	<u>Subject</u>	<u>Page</u>
1	INTRODUCTION	1
2	POLITICAL MEETINGS	2
3	ORGANIZATION OF GOVERNMENT	2
4	FOREIGN RELATIONS.	3
	Relations with Italy	3
	Relations with Yugoslavia and Yugoslav Zone FTT.	3
	Movement of persons in and out British-United States Zone.	3
5	PUBLIC SAFETY.	3
6	ECONOMIC SITUATION	4
	Participation of the British-United States Zone in ERP	4
	Zone's ERP plan.	4
	The AMG budget for the period 1 July to 31 December 1948	6
	Economic Agreement with the Italian Government	7
	Industry	7
	Foreign Trade.	9
	AMG's ration and price policy.	9
	AMG's housing programme.	10
	Public Works	10
	Electricity supply	10
	Public utilities	10
	Trieste Port	11
7	LABOUR	11
8	PUBLIC HEALTH.	12
9	EDUCATION.	12
10	PRESS AND RADIO.	13
11	RELIGIOUS ACTIVITIES	14
12	PUBLIC WELFARE	14
	Public assistance.	14
	Displaced persons.	14
	Optees for Italian nationality	14
13	AGRICULTURE.	15
14	FISHERIES.	15
15	RAILWAYS	16
16	POST AND TELECOMMUNICATIONS.	17
17	SPORTING ACTIVITY.	17

INDEX TO APPENDICES

<u>Appendix</u>	<u>Subject</u>	<u>Page</u>
A	Number of authorized meetings held by political organizations	18
B	Local government appointments	19
C	Crime return.	21
D	Agreements between British-United States Zone and Italy signed on 22 September 1948	21
E	Volume and value of trade with Yugoslavia and other countries	21
F	Public Works projects with numbers employed	31
G	Port of Trieste shipping statistics	31
H	Employment situation.	31
I	Table of infectious disease incidence	31
J	Welfare relief and Displaced Persons.	31
K	Railway loadings ex-Trieste and into Trieste.	31

SECTION 1. INTRODUCTION

This, the fourth report on my administration of the British/United States Zone of the Free Territory of Trieste, deals with the period from 1 July to 30 September 1948, and marks the end of one year of Allied Military Government under the terms of Article 1 of Annex VII of the Treaty of Peace with Italy.

When it became clear that the period of military government was likely to continue longer than I had had reason to anticipate, I directed the Allied Military Government to set in motion a series of progressive measures aimed at a gradual return to normal conditions of local self government in so far as this could be done without prejudice to the security of the population. These stages, which have been deliberate and cautious, have been described in my previous reports and, now that they have been consolidated, I am prepared to move on to the final step of holding communal elections. Instructions have therefore been issued for the preparation of electoral rolls. This task is one of peculiar difficulty in that the Treaty of Peace with Italy does not provide for the organization of local elections until the establishment of the Constituent Assembly for the whole of the Free Territory after the assumption of office by the Governor. Communal elections will therefore be organized so as to follow the general Italian pattern to which the caretaker administration adheres, pending the establishment of the ultimate government of the territory.

The political situation in the Zone during the past three months has been remarkable only for the strongly defined schism which has divided the ranks of local communists as a result of the Cominform indictment of Marshal Tito and the Yugoslav Communist Party. It is important to note, however, that the sudden and strident antagonisms generated by this development have not in any way altered the hostile attitude of either faction towards my administration. The Communist campaign of agitation, distortion and vilification continues, as does their verbal and financial support for those so-called independence organizations and fronts which are prepared to lend themselves as stalking horses for communist infiltration.

Meanwhile the growth of confidence in the future, to which I referred in my last report, has steadily continued. In this connection I must pay tribute to the soundness and resilience of Triestine commercial and industrial circles and the free labour groups, and to the ready co-operation which I have received from the Italian Government in supplying the financial needs of the Zone in accordance with the Peace Treaty. On this firm ground Allied Military Government has been able to lay down the foundation of its plans for the economic rehabilitation of Trieste within the framework of

/the European

the European Recovery Programme. Towards this end a very large amount of solid preliminary work has been achieved during the period reviewed by this report and I have every hope, now that the Zone is about to become a participating member of the Organization for European Economic Co-operation that Allied Military Government will enter a stage of achievement which will bring tangible benefits to the broad mass of the population. In the long run, however, the Free Territory must inevitably be faced with the economic difficulties inherent in a very small area virtually without resources.

SECTION 2. POLITICAL MEETINGS

At Appendix A is a table giving the number of authorized meetings held by the various groups of political parties during the months of July, August and September.

SECTION 3. ORGANIZATION OF GOVERNMENT

The local government established under AMG Order 259, the significance of which was explained in my last report, assumed office on 26 July. The Allied Military Government's nominations for the offices of Zone President, Zone Vice-President and of the mayors of the six communes in the Zone were announced on 3 July. A list of appointments and their holders is at Appendix B. In the case of the four small rural communes of Duino-Aurisina, Monrupino, Sgonico and San Dorligo della Valle, which have primarily Slovene populations, the mayors are Slovenes as are the majority of the members of the Communal Boards.

To accord with the altered relationship between the Allied Military Government and the local government, it was decided to civilianize certain departments of the central government, namely Public Health, Public Utilities, Agriculture and Fisheries and Civil Transport. All these departments are now headed by local civilian officials responsible to the appropriate parent AMG directorate.

The abolition of the office of the Zone Commissioner on 12 April, and the establishment of the new system of local government authorized under AMG Order 259, completed the first two stages in the development of my policy of restoring normal democratic conditions in the Zone.

A further stage was reached on 25 September with the publication of Order No. 345 which ordered the preparation of electoral rolls. It is my intention that elections shall be held in due course for those offices in the communal administration which in normal times have been filled by popular representation.

SECTION 4. FOREIGN RELATIONS

1. Relations with Italy

The necessity for co-ordinating the Zone's ERP plan with that of Italy and for regular consultation on matters connected with the AMG budget has led to the formation of a Mixed Economic Commission which is to meet in Rome at regular intervals. The functions of this Mixed Commission and the details of the Economic Agreement with Italy which provides for its establishment are given elsewhere in this report. The discussions, which took place in Rome at the end of July, in the course of which the agreement was drawn up, were held in an atmosphere of the greatest friendliness.

In order to reduce the inconvenience caused to travellers crossing the frontier between the Zone and Italy, an agreement has been reached between AMG and the Italian authorities whereby security and customs examinations by the two police forces are carried out simultaneously at a combined frontier post. This has resulted in a marked speeding up of both road and rail traffic.

2. Relations with Yugoslavia and the Yugoslav Zone FTT

A joint committee of representatives of AMG and the Yugoslav Military Government has carried out a survey of the inter-zonal boundary which in the past was in certain places not clearly defined. The boundary is in fact part of the so-called Morgan Line which, under the Duino Agreement of 20 June 1945, divided what were then the two zones of the occupied Italian territory of Venezia Giulia. The task of the committee was to reach an agreed interpretation of the map of the Morgan Line annexed to the Agreement.

The precise location of the boundary has now been agreed by both Military Governments and it has been accurately and clearly marked on the ground.

It is hoped that incidents arising from alleged violations of the boundary by the military forces and police of both zones will now cease.

3. Movement of Persons in and out of the British-United States Zone

The numbers of recorded border crossings during the quarter were:

	<u>To and from Italy</u>	<u>To and from Yugoslavia</u>	<u>To and from Yugoslav Zone</u>
July	321,351	28,947	290,595
August	377,833	28,845	301,348
September	370,670	25,048	235,545

SECTION 5. PUBLIC SAFETY

The quarterly crime return, compiled from police records, is reproduced at Appendix C.

/SECTION 6.

SECTION 6. THE ECONOMIC SITUATION

1. Participation of the British-United States Zone in the European Recovery Programme

On 13 July, the Italian delegation to the Organization for European Economic Co-operation (OEEC), to which the governments of countries fully participating in the European Recovery Programme (ERP) must belong, proposed to the Council of the Organization that the British-United States Zone FTF should be admitted to membership. The proposal was accepted by the Council, subject to formal ratification, which, under the rules of the Organization, could only take place when ten other member states had ratified their adherence to the OEEC Convention. In the meantime provision was made for the Zone's requirements to be taken into consideration in all planning for the allocation of ERP material amongst the participating countries. In addition, the United States Economic Co-operation Act, on which the ERP was based, provided for the continued supply to the Zone during the interim period prior to its formal admission to OEEC of its basic requirements of food, fuel and medical supplies. These supplies had hitherto been furnished under the United States Foreign Relief Programme which terminated on 30 June 1948.

The ratification of the OEEC Convention by ten other members has recently been announced and it is anticipated that the Zone's formal admission to the Organization will take place in the course of the next few days.

As soon as the OEEC Council's acceptance of Trieste's membership became known, members of my staff visited Paris and presented the Zone's ERP plan to the representatives of the United States Economic Co-operation Administration (ECA). They were also active in bidding for allocations before the various technical sub-committees of OEEC. AMG's proposals for the use of the local currency counterpart of the ERP funds for which it had asked was approved by the ECA and, on 25 September, the OEEC announced that eighteen million dollars had been provisionally allocated for the first year of the Zone's plan. Of this amount, approximately twelve million dollars will be required for the purchase of food and fuel, and the remainder for industrial raw materials and equipment.

2. The British-United States Zone's ERP plan

The basic object of the ERP is to enable participating countries to attain a sound economy by 30 June 1952. If this target is to be reached, it is essential that Trieste should improve its ability to earn dollars and other foreign currencies. To do this the following steps must be taken:

/(a) Fuller

- (a) Fuller use must be made of existing productive facilities.
- (b) Certain existing industries must be modernized to enable them to compete in world markets.
- (c) Certain new industries must be created which will earn foreign currency and provide employment for the Zone's excess population.

The funds available for these measures are dollars earned by the Zone or allocated by the ECA, their local currency counterpart which, in the case of the Zone, has to be obtained from the sale of ERP goods and to some extent from the Italian Government, and such other funds as AMG may obtain under the terms of the Financial Agreements with Italy of 9 March 1948, the texts of which were published in my report for the period 1 January to 31 March. The local currency counterpart has, under the terms of the United States Economic Co-operation Act, to be used for specific approved purposes. AMG has received ECA approval for the following uses of the lire counterpart of its ERP dollar allocation, which will amount to over 10 milliard lire for the year ending 30 June 1949:

- (a) Private industrial investment for reconstruction and modernization.
- (b) Reconstructing Trieste's merchant fleet.
- (c) Public works designed to improve the Zone's productivity.

AMG's private industrial investment programme covers loans totalling more than 2.5 milliard lire under the following headings:

Reconstruction and modernization of

shipbuilding facilities	- 805,000,000 lire
Reconstruction of ship repair facilities	- 275,000,000 lire
Reconstruction of vegetable oil refinery	- 300,000,000 lire
Improvement of marine engineering and mechanical industries	- 130,000,000 lire
Reconstruction of fishing fleet	- 360,000,000 lire
Development of canning industry	- 700,000,000 lire

Of this total, it is anticipated that 1 milliard lire will be advanced by the end of the current year.

As a first step towards the reconstruction of the Zone's merchant fleet, six passenger and passenger-cargo vessels, totalling 91,000 tons, are to be built in Trieste yards under a joint programme worked out with the Italian Government. Before the end of 1948, AMG plans to advance

/3.1 milliard lire

3.1 milliard lire to assist in the financing of this programme, which, when it reaches its peak in 1950, will enable the shipbuilding industry to employ some 4,000 additional workers over and above those now working in the shipyards. It is moreover estimated that the completed vessels will enable 700 out of the 1700 merchant seamen now out of work in Trieste to be re-employed. In addition, the Zone will gain a valuable source of foreign currency income. It is hoped that the first keel will be laid down in January 1949.

The cost of the public works to be paid for out of the first year's lire counterpart fund is expected to amount to 2.3 milliard lire. The programme will include the development of the ZAULE industrial zone and further reconstructional work in Trieste Port. By October of this year, these projects will increase the total number of persons employed on public works from 7,000 to 8,000.

In addition to the programme described above for the expenditure of the lire counterpart fund, it is planned to make available from other funds at the disposal of AMG, a capital subscription and a sum of 200,000,000 lire as working capital for investment loans to small and medium sized industries and to artisans. A special lending agency is being established for this purpose.

The foregoing programme of financial assistance to industry and commerce is not yet complete. At the suggestion of AMG, the Economic Advisory Committee (see Section 6 of my last report) recently set up two local committees whose task was to make recommendations regarding any projects which have not yet been considered, which in their view would contribute to the Zone's economic recovery. The recommendations of these committees were required by 30 September and will receive careful consideration by AMG.

AMG's ERP programme has been based upon its policy of concentrating a part of its available funds on long term investment projects. The regular commercial banking system is available to commercial and industrial undertakings requiring ordinary working capital and other short term financial assistance. Bank deposits in Trieste have in fact risen materially during the past six months, while there has been a corresponding increase in short term credits.

3. The AMG Budget for the period 1 July to 31 December 1948

The budget for the administration of the Zone for the second six months of 1948 is:

/Ordinary expenditure

Ordinary expenditure	L.	8,259,889,335	
Ordinary receipts	"	7,000,000,000	
Ordinary deficit	"		1,259,889,335
Extraordinary expenditure (net)	"		5,700,000,000
Movement of capital	"		2,968,507,000
Total net lire requirements	"		9,928,396,335

The amount allocated for "movement of capital" is payable into the AMG's special lire counterpart fund to be used for the financing of the Trieste shipbuilding and ship repairing industries as described in paragraph 2 above.

The budget shows a substantial improvement on that for the equivalent period of 1947. This is attributable to a general strengthening of the administration, the enforcement of certain new taxes combined with a general overhaul of the system of tax collection, and a tightening of control over the finances of public utility services and certain government departments.

4. Economic Agreement with the Italian Government

At Appendix D is the text of an economic Agreement between AMG and the Italian Government which was drawn up as a result of conversations held at Rome during the last week of July and signed at Trieste on 22 September. This Agreement was arrived at in pursuance of Article 3 of the Agreement on Finance between the two governments dated 9 March 1948.

Under its terms, the Italian Government undertakes to make available the funds required to meet the Zone's budgetary deficit as set forth in paragraph 3 above, to co-operate in the Zone's ERP plan, and to make available dollar currency, in addition to that allocated by the ECA, to meet certain specified requirements of the Zone. AMG for its part undertakes to devote the lire funds and foreign currency supplied under the agreement to certain specified purposes and to pursue a price policy, as affecting food and other essential commodities, which conforms with that of the Italian Government in so far as the special conditions prevailing in Trieste permit.

The first meeting of the Mixed Commission, provided for in Part III of the Agreement, was held in Rome on 14 September. Members of the Trieste Economic Advisory Committee representing the local government, industry, commerce and labour accompanied the AMG delegation.

5. Industry

Under the ERP shipbuilding programme orders have been secured for two 23,000 ton passenger liners for the Italian Line and for three 12,000 and one 9,000 ton passenger-cargo liners for the Lloyd Triestino Lin

/All these

All these ships are to be built in the San Marco yard of the Cantieri Riuniti dell'Adriatica and it is anticipated that this programme will maintain the yard at full working capacity for two years. It will also benefit a large number of sub-contractors and small industries in the Zone. During the third and fourth years of the programme, it is planned to build a further five cargo ships or tankers, amounting to some 70,000 tons. An initial consignment of steel has been obtained from Austria. Four small freighters are to be built by the Cantieri Riuniti in order to avoid the laying off of workers during the period between September and October 1948, when the two Egyptian liners mentioned in my last report are launched, and the beginning of work on the first ship to be laid down under the ERP plan in January 1949.

The ship repair industry has been active and short term orders have been sufficient to cover the immediate future. However, until the ERP programme is in full operation, it will be difficult to ensure a continuous flow of orders for this industry.

A contract has recently been placed for the salvage of the 28,000 t. SABAUDIA, the last of the three large liners sunk in Muggia Bay.

Arrangements have been made for the Zone's coal requirements to be supplied from the Ruhr which will ensure that a sufficient supply of metallurgical coking coal is available to enable the blast furnace of the ILVA steel works to remain in operation. Plans are also in hand for the modernization of the equipment of these steel works which are destined to play an important part in the Zone's ERP Programme. The programme for the second phase of the reconstruction of the AQUILA oil refinery includes the establishment of a petrol reforming plant and a lubricating oil plant, the new tanks required for these projects being manufactured in Trieste.

The GASLINI vegetable oil factory has been allocated a share of the oil seeds and copra which are being imported by the Italian Government under its own ERP plan. In addition the Italian Government is making available a share of the sterling currency earmarked for the direct purchase of these raw materials. It is also hoped to obtain new contracts from the Austrian Government for the processing of edible oils.

In addition to the rehabilitation of existing industries, consideration is being given to the possibility of establishing new ones in particular fish canning and cigarette manufacture.

After the successful Trieste Fair of September 1947, it was decided to establish the "Ente Fiera Campionaria Internazionale di Trieste" (The /International

International Exhibition Corporation of Trieste) as a parastatal corporation, the statute of which provides for the appointment of a President and a General Manager by the Zone President and for the inclusion on the board of management of representatives of local government, industry and commerce. The 1948 Fair was opened on 16 September and closes on 4 October. Demands for space have exceeded those in 1947 and this year displays have been held in the Castello di S. Giusto as well as in the Stazione Marittima. The exhibits cover a wide range of engineering and general industrial production, raw materials and equipment. Of the total stand space 30 per cent has been taken by Trieste manufacturers and the remainder by exhibitors from the United States, Italy, Yugoslavia, Czechoslovakia, Austria and Switzerland. A particularly interesting section of the Fair is that devoted to the display of articles made by Trieste artisans showing a high standard of craftsmanship.

6. Foreign Trade

Figures showing imports and exports are at Appendix E.

7. AMG's ration and price policy

Until 30 June the Zone's requirements of food and other essential commodities which could not be obtained locally were imported under the United States Foreign Relief Programme. The programme was designed to provide temporary relief to areas whose economies had been disrupted as a result of the war and carried with it no obligation on the part of the recipient governments to sell the relief supplies at more than nominal prices. As long as the programme remained in force, it was therefore possible for AMG to provide the population of the Zone with a generous ration at little more than a third of its value.

On the termination of the programme, it became necessary for AMG either to sell the goods it imported at economic prices or to induce the Italian Government to agree to their sale being subsidized at artificially low rates with funds supplied by the Italian Treasury. As a result of a gradual reduction of subsidies over a considerable period the Italian Government had lately increased its food prices in most areas to their economic level. AMG accordingly undertook a detailed study of the price situation in the Zone. This study included an analysis of the special conditions obtaining in Trieste and of the price levels throughout Italy. It was decided that, although it was obviously necessary to raise the prices of rationed goods to a more realistic level, the unusual social and economic conditions prevailing in Trieste justified their maintenance

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for the present at a level slightly below that in force in the neighbour Italian province of Gorizia, where an appreciable subsidy is still paid. In the circumstances, the Italian Government agreed to furnish the fund required to maintain the price level recommended by AMG.

The increased prices are to a large extent compensated for by a "caro-pane" (dear bread) allowance, which makes good the difference bet the new and the old bread prices, and which, under Italian law, is paid by employers to most classes of workers and their dependents, and a "contingenza" (cost of living) allowance the rate of which is periodically decided by agreement between industry and labour.

8. AMG's housing programme

Under successive AMG Public Works programmes no less than 18,841 apartments have been repaired and put in order. 433 new apartments have been built and 1,040 are still under construction and will be completed before the end of the year. The problem of financing future building work is a most urgent matter and is now being studied by AMG.

9. Public Works

A list of Public Works projects, showing the average numbers employed during the quarter, is given at Appendix F.

The fact that the average employment figure is lower than that for the last quarter is due to a planned reduction in certain classes of projects in which the labour element is low in relation to the cost. As explained elsewhere in this report, however, work on the Zauale Industr Zone and on the further reconstruction of the port will give employment to an additional 1,000 workers from October onwards.

10. Electricity supply

The Allied Military Government has recently informed the Yugoslav and Italian Governments of its willingness to participate in negotiations for the settlement of outstanding technical and financial questions in connection with the supply of electricity from power stations in Yugoslavia during the Military Government period. It is expected that the Military Government of the Yugoslav Zone FTT will also take part. It has been made clear that the negotiations are to be without prejudice to those for the drawing up of a convention between Yugoslavia, Italy and the Free Territory which are envisaged in Annex IX of the Peace Treaty.

11. Public utilities

A committee appointed by the Allied Military Government has investigated the affairs of Azienda Comunale dei Servizi Elettricit  Gas, Acqua e Tranvie (A.C.E.G.A.T.), the undertaking which, under the

control of Trieste Commune, is responsible for public utilities in the city. The recommendations of the committee have been placed before the Mayor of Trieste with a view to reducing the heavy financial deficit which the undertaking has incurred in recent years. As a first step, tram fares and charges for electricity and gas have been raised.

12. Trieste Port (For detailed statistics see Appendix G)

The increase in imports noted in my last report has been sustained. Imports for the quarter ending 30 September totalled 601,297 tons compared with 586,818 tons in the preceding quarter. Of those 47.5 per cent imports was civilian cargo, 51 per cent ERP supplies for Trieste and Austria and the remainder military cargo for Trieste.

Exports were practically the same as in the preceding quarter at 154,365 tons.

Oil products again accounted for a large proportion of the port's trade, amounting to 23.4 per cent of the imports and 51 per cent of the exports.

SECTION 7. LABOUR

During the past three months the Zone has been free from politically inspired strikes and agitation, the credit for which must, in the main, be given to the common sense of the majority of the workers who realize that needless dislocation of the industrial life of the Zone for extraneous political reasons can only react to their ultimate disadvantage.

There has, however, been some agitation based on economic grievances. Statall workers have been pressing for special consideration on the grounds that, owing to local conditions, they are less well off than their Italian equivalents.

Protests have been made by the trades unions against the decision of the Allied Military Government to raise the prices of rationed foodstuffs on 1 October. The circumstances leading up to the price increases are described in Section 5 of this report. The position of the Allied Military Government was fully explained by the Director General of Civil Affairs at two meetings with labour representatives during the last week of September. An official of the Camera del Lavoro was, moreover, included in the AMG delegation to the Mixed Commission meetings in Rome, at which the Italian Government agreed to furnish the funds needed to meet the very considerable difference between the new prices of imported foodstuffs and their economic prices. The Camera del Lavoro is still considering its final attitude.

After prolonged discussions, a collective labour contract, which establishes the position of shop stewards' committees has been signed by
/representative

representatives of labour and industry. Agreement has also been reached on the revaluation of wage scales for white collared workers and several further contracts are under consideration. The long outstanding problem of the qualifications required for registration for employment in the Zone has been settled by the publication of an AMG Order setting forth the conditions for the grant of labour books. Under this order practically all permanent residents in the Zone are entitled to be registered for employment.

The following table gives the employment and unemployment situation in the Zone during the past six months:

	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>
Employed	83,505	84,329	83,946	85,056	85,698	86,072
Unemployed	27,385	28,903	26,398	24,277	22,080	23,562

A breakdown of the employment figures as between Communes and the various classes of work is at Appendix H.

SECTION 8. PUBLIC HEALTH

During the past three months there has been a seasonal increase in the number of typhoid fever cases. This increase has however been lower than in recent years. Otherwise the health throughout the Zone has been good.

As in the past, the reduction of the incidence of tuberculosis has been one of the chief concerns of the public health authorities. During the quarter 12 per cent of the deaths in the Zone were due to this disease. Prophylactic measures are being intensified and arrangements are in hand for periodical X-ray examinations of all school children. The shortage of hospital accommodation has been alleviated by the enlargement of the S.M. Maddalena T.B. Hospital to take 120 extra beds. In addition over 5,000 phials of streptomycin, provided partly by the United States Foreign Relief Mission and partly by the United States Military Authorities, have been distributed amongst needy tuberculosis patients.

A stock of medical supplies imported by AMG under the European Recovery Programme has recently been allocated amongst hospitals and pharmaceutical wholesalers.

Figures showing the incidence of infectious diseases in the Zone are at Appendix I.

SECTION 9. EDUCATION

The new school year starts on 4 October for elementary schools, and 16 October for secondary schools. From the educational angle the school

/have practically

have practically reached their pre-war standard. This is primarily attributable to stricter discipline on the part of the school authorities and a greater sense of responsibility on the part of the students. The improvement is reflected in the results of the secondary school final examinations, which were:

<u>Internal candidates</u>	<u>Italian schools</u>	<u>Slovene schools</u>
Passed	46.15%	61.05%
Put back for autumn examination	46.54%	28.05%
Failed	7.31%	6.05%
Failed to take examination	-	3.05%
<u>External candidates</u>		
Passed	10.73%	No external candidates took these examinations
Put back for autumn examination	43.51%	
Failed	45.76%	

The percentage results of the Italian and Slovene schools examinations are not truly comparable because, whilst the Italian students take the Italian State examinations, the Slovene students take an examination prepared by a Commission of Professors formed from amongst those teaching in the Zone.

The buildings for elementary and secondary schools available at the end of the war were about 50 per cent of the pre-war total. By 1947-48, the number had grown to 65 per cent and now, at the start of 1948-49, it is 80 per cent. This will enable the number of shifts to be cut down and will give the pupils further hours for study.

The position in regard to accommodation for the University has also improved. One wing of the new building will be ready for occupation by about the middle of October. This will house the Faculty of Science, and will include laboratories which it has so far lacked. It is hoped that the second wing will be ready for occupation before the end of the coming term.

The Technical Industrial School attached to the Industrial Institute, which has been closed for over three years, has now received enrolments and will open this year. The school will cater for about twenty-five pupils.

The number of Slovene text books available to students has risen considerably during the quarter, and will continue to rise as the Commission of Slovene Professors continues its work.

SECTION 10. PRESS AND RADIO

On 11 July new press laws were promulgated similar to those recently
/brought into

brought into effect in Italy. These laws, which safeguard the right of free expression and clarify the position of the press in the Zone, appear to have been well received by the Trieste Journalists' Association.

SECTION 11. RELIGIOUS ACTIVITIES

It is indicative of the more settled conditions in this Zone that the Roman Catholic Bishop of Trieste has been conducting religious services in the parish churches of San Giacomo and Monrupino, the latter being on the boundary between the British-United States Zone and Yugoslavia. Until recently his presence in such localities was generally the excuse for inspired acts of violence.

No satisfactory reply has yet been received from the Yugoslav Military Government to enquiries regarding the fate of the parish priest of San Dorligo, whose arrest during a visit to the Yugoslav Zone was referred to in my last report. The only information on the subject which has so far been furnished was that he had been extradited to Yugoslavia on political charges.

The activities of the other denominations in the Zone continue to follow a normal course and do not call for special comment.

SECTION 12. PUBLIC WELFARE

(For statistics see Appendix J)

1. Public assistance

Paragraphs (a) and (b) of Appendix J record the work of the Trieste Public Welfare Office. In addition, 11,000 poor children have benefited from summer holiday schemes organized by local welfare bodies, some of which have received financial aid from AMG. Special attention has been paid to tubercular children.

2. Displaced Persons (See paragraph (c) of Appendix J)

There has lately been a considerable increase in the number of refugees entering the Zone from Yugoslavia. The average rate is now about three a day. Those who are unable to find accommodation for themselves are housed and fed in the Trieste displaced persons centre controlled by AMG until such time as arrangements can be made for their disposal.

Of the displaced persons in the Zone, 547, who were found to be eligible for emigration under the auspices of the International Refugee Organization, have left for camps in Italy en route for South America. A further 508 have refused the offer of the chance to emigrate.

3. Options for Italian nationality

A large number of former residents in the areas ceded to Yugoslavia

/by Ita

by Italy under the Peace Treaty, who have opted for Italian nationality, have passed through Trieste during the quarter. Figures are given in paragraph (d) of Appendix J.

SECTION 13. AGRICULTURE

The harvest in the Zone has been good. The following increases over last year's yields were recorded:

Wheat	12%
Indian corn	70%
Dried beans	80%
Potatoes	40%
Hay	70%

Owing to hail and wind storms in the early summer, however, the grape harvest has been disappointing. The quantity of wine produced will probably equal last year's yield but the quality is likely to be inferior.

Due to the good forage crops the condition of livestock in the Zone is unusually good and it is expected that farmers will be able to carry much of their cattle through the winter. Following an examination covering the whole Zone, less than 2 per cent of the beasts recently tested for tuberculosis were found to be infected.

Financial help from the AMG Farm Improvement Fund has enabled new cement barns and hygienic manure pits to be built, thereby improving the sanitary conditions of many farms in the Zone.

Experiments in gravel culture for flowers and vegetables have begun with a view ultimately to establishing an export trade.

An aqueduct has recently been opened to supply water to the villages and agricultural land on the hills south of the town of Muggia. This area, which had of late been neglected on account of its aridity, should become one of the most prosperous in the Zone. It is particularly suited for the cultivation of high quality vines, olives and figs and such vegetables as English peas.

With the completion by the end of the year of the NOGHIERE Drainage Project a further 200 acres of highly productive land will be made available for agriculture and should be ready for the spring ploughing.

SECTION 14. FISHERIES

Fishing during the first part of the quarter suffered some interference due to the strike of petrol distribution workers which spread to this Zone from Italy. It was however possible to limit the effects of the strike by loaning fuel and lubricants to fishermen from military supplies and,

/by the

by the middle of August the situation had returned to normal. The fish harvest for the months of July, August and September amounted to 1,392 to a marked improvement on the same period last year.

The Timavo River Fisheries project, referred to in my last report, is now more than half finished. New dredgers have been taken into use in the hope that the fish traps will be ready for operation in time for the November - December migration.

A Fishery Protection Branch of the police force has been established to guard the Trieste fishing fleet against interference on the high seas and in the waters of the Zone. This measure has been generally welcomed by the fishing population.

SECTION 15. RAILWAYS

(See Appendix K)

On the initiative of Czechoslovakia, a conference was held at Trieste from 10 to 12 August, attended by representatives of the railways of Italy, Yugoslavia, Czechoslovakia, Austria, Hungary and the British-United States Zone MTT. The purpose of the conference was to lay down the routes on which tariffs for overseas commercial traffic to and from Trieste Port would be based.

The following allocation of traffic to the three available routes was agreed upon:

Western Austria and western

Czechoslovakia

- The Italian route via Tarvisio

Central Austria and central

Czechoslovakia

- The Yugoslav route via Predicelle

Eastern Austria, eastern

Czechoslovakia and Hungary

- The Yugoslav route via Lubiana

Agreement was also reached on the question of the currencies to be used for the payment of freight rates.

The ten mile stretch of single line railway joining the village of Draga St. Elin with Trieste has been reopened to traffic as a result of the boundary agreement referred to in Section 4 of this report. It had been closed for some months owing to interference with trains and their passengers by Yugoslav Zone police on a section of the line which runs close to the international boundary at a point where until recently it was not clearly defined.

The Allied Military Government has informed the Military Government of the Yugoslav Zone that it is prepared to extend the train service to Trzinje in Yugoslavia, the junction with the main line to Pola. The

/reopening of

reopening of this connection should be of appreciable benefit to the populations of the Yugoslav Zone and of southern Istria. The project is, however, for the time being held up while certain technical conditions proposed by AMG are being studied by the Yugoslav Government.

SECTION 16. POST AND TELECOMMUNICATIONS

As a result of the gradual absorption of surplus staff by the Italian Government and a general raising of tariffs, it is hoped that the Zone's Post and Telecommunications' Department will be able to show a balanced budget by the end of the year.

Much of the technical equipment of the department will, however, require replacement during 1949. The busiest of the long distance telegraph circuits are already being replaced by teleprinters.

The local telephone company (TELVE) has been granted a loan of 160 million lire for the repair of the most damaged and neglected parts of the Trieste underground cable system. The work has already begun. To enable the loan to be repaid an increase in telephone tariffs has been authorized.

SECTION 17. SPORTING ACTIVITY

Trieste is resuming its position as an important centre for all types of sport. Cycling, swimming, sailing, boxing and athletic meetings, in which international champions and Olympic winners have competed, have attracted large numbers of visitors during the summer. The Italian First Division League association football matches which are held at Trieste fortnightly also collect large crowds and considerable space is now given in the local press to sporting events. I hope that this increasing interest in sport is a further indication of a return to normal conditions.

APPENDIX A

British-United States Zone

Number of Authorized Meetings Held by
Political Organizations During the Quarter
1 July - 30 September

	<u>Political meetings</u>	<u>Social and cultural events</u>	<u>Sporting events</u>
Communist organizations	52	540	40
Italian parties and organizations	7	327	69
Independence fronts	4	5	-
Slovene Democratic Union	2	-	-
Slovene Christian Social Party	1	-	-

APPENDIX B

Local Government Appointments

Glossary

DC	Christian Democrat
Soc	Socialist
PRI d'A	Republican Action Party
Ind	Independent
It	Italian
Sl	Slovene

Zone President	Prof. Dott Gino PALUTAN (DC)
Zone Vice President	Prof. Carlo SCHIFFRER (Soc)

Zone Administrative Board

Zone President	Prof. Dott Gino PALUTAN (DC)
Provincial Inspector	Dott Egone FURIAN
Superintendent of Finance	Dott Guido BISUTTI
Councillors	Dott Giovanni BASIOLI Dott Sebastiano MICELI
Accountant-General	Rag Ugo CASTELLANI
Regular Members	Avv Ugo VOLLI (PRI d'A) Avv Giacomo SACERDOTI (Soc) Avv Francesco SFERCO (DC) Avv Emanuele FLORA (Ind)
Substitute Members	Dott Redento ROMANO (DC) Signor Carlo CERRUTTI (PRI d'A)

Trieste Province

President of the Province	Avv Giovanni TANASCO (DC)
---------------------------	---------------------------

Provincial Committee

Vice-President of the Province	Dott Giorgio BUDA (Soc)
Regular Members	Signor Bruno Giordano MISLEI (Soc) Signor Giulio MORFURGO (PRI d'A) Dott Bartola TAMBURINI (DC) Avv Dott Paolo SCROSOPPI (Ind) Dott Priamo MANDRUZZATO (Ind)

/Substitute

Substitute Members Dott Duilio MAGRIS (PRI d'A)
 Dott Dante PETRINI (Soc)

Commaune of Trieste

Mayor Avv Michele MIANI (PRI d'A)
Regular Members Dott Pietro BONETTI (Soc)
 Prof Edoardo CUMBAT (PRI d'A)
 Signor Gregorio DEVESCOVI (Soc)
 Dott Giulio GRATTON (PRI d'A)
 Dott Carlo LAUTIERI (Soc)
 Dott Doro RINALDINI (DC)
 Prof Marciso SCIOLIS (DC)
 Ing Raimondo VISINTIN (DC)
 Dott Giulio CLEVA (Ind)
 Avv Romeo PRESCA (Ind)
Substitute Members Arch Virgilio BALESTRA (PRI d'A)
 Dott Gino STASI (Soc)
 Signor Bruno STEFFE (Soc)
 Avv Guido De VIDA (DC)

Commaune of Muggia

Mayor Signor Piero ROBBIA (It)
Regular Members Signor Ernesto DRIOLI (It)
 Signor Fulvio CERNIGOI (It)
 Signor Amelia POSTOGNA (It)
 Signor Domenico ZACCARIA (It)
Substitute Members Signor Fausto COLOMBO (It)
 Dott Ermanno CREVATTIN (It)

Commaune of S. Dorligo della Valle

Mayor Signor Milan BEVK (SI)
Regular Members Signor Ignazio STRAIN (SI)
 Signor Lorenzo BANDI (SI)
 Signor Andred CORBATTI (SI)
 Signor Amato PANURAZI (SI)
Substitute Members Signor Antonio PETTIROSSO (SI)
 Signor Giuseppe VALENTI (SI)

Commaune of Duino Aurisina

Mayor Signor Otto KRALJ (SI)
Regular Members Signor Francesco KAKES (SI)
 Signor Angelo ZACCARIA (SI)
 Signor Giovanni POCACCINI (It)
 Signor Natale Cesare PIZZUL (It)

/Substitute

Substitute Members Signor Giuseppe TERZONI (S1)
 Signor Giuseppe LECHISSA (S1)

Commune of Sgonico

Mayor Signor Giovanni GRUDEN (S1)
Regular Members Signor Antonio EMILI (MILIC) (S1)
 Signor Giuseppe EMILI (MILIC) (S1)
Substitute Members Signor Luigi EMILI (MILIC) (S1)
 Signor Antonio BRESCIANI (BRUSOIK) (S1)

Commune of Monrupino

Mayor Signor Emilio GUSTIN (S1)
Regular Members Signor Luigi FURLAN (S1)
 Signor Luigi EMILI (S1)
Substitute Members Signor Carlo SCABAR (S1)
 Signor Edoardo GUSTIN (S1)

APPENDIX C

British-United States Zone

Crime Return

(1 July - 30 September 1948)

A. Cases reported

B. Persons arrested

	<u>A</u>	<u>B</u>
1. Murder	-	-
2. Attempted murder	-	-
3. Manslaughter.....	1	1
4. Abduction	-	2
5. Rape	2	1
6. Serious woundings	44	19
7. Assault with weapons	-	-
8. Assault on Police (other than cases in cat. 6 and 7).....	-	-
9. Arson	8	-
10. Damage or attempted damage by explosion ...	-	-
11. Extortion and blackmail	-	-
12. Threats to kill or injure	8	5
13. Threats to damage property	8	3
14. Robbery	-	-
15. Theft	507	73
16. Fraud and embezzlement	79	59
17. Possession of explosives, arms and ammunition	10	6
18. Receiving	7	3
19. Forgery	-	-
Total.....	674	172

APPENDIX D

Agreements

reached at meetings, held in Rome during the period 20 to 31 July 1948 for the purpose of implementing the agreements signed on 9 March 1948 between the Government of the Italian Republic and the British-United States Military Command of the relevant Zone of the Free Territory of Trieste on finance and foreign exchange with particular reference to the command of the Zone's plan for the participation of the Zone in the European Recovery Programme

Part 1

Local Currency Requirements

In pursuance of Article 3 of the Agreement on Finance of 9 March 1948 and in implementation of Article 11 of the provisional regime for the Free Territory of Trieste, the Italian Government and the Command of the Zone agree as follows:

1. The agreed budget of the Zone for the period 1 July to 31 December 1948 is:

(a) Ordinary expenditures	L.	8,259,889,335
(b) Ordinary receipts	"	<u>7,000,000,000</u>
(c) Ordinary deficit	"	1,259,889,335
(d) Extraordinary Expenditures		
(net)	"	5,700,000,000
(e) Movement of capital	"	<u>2,968,507,000</u>
(f) Total net life requirements		9,928,396,335

The foregoing estimate of revenues is based on the assumption that tax legislation and administration will be improved.

2. In a review of the ordinary budget it was agreed that certain economies might be made and that such savings as may be effected in such budget may be applied by the Command of the Zone to provide the capital for a loan fund for small and medium-sized enterprise.
3. The Italian Government will meet the lire requirements specified in Section 1 (f) above.
4. The Italian Government, effective immediately, will supply the lire necessary to bring Allied Military Government's cash balance to 4.5 billion lire. Such portion of such funds as does not constitute a settlement of previous AMG budgets, will be considered a payment against the agreed budget listed in Section 1 above.

/5. Additional

5. Additional payments within the limitations of the agreed budget will be made as follows:
 - (a) AMG undertakes to notify the Italian Treasury when its cash position falls below 4.5 billion lire;
 - (b) Upon receipt of this notification and before the cash balance falls below 4.0 billion lire, the Italian Treasury will advance additional funds to AMG.
6. The Zone Command undertakes to limit the use of funds received from the Italian Government under Section 1 (e) above to the following purposes:
 - (a) Reconstruction of shipbuilding and ship repair facilities, and
 - (b) Operating capital for the shipbuilding and ship repair industries.
7. Repayments of advances made under Section 6 above will, when received by AMG, be treated as a budget receipt for the budgetary period in which such repayments are made.
8. The Command of the Zone agrees in principle to the desirability of modifying its price policy, as affecting food and other essential commodities, to conform with that of the Italian Government, insofar as the special conditions prevailing in Trieste permit. To this end it undertakes to conduct an immediate examination of the problem. The Italian Government stresses the necessity and urgency of reaching a solution of this problem which arises from the inclusion of Trieste within the Italian currency area, in pursuance of the terms of the provisional regime. It is mutually understood that the advance listed in Section 1 (e) above is limited to the six month's period and does not constitute a precedent.

Part II

Foreign Exchange Requirements

In pursuance of Article 11 of the provisional regime and of the terms of Article 1 of the Agreement on Foreign Exchange under which the Italian Government has declared its willingness to satisfy the foreign exchange needs of the Zone, under conditions no less favourable than those applying in Italy, it is agreed that:

1. The Italian Exchange Control Authority will meet the reasonable Foreign Exchange requirements of the Zone, ERP industries excluded, as provided in the said Article I of the Agreement, and
2. The Italian Exchange Control will grant a general license to the Command of the Zone under which, for the year beginning 1 July 1948,
/the Allied

the Allied Military Government may, for its own account, or for the account of any ERP industry in the Zone draw dollars and sterling up to a total of \$6,000,000 in dollars or sterling equivalent for the purposes outlined in paragraph 4 below.

3. Allied Military Government in any one month will not draw more exchange than \$500,000, provided, however, that additional sums may be drawn equivalent to unutilized balances from any previous months.

4. It is contemplated that the Allied Military Government will utilize these resources on the basis of the following procurement schedule (in dollars or dollar equivalents of sterling):

(a) Coal	\$ 1,000,000
(b) Steel, iron and steel products and tinplate	" 1,300,000
(c) Douglas fir and hardwoods	" 400,000
(d) Non-ferrous and ferrous alloys	" 400,000
(e) Tobacco	" 400,000
(f) Freight	" 1,000,000
(g) Machinery, equipment and miscellaneous industrial items	" 1,000,000

5. Within the foregoing limitations of \$6,000,000 it is agreed that AMG may draw exchange to meet its contribution to the Organization for European Economic Co-operation and a sum not to exceed \$10,000 to meet its representational expenses at the site of OEEC or in connection with the European Recovery Programme outside the Zone or Italy.

6. It is agreed that as procurement conditions vary, AMG may vary the pattern of its procurement expenditures outlined above in an amount not to exceed fifty per cent in the case of any one category.

7. Allied Military Government undertakes to use due diligence to ascertain that no dollars or sterling are made available for specific purchases in cases where it can be determined that as a means of reducing the drain on Italian dollar and sterling currency resources, procurement can be made in the Italian market or through Italian trade agreements under equally favourable conditions, taking into account prices, dates of delivery, and quantities available.

8. During the period covered by this understanding, the Command of the Zone will not ask for the settlement of the question of troop pay and services to the British and United States Forces, referred to in the Protocol of Signature which accompanied the Agreement on Foreign Exchange, and the present procedure will remain in force.

/9. Whereas,

9. Whereas, the United States Government has determined that blocked dollar assets in the United States of residents of Trieste are not to be considered as current earnings in the sense of the Foreign Exchange Agreement of 9 March 1948, the determination of the utilization of such assets is a responsibility of Allied Military Government. In pursuance of Section 115 of the Economic Co-operation Act of 1948, the Allied Military Government will place dollar receipts from the liquidation of assets in the United States in a revolving fund in the name of AMG for the financing of those of the Zone's processing industries included in the European Recovery Programme. This fund will be utilized for the financing of commodities not included in the schedule outlined in (4) above.

In the administration of this fund, it is mutually understood that:

- (a) All net foreign exchange earnings of the fund, other than a twenty per cent reserve against losses, will be sold to the Italian Exchange Control.
- (b) The Allied Military Government will request the assistance of the Bank of Italy to act as its fiscal agent in the operational work of the fund.

10. The Italian Government agrees that the Zone Command may avail itself of the provisions of Article 1 of the Agreement on Foreign Exchange of 9 March 1948, to obtain such currency as is necessary to meet the service of dollar advances or loans received by the Zone from RCA or the Eximbank.

11. The Italian Government recommends to AMG the extension to imports of ERP goods into the Zone of the same treatment accorded to imports of ERP goods into Italy. AMG is prepared to make such extension, subject to the obligations assumed by the Zone Command under the Economic Co-operation Act of 1948.

Part III

Mixed Commission

The Government of the Italian Republic and the Command of the Zone agree to participate in a Mixed Commission, which should meet once monthly in Rome to discuss economic and financial matters of mutual interest. The Mixed Commission will also have the responsibility of co-ordinating the respective ERP programmes.

DONE at Trieste, in duplicate, in the English and Italian languages, both texts authentic, this 22nd day of September 1948.

For the Government of the Zone

For the Government of Italy

/APPENDIX E

APPENDIX E

British-United States Zone

Volume and value of trade with
Yugoslavia and YMG Zone

(1 July - 30 September 1948)

<u>Description</u>	<u>Imports</u>		<u>Exports</u>	
	<u>Quantity</u> (tons)	<u>Value</u> (Lire)	<u>Quantity</u> (tons)	<u>Value</u> (Lire)
Food	1,079.7	64,437,121	7.7	487,650
Fruits and vegetables	1,297.8	45,142,480	72.2	5,247,780
Wines and liquors	112.-	6,752,640	0.2	61,840
Constructional material	3,123.9	82,837,340	54.2	23,727,035
Fuel (coal & wood)	6,572.7	47,294,003	-	-
Fuel (petroleum products)	-	-	12,078.8	324,386,350
Raw materials	15.5	5,618,550	34.3	3,670,481
Livestock & feed	32.-	3,930,800	-	-
Manufactured goods and machinery	2.6	222,000	299.3	137,328,878
Miscellaneous	3.3	3,053,380	3.1	2,892,635
Total	12,239.5	259,286,314	12,549.8	497,802,699

/APPENDIX E (continue

....Austria

APPENDIX E (continued)

British-United States Zone

Volume and value of trade with

Austria

(1 July - 30 September 1948)

<u>Description</u>	<u>Imports</u>		<u>Exports</u>	
	<u>Quantity</u> (tons)	<u>Value</u> (Lire)	<u>Quantity</u> (tons)	<u>Value</u> (Lire)
Food	-	-	76.2	2,504,900
Fruits and vegetables	-	-	107.2	5,945,650
Wines and liquors	-	-	0.1	10,000
Constructional material	1,758.8	53,171,162	-	-
Fuel (coal & wood)	-	-	-	-
Fuel (petroleum products)	-	-	2,084.4	52,791,545
Raw materials	1.0	333,450	269.5	18,662,628
Livestock & feed	-	-	-	-
Manufactured goods and				
machinery	258.-	11,028,146	77.8	3,844,285
Miscellaneous	630.9	37,662,518	0.5	659,300
Total	2,648.7	102,195,276	2,615.7	84,418,308

/APPENDIX E (continued)

...all countries except

APPENDIX E (continued)

British-United States Zone

Volume and value of trade with
all countries except Austria, Yugoslavia,
Yugoslav Zone, Switzerland and Italy

(1 July - 30 September 1948)

(Figures for Italy cannot be shown as detailed statistics
are not kept as there are no customs barriers)

<u>Description</u>	<u>Imports</u>		<u>Exports</u>	
	<u>Quantity</u> (tons)	<u>Value</u> (Lire)	<u>Quantity</u> (tons)	<u>Value</u> (Lire)
Food	13,873.4	767,807,069	8.1	4,671,1
Fruits & vegetables	98.0	13,311,095	231.9	18,794,9
Wines & liquors	17.8	1,776,904	135.9	10,719,3
Constructional material	1,030.5	38,052,859	544.9	68,169,8
Fuel (coal & wood)	47,750.8	357,936,277	92.8	1,505,0
Fuel (petroleum products)	123,229.3	1,565,500,798	12.5	309,7
Raw materials	228.3	80,885,587	164.6	105,188,2
Livestock & feed	0.1	713,000	-	-
Manufactured goods and machinery	576.8	79,263,603	135.8	26,582,
Miscellaneous	34.4	29,845,444	35.5	28,895,
Total	136,889.9	2,935,092,636	1,362.0	264,836,

APPENDIX E (continued)

British-United States Zone

Volume and value of trade with
Switzerland

(1 July - 30 September 1948)

<u>Description</u>	<u>Imports</u>		<u>Exports</u>	
	<u>Quantity</u> (tons)	<u>Value</u> (Lire)	<u>Quantity</u> (tons)	<u>Value</u> (Lire)
Food	10.1	3,450,651	-	-
Tobacco	42.7	102,023,777	-	-
Fruits & vegetables	1.8	683,290	-	-
Wines & liquors	-	-	206.7	20,835,872
Constructional material	-	-	1.1	237,774
Fuel (coal & wood)	-	-	655.7	9,286,968
Fuel (petroleum products)	-	-	944.8	29,363,332
Raw materials	-	-	0.5	65,780
Livestock & feed	-	-	-	-
Manufactured goods and machinery	-	2,517,684	399.-	9,201,141
Miscellaneous	-	-	10.5	404,735
Total	54.6	108,675,402	2,218.3	69,395,602

APPENDIX F

British-United States Zone
Public Works projects with numbers employed
(1 July - 30 September 1948)

<u>Project</u>	<u>Monthly average employed</u>
Public buildings	570
Labour schools	1,635
House construction and repair	1,571
Land reclamation	113
Industrial, port and associated projects	1,145
Harbour	37
Hydraulics (aqueducts, sewers, drainage)	214
Tunnels	20
State roads	823
Communal roads	465
Provincial roads	169
Fine Arts and Monuments	12
Bomb and mine disposal	148
Total	<u>6,972</u>

Note: In previous reports the numbers employed in Labour Schools, wherein many workers are taught trades, most of which are connected with building, were included under the heading 'Buildings'.

APPENDIX G

Port of Trieste shipping statistics

(1 July - 30 September 1948)

CARGO (Tons)

	No. of ships	Gross Regist. tonnage	Military supplies				Civilian cargo	Total of cargo	Civilian passengers
			Trieste - Austria	Trieste - Austria	American relief	Trieste - Austria			
Ships of 100 tons and less	arr. :	164,940	-	-	-	-	37,027	37,027	376,346
	sailed:	162,328	-	-	-	-	8,494	8,494	380,165
Ships of over 200 tons	arr. :	522,856	-	59,729	247,907	112,509	422,731	132	
	sailed:	516,275	-	-	-	66,772	66,772	54	
Tankers of 200 tons and less	arr. :	3,575	-	-	-	2	2	-	
	sailed:	3,229	-	-	-	5,793	5,793	-	
Tankers of over 200 tons	arr. :	95,752	-	-	-	140,561	140,561	-	
	sailed:	94,749	-	-	-	73,306	73,306	-	
Fishing Boats	arr. :	-	-	-	-	976	976	-	
Value (Lire)									146,400,000.-
TOTAL	Arr.	3,466	-	59,729	247,907	291,075	601,297	376,478	
	Sailed	3,465	-	-	-	154,365	154,365	380,219	

APPENDIX H

British/United States Zone
Employment situation
(1 July - 30 September 1948)

Field of activity	J u l y 1948				A u g u s t 1948				S e p t e m b e r 1948			
	Duino-				Duino-				Duino-			
	Trieste	Muggia	Aurisina	TOTAL	Trieste	Muggia	Aurisina	TOTAL	Trieste	Muggia	Aurisina	TOTAL
Industry	30,465	1,420	946	32,831	30,020	1,484	1,006	32,510	29,609	1,260	1,161	32,030
Commerce	12,590	47	43	12,680	12,651	50	48	12,749	12,733	46	51	12,830
Credit & Insurance	2,530	-	-	2,530	2,533	-	-	2,533	2,535	-	-	2,535
Agriculture	103	94	3	200	73	126	3	202	66	116	3	185
Public employment	21,047	136	39	21,222	21,329	135	45	21,509	21,713	133	51	21,897
Maritime	3,796	50	11	3,857	3,552	50	9	3,611	3,652	50	11	3,713
Allied Forces	5,686	-	-	5,686	5,705	-	-	5,705	5,705	-	-	5,705
Public Works	5,531	462	57	6,050	6,273	535	71	6,879	6,523	597	57	7,177
Total	81,748	2,209	1,099	84,606	82,136	2,380	1,182	85,698	82,536	2,202	1,334	86,072

/APPENDIX I

APPENDIX I

British-United States Zone

Table of infectious disease incidence

1 July - 30 September 1948

Measles.....	19
Scarlet fever.....	121
Chicken pox.....	13
Diphtheria.....	51
Whooping cough.....	28
Typhoid.....	80
Paratyphoid.....	8
Bacillary dysentery.....	2
Undulant fever.....	3
Cerebrospinal meningitis.....	1
Acute poliomyelitis.....	8
Tuberculosis.....	191

APPENDIX J

British-United States Zone

Welfare Relief and Displaced Persons

(1 July to 30 September 1948)

1. Welfare Relief

(a) Public assistance

Monetary grants	11,728 households
Free meals	482,937 meals
Institutional relief	6,747 persons
Special relief to bombed out families	733 families

(b) Distribution of comforts

Clothing and footwear	1,747 articles
Bedding (mattresses etc.)	167 articles

(c) Maternity Child Welfare

Number of mothers assisted	134
Number of children assisted	2,698
Number of children maintained either permanently or in daily creches	404
Grants to war orphans	200
Number of war orphans in schools	208

Statistics relating to Displaced Persons

2. Displaced Persons

(a) Movement through Trieste Displaced Persons Centre

(1) To Italy from Yugoslavia

Italians	78
Yugoslavs	109
Hungarian	1
Rumanian	3
Bulgarians	2
Stateless	<u>1</u>

194

/(2) To

(2) To Yugoslavia from Italy	
Italians	14
Yugoslavs	<u>20</u>
	34
(b) Optees for Italian citizenship passing through Trieste from Yugoslavia	
July	2,411
August	4,005
September	<u>2,033</u>
	8,440
(c) Number of persons screened, found eligible and offered emigration	
	1,055*
Number of persons accepting emigration and sent forward to the International Relief Organization in Italy	
	547*

* Mostly persons living out of camp and earning their living.

APPENDIX K

Railway loadings ex Trieste (1 July - 30 September 1948)

(Expressed in terms of wagons)

<u>Month</u>	<u>Italy</u>	<u>Austria</u>	<u>Czechoslovakia</u>	<u>Hungary</u>	<u>Switzerland</u>	<u>Yugoslavia</u>	<u>Various</u>	<u>Total</u>
July	927	4,429	404	84	14	537	157	6,552
August	1,131	6,451	656	63	35	490	101	8,927
Sept.	1,360	4,759	1,172	137	82	759	76	8,345
Total	3,418	15,639	2,232	284	131	1,786	334	23,824

Railway loadings into Trieste (1 July - 30 September 1948)

(Expressed in terms of wagons)

<u>Month</u>	<u>Italy</u>	<u>Austria</u>	<u>Czechoslovakia</u>	<u>Hungary</u>	<u>Switzerland</u>	<u>Yugoslavia</u>	<u>Various</u>	<u>Total</u>
July	1,626	861	464	6	14	1,140	67	4,178
August	1,251	800	402	3	1	636	37	3,130
Sept.	1,451	1,302	586	12	12	858	31	4,252
Total	4,328	2,963	1,452	21	27	2,634	135	11,560

NOTE: The table shows an increase in traffic with Yugoslavia which is about double that of the previous quarter. The traffic with Italy also shows an increase, whilst Austrian traffic shows a 25 per cent decline.
