
LETTER DATED 24 MAY 1948 FROM THE REPRESENTATIVES OF THE
UNITED KINGDOM AND THE UNITED STATES TO THE PRESIDENT OF
THE SECURITY COUNCIL TRANSMITTING THE REPORT OF THE
ADMINISTRATION OF THE BRITISH/UNITED STATES ZONE OF
THE FREE TERRITORY OF TRIESTE FOR THE FIRST QUARTER
OF 1948

24 May 1948

We have the honor to transmit herewith, for circulation to the
members of the Security Council of the United Nations, a copy of the
"Report of the Administration of the British/United States Zone of
the Free Territory of Trieste, 1 January to 31 March 1948, by
Major General T. S. Airey CB. CBE, Commander British-United States
Zone, Free Territory of Trieste".

(Signed) Alexander Cadogan
Representative of the United Kingdom

(Signed) Warren R. Austin
Representative of the United States

/REPORT

REPORT OF THE ADMINISTRATION OF THE BRITISH-UNITED STATES
ZONE OF THE FREE TERRITORY OF TRIESTE
1 JANUARY TO 31 MARCH 1948

BY

MAJOR GENERAL T. S. AIREY CB. CBE
COMMANDER BRITISH/UNITED STATES ZONE
FREE TERRITORY OF TRIESTE

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SECTION 1
INTRODUCTION

1. This report deals with my administration of the British/United States Zone of the Free Territory of Trieste during the first quarter of the year 1948, and follows immediately upon the report submitted to the President of the Security Council of the United Nations on 17 February 1948. During this period the administration has continued to be based upon the provision of the Treaty of Peace with Italy (Annex VII, Article 1), which lays down that, pending assumption of office by a governor, the Free Territory shall continue to be administered by the Allied Military Commands within their respective zones.
2. The period under review has been generally more tranquil than its predecessor although it opened with determined attempts by communist elements in which Slav influences are predominant to provoke a general strike and to exploit, for their own political ends, the hardships of post-war industrial depression. The communist press, with a remarkable disregard for constructive criticism, has endeavoured to direct these efforts by means of misrepresentation of facts and of abuse and vilification of Allied Military Government more intense than ever before. Attempts were also made to make Trieste the scene of international demonstrations and congresses connected with communism while youth and women's organizations have been pushed into the propaganda forefront presumably with the object of embarrassing the forces of law and order. Nevertheless, the broad mass of the population has shown clearly that, if protected, it is not prepared to sacrifice its hopes of recovery and security for political motives which are not even distantly connected with its social interests and which are clearly directed by forces foreign to this territory. The Slav element may have appreciated the obvious inadvisability of developing overt communist pressure upon a predominantly Italian population during the period immediately preceding the Italian elections; and this may also have been a factor contributing to the comparative calm of the past two months.
3. The economic condition of Trieste, with its great shipyards politically dislocated from their vital sources in Italy and its ancient entrepot trade economically severed by the new orientation of the countries of the Danube basin, has been my main concern. Allied Military Government has endeavoured to meet this situation with artificial expedients discussed elsewhere in this report. These measures, together with the Italian Government's loyal fulfilment of its obligation under the Peace Treaty regarding the supply of currency, have ensured the maintenance of the bare economic fabric. Here I should state that, although detailed agreements for the supply of currency
/and foreign

and foreign exchange needs of the Zone could not, for technical reasons, be concluded until 9 March 1948, the Italian Government did not fail during the preceding six months to supply me with the indispensable currency needs of the Zone without prejudice to my negotiations with them on this account.

4. Throughout the period covered by this report, there has been a marked and increasing feeling of anxiety among a large proportion of the Italian population of Trieste with regard to what they understand to be the oppressive conditions in which their compatriots and relatives are living in Istria. Incidents such as that which is reported to have occurred at Cittanova on 7 February 1948, the failure of the authorities of the Yugoslav Zone to allow Allied Press correspondents to attend trials of various persons connected with the Roman Catholic Church; the fact that the Trieste non-communist newspapers cannot circulate outside the British/United States Zone, and the not infrequent use of firearms by Yugoslav frontier guards are some of the factors which have inevitably combined to create a feeling of deep dismay. This concern on the part of the population under its care has confronted the Allied Military Government with a situation in which it has been powerless to intervene.

SECTION 2

ACTIVITIES OF POLITICAL PARTIES

1. The Italo-Slav Anti-Fascist Union made the New Year the occasion for the issue of a proclamation denouncing the governments of the United Kingdom and the United States of America as forces of imperialism in league with local reaction and bent upon denying the rights of people's democracy to participate in the public administration. The Allied governments, together with Allied Military Government, were further described as encouraging a group of criminals in their activities against the working classes, partisans and those generally who maintain the principles of brotherhood and democracy among peoples. With scant regard for consistency, the Italo-Slav Anti-Fascist Union continued to demand participation in the organs of local government set up by the administration which they have not ceased to defame in such unmeasured terms. This attitude has convinced me that their inclusion in local government would only result in attempts to undermine, and eventually to absorb, the administration and to compromise the internal security of the Zone. The public utterances of the leaders of the Italo-Slav Anti-Fascist Union, can not have failed to reinforce this impression in the minds of all thoughtful and reasonable elements of the population.

2. The activities of the remaining political parties have followed a normal course and may conveniently be illustrated by the following table of authorized meetings which have taken place in the Zone during the first quarter of 1948:

	Political Meetings	Social and Cultural events	Sporting Events
Slav-controlled			
communist organizations	67	97	45
Italian parties and organizations	3	118	109
Independence front	5	-	-
Slovene Democratic Union	-	-	-

SECTION 3
ORGANIZATION OF GOVERNMENT

1. No alteration has been made in the basic policy by which Allied Military Government, continuing in accordance with Annex VII (Article 1.) of the Peace Treaty, considers itself to be a caretaker administration bound not to take any steps which would limit the freedom of action of the ultimate government.
2. With the lengthening of the period of Allied Military Government, I have been conscious of the desirability of bringing leading Triestine civilians more closely into consultation as far as this can be done without prejudice to the caretaker status of Allied Military Government. A reorganization is therefore under consideration whereby the existing close supervision of local government officials by Allied officers will cease. Contact between the local government officials and Allied Military Government will then be direct and will cease to be through the office of the Zone Commissioner, which is redundant and is being abolished. This reorganization is purely an administrative one within the narrow framework of military government imposed by the Peace Treaty. It will, however, give more scope to local government officials, a process which I hope increasingly to develop, and will incidentally yield an economy in the manpower of Allied Military Government.

SECTION 4

FOREIGN RELATIONS

1. Relations with Italy

Contact with the Italian Government is maintained through the Italian Economic Mission in Trieste under the leadership of Minister Guidotti. A great deal of work has been carried out with this mission in connection with the arrangements for the supply of lire currency and foreign exchange leading to the financial agreements with Italy, referred to in Section 8 of this report, and negotiated in Rome with the assistance of the British and United States Embassies. The implementation of these agreements will necessitate an intimate co-operation on a departmental level between Allied Military Government and the Italian Economic Mission. In addition to the increasing volume of day to day intergovernmental business, agreements on various administrative matters, including the regulation of the operation of Posts and Telecommunications, have now been concluded. Relations with Italian frontier officials are normal and characterized by a spirit of cordial co-operation without exception.

2. Relations with Yugoslavia

Contact with the Yugoslav Government is maintained through the Yugoslav Economic Mission in Trieste, headed by Dr. Franc Hocevar. In February this mission was augmented by a team of economic and foreign trade experts who arrived from Belgrade with far-reaching and widely publicized proposals for a trade agreement between the British/United States Zone and Yugoslavia. These proposals are referred to in Section 7 of this report and are still under consideration in the light of the recently concluded financial arrangements with Italy. Discussions are also taking place with Yugoslav experts on the operation of the railway system between the Zone and Yugoslavia.

In addition to dealing with economic matters, the Yugoslav Economic Mission is the channel of communication between the two Governments on other subjects. A note was addressed to the mission on 27 December 1947 requesting information as to the whereabouts and fate of 589 residents of what is at present the British/United States Zone, who are alleged to have been deported during the Yugoslav occupation of Trieste and of whom nothing has since been heard. No reply to this note has yet been received. A further note was addressed to the Chief of the Mission on 30 March 1948 on the subject of incidents in the Bassovizza area when members of the Civil Police and British troops were fired upon from Yugoslav-administered territory.

Relation between Allied Military Government and the Yugoslav Economic Mission have been marred by a succession of complaints and counter-complaints regarding incidents involving members of the Mission and Civil Police and customs officials on the frontier between the Zone and Yugoslavia. In no

case has investigation shown that the Police or customs officials were at fault.

3. Relations with the Military Government of the Yugoslav Zone

Fortnightly meetings between representatives of the two military governments are held alternately in Trieste and Capodistria. In view of Allied Military Government's obligation to control its currency and foreign exchange received from Italy, it has not been possible to comply with a series of proposals by the Yugoslav Military Government for increased movement of goods, other than locally produced commodities, between the two Zones. Throughout the period reviewed in this report, however, useful day to day business has been transacted, of which the population of the Yugoslav Zone has been the chief beneficiary. There have, unfortunately, been a number of frontier incidents which have not helped in the establishment of friendly relations between the two Zones. There are at least three recorded cases of shots having been fired from the Yugoslav Zone at British and United States Military personnel and members of the Civil Police Force. Attempts have also been made to seize patrols of the civil police operating within the British/United States Zone. In one instance, a British military motorcyclist, who enquired the way from a sentry on a Yugoslav frontier barrier, was compelled by force of arms to cross to the Yugoslav side of the barrier, where he was arrested and detained for several days.

On 4 March, a British armoured car patrol inadvertently crossed the inter-zone boundary by a few hundred yards at an unmarked spot and was arrested. Sixteen days elapsed before the personnel and equipment of the patrol were returned.

The foregoing incidents have been the subject of a prolonged and unproductive correspondence between the two military governments.

4. Special Privileges for Accredited Foreign Representatives

A system of special identity cards for accredited foreign representatives namely members of the Italian and Yugoslav Economic Missions, has been instituted, different types of cards being issued to "de carriere" and lower officials.

"De carriere" officials receive the customary immunities from taxation.

5. Representation Abroad of the Interests of the Population of the Zone

Allied Military Government as a caretaker administration, has, of course, no foreign representation of its own. It is, however, the practice for its interests and those of the population of the Zone to be represented where necessary, through appropriate British or United States diplomatic and consular representatives.

SECTION 5
PUBLIC SAFETY

1. My general policy has continued to be founded on the protection of the basic human rights consonant with my duty to ensure the maintenance of public order and safety. Applications for the holding of public meetings rose from 344 during the first three months of Military Government to 453 in the second three months. Of the latter it was considered necessary to refuse only 9, in all of which cases the organizers proposed to hold outdoor demonstrations in localities where national feeling is particularly sensitive and, if provoked, is liable seriously to endanger public security.
2. Allied Military Government Courts of Law, instituted originally in 1945 for the province of Venezia Giulia, continue to adjudicate in the British/United States Zone in cases of offences against the orders and regulations issued by the military government. Offences against the Italian Law, which is still valid in accordance with Annex VII, Article 10 of the Treaty of Peace with Italy, are tried in the local courts. Statistics covering both the work of A.M.G. and the local courts are given at Appendices B and C of this report.
3. Statistics of crimes committed during the first quarter of 1948 are given at Appendix A to this report. The number and types of these crimes are considered to be satisfactory in the light of the unsettled conditions prevailing in the territory. All cases of major importance which occurred in 1947 have been investigated and disposed of, and weekly figures now indicate a gradual decrease in crime.
4. The strength of the Venezia Giulia Police Force remains approximately 5,800 men of all ranks. The force has achieved a standard of efficiency and morale which has earned it a high reputation.

SECTION 6

CONDITIONS OF RESIDENCE, ENTRY AND EXIT

1. The overamping of the identity cards of persons who were living in the British/United States Zone on 15 September 1947, or who were genuinely entitled to return to it, was completed during January. A similar operation has also been completed in the Yugoslav Zone, and free movement across the inter-zone boundary for holders of identity cards overamped by either A.M.G. or the Yugoslav Military Government has continued. A monthly average of 73,000 individual crossings of the land boundary has been recorded.
2. The simplified procedure for movement to and from Italy, referred to in my first periodical report, is now working satisfactorily. Similar arrangements for movement to and from Yugoslavia have been proposed to the Yugoslav Economic Delegation to Trieste but are not yet in operation.
3. A comparative table of frontier crossings between the Zone and Yugoslavia and Italy during the quarter under review and the last quarter of 1947 is given at Appendix D.

/SECTION 7

SECTION 7 THE ECONOMIC SITUATION

1. Basis of A.M.G. Policy

The basic object of A.M.G.'s economic policy is still the prevention of disease and unrest in the Zone, by the following means:

- (a) Ensuring adequate supplies of food and other essential commodities at reasonable prices.
- (b) The maintenance in operation of essential services.
- (c) As far as possible keeping down the level of unemployment.

2. Provision of Food and other Essential Commodities

As stated in the report for the period 15 September to 31 December 1947, it is the aim of the administration to place a daily diet valued at 2,100 calories within reach of the average working man and woman. This diet is provided partly in the form of low-priced ration of essential commodities furnished under the United States Foreign Relief Act and partly by non-rationed items, chiefly imported from Italy, purchasable on the free market. Before 1 January 1948 the daily ration was valued at 1,000 calories, leaving foodstuffs to the value of 1,100 calories to be purchased in the open market. At the prevailing rate of wages it was found that the average worker was thus compelled to spend 81 per cent of his total wages on food. As a result of a detailed study by A.M.G. of the problem of the standard of living, it was decided that the margin of wages left over for the purchase of clothing, household goods and entertainment was undesirably narrow. As a result of representations by A.M.G. and the local United States Foreign Relief Adviser, Mr. Stanley Sommer, the ration was accordingly increased so as to give a calorific value of 1,478. As a result of this increase, the proportion of the average daily wage which now has to be spent on food has been reduced to approximately 65 per cent. The following tonnages of United States Foreign Relief supplies have been distributed to the Zone during the period under review:

Wheat and Flour	11,458 metric tons
Fats	970 " "
Dried Vegetables	38 " "
Preserved Meat	87 " "
Powdered Milk	186 " "
Evaporated Milk	342 " "
Dehydrated Soup	5 " "
Biscuits	14 " "
Oats	24 " "
Stockfish	20 " "

/3. The Industrial

3. The Industrial Situation

No doubt owing to changes in world conditions, there has lately been a perceptible movement of trade from a seller's to a buyer's market with the result that Triestine manufacturers have found themselves compelled to hold considerable stocks of finished and raw materials. The situation of some of the smaller concerns has in addition been adversely affected by legislation restricting the right of employers to dismiss redundant workers, which A.M.G. found it necessary to pass as a result of representations by the trades unions. Certain firms have accordingly found themselves short of working capital. As this state of affairs coincided with a general restriction in credits by financial institutions, there has been no alternative but for A.M.G. to come to the aid of the affected firms either by guaranteeing their credit or by direct financing. The liability incurred by A.M.G. as a result of these measures has amounted to some 500 million lire.

The arrival at the end of March of the 9,000 ton British ship "New Westminster City" for complete overhaul of hull and machinery is an encouraging sign that the facilities afforded by the well equipped Trieste shipyards are beginning to attract work from further afield. Major overhauls have of recent years been confined to locally owned or Yugoslav vessels.

The severance of Trieste from Italy, whence its shipyards formerly received by far the greater part of their orders or repairs, has of course had an all too evident effect on the industry as a whole. A case in point has been that of the 34,000 ton Lloyd Triestino passenger ship "Biancamano", the order for the reconditioning of which has recently been awarded by the Italian Government to the Monfalcone yards outside the Zone.

Shipbuilding, as distinct from ship repairing, has been hampered by the reluctance of purchasers owing to their uncertainty as to the future of the Free Territory, to place orders for delivery one to two years hence. No new orders have been received during the past six months and, in order to provide continuity of work in its two shipyards, the Cantieri Riuniti dell'Adriatico is laying down four motor vessels, two of 3,600 tons and two of 1,200 tons, for sale as and when buyers can be found.

The salvage and breaking up has been undertaken of the two wrecked Italian passenger ships, "Buillio" and "Giulio Cesare", each of 20,000 tons, which are lying aground in Muggia Bay. The contract for the work, which is now employing some 200 men has been awarded to a local firm and good weather has favoured its progress. A third wreck, that of the "Sabaudia" of 26,000 tons, is to be similarly dealt with as soon as the
/necessary

necessary skilled personnel and plant become available. A further salvage operation has just begun involving the raising, as a preliminary to breaking up of the wrecks of two Italian cruisers and certain small war vessels. In addition, it is planned also to salve and dismantle the former Italian bottle ship "Conte di Cavour", which was sunk in the waters of the Zone. At present only highly specialized personnel are engaged upon those projects, but as soon as the breaking up stage is reached, the number of workers employed will be greatly increased. The proceeds of the sale of the scrap obtained from the salvaged vessels, after expenses have been paid, are to be lodged in a blocked account for final disposal at a later date.

The situation of the steel industry is showing signs of improvement and plans are well advanced for starting up one of the blast furnaces at the Iliwa works. It is hoped that production of pig iron will begin in June in sufficient quantities to meet the Zone's requirements and in addition provide a surplus for export.

In January, the British and United States Governments each despatched an expert to Trieste to investigate the economic situation. Discussions were held with representative industrialists, and current problems relating to the supply of raw materials, foreign markets and the financial position of industries were examined.

4. Public Works Programme

The Public Works programme to alleviate unemployment, discussed in Section 6 of my last report, has continued. Appendix F shows the nature of the projects and the number of workers employed.

5. Trade with Italy

As there is no customs barrier between the British/United States Zone and Italy, complete records have not been kept of the goods traffic between them.

By far the greater part of the Zone's trade, however, continues to be with Italy. It is, moreover, anticipated that the volume will increase as a result of the recently concluded foreign exchange agreement.

6. Trade with Yugoslavia

The comparative values of exports and imports between the Zone and Yugoslavia during the periods 15 September to 31 December 1947 and 1 January to 31 March 1948 were:

15 September - 31 December 1947

Imports - 267-1/2 million lire

Exports - 250 million lire

1 January - 31 March 1948

Imports - 192 million lire

Exports - 153 million lire

As stated in Section 4 of this report, comprehensive proposals for a trade agreement between the Zone and Yugoslavia were made by the Yugoslav

/Economic

Economic Delegation to Trieste in February 1948. These proposals were referred to the British and United States Governments for consideration in light of A.M.G.'s foreign exchange agreement with Italy.

7. Trade with other Countries

The general shift of trade from a seller's to a buyer's market has resulted in customers holding off and a universal fall in prices. As a result the volume of trade with other countries has depreciated. Most of the business with Central European countries has been transacted under barter arrangements. Imports include sugar from Czechoslovakia, timber from Austria, alcohol from Holland and fats, tinplate and other raw materials from the United States.

8. Trade Statistics

Appendix E shows the volume of trade between the Zone and other countries. For the reasons given in paragraph 5 above, figures in respect of Italy are omitted.

9. Trieste Port

Appendix K gives statistics of ~~shipments~~ through the port during the past three months. No less than 53 per cent of the total tonnage imported was accounted for by shipments of United States Foreign Relief supplies, of which three quarters were destined for Austria. Some 3,000 workers are at present employed on work connected with the port. The effect on the economy of Trieste which would be created by the cessation or diversion elsewhere of the United States Foreign Relief Traffic before some alternative means could be found of making good the decrease in port activity therefore needs no emphasis.

As a result of meetings held in February between representatives of Allied Military Government and the Economic Delegation of the Yugoslav Government, it was possible to accommodate the latter in the use of certain port facilities, including the lease in the Free Port of a first floor warehouse of some 7,000 square metres.

SECTION 8
THE FINANCIAL SITUATION

1. Financial Agreements with Italy

Agreements covering the supply to the Zone by Italy, in accordance with the terms of the Peace Treaty, of currency, finance, and foreign exchange were signed at Rome on 9 March. The texts of the three agreements are reproduced at Appendix G. The detailed arrangements for implementing the agreements are being worked out at Trieste between experts appointed by the Italian Government and A.M.G.

The Foreign Exchange position of the Zone has been assisted by hard currency earnings on account of the maintenance of the British and United States Forces. For this reason and because many of the essential requirements of the Zone have been met by the United States Foreign Relief Appropriation, it has not been necessary for A.M.G. to ask the Italian Government for any allocation of dollars or sterling during the quarter covered by this report.

2. The A.M.G. Budget

It was estimated that the financial position for the first six months of the Zone's existence, which ended on 15 March 1948 would be:

Revenue	3,000 million lire
Expenditure	18,000 million lire
Deficit	15,000 million lire

Preliminary returns indicate the following position:

Revenue	4,824,000,000 lire
Expenditure	15,535,000,000 lire
Deficit	10,711,000,000 lire

Included in the expenditure was a sum of 1,219,367,000 lire for charitable and welfare purposes. Of this sum 600,000,000 lire is being paid by the United States Foreign Relief Mission, out of the proceeds of the sale of rationed commodities.

SECTION 9

LABOUR

1. The period covered by this report has been characterized by prolonged disputes and negotiations between the Trades Unions and the Association of Industrialists. Certain industrial concerns and in particular the smaller ones, found themselves unable to meet their liabilities unless they reduced their pay rolls by dismissing surplus employees. In spite of this situation and as a result of representation by the Trades Unions, A.M.G. found it necessary to issue an order restricting dismissals to cases either agreed to between the employers and the Trades Unions or approved by an Arbitration Board. A.M.G. has, in some cases, been compelled to grant loans to industries which have been adversely affected by the restriction of dismissals and other factors.

2. On 8 January 1948 a general strike was proclaimed by the Sindicali Unici, the communist-controlled Trades Union, as a protest against the arrest of persons said to be partisans, who defied the military government's prohibition of the wearing of military uniforms. The non-communist Union, Camera di Lavoro, declined to join in the strike on the grounds that the reasons for it were political and not economic, and it became ineffective after a few hours. Out of some 72,000 workers a maximum of 15,000 took part in this strike.

3. Employment figures of this quarter have been:

	<u>Employed</u>	<u>Unemployed</u>
31 January	82,873	24,427
29 February	84,167	27,487
31 March	84,825	26,760

As stated in my first periodical report, a seasonal increase in unemployment was expected before the end of the winter. Although this has occurred, it has not been due to a falling off in employment, which has in fact increased largely on account of work on behalf of the British and United States Forces and of A.M.G. public works.

The increase in unemployment is attributable primarily to the fact that a considerable number of persons such as students, housewives and retired workers, who have not in the past registered themselves as unemployed, have recently done so. Their motive is believed to have been the desire, prompted by the high cost of unrationed foodstuffs, to obtain the benefits offered by the Trieste Winter Relief Fund, the distribution of extra United States Foreign Relief supplies to unemployed and pensioners at Christmas and Easter and charitable undertakings such as the United States Friendship Ship.

An investigation of the conditions of eligibility for unemployment benefit is being undertaken by A.M.G. with a view to eliminating possible sources of inequity and loopholes for abuse.

/SECTION 10

SECTION 10
PUBLIC HEALTH

1. The general health of the population of the Zone has remained satisfactory. There has in fact been a slight decrease in the incidence of disease as compared with the previous quarter.
2. Tuberculosis figures however still remain high. Over 1000 phials of streptomycin have been released to needy patients, and the enlargement of the Maddalena Tuberculosis Hospital has begun under A.M.G. auspices.
3. During March, both the Italian and Yugoslav Red Cross delegations received visits from representatives of the International Red Cross and the League of Red Cross Societies.
4. Details of infectious diseases reported during the quarter are shown at Appendix H.

SECTION 11

EDUCATION

1. A.M.G. has continued to maintain its education policy as outlined in the report for the period from 15 September until 31 December 1947. There has been a marked falling off of the local Communist Party's efforts to propagate communist doctrine through pressure and intimidation of Slovene teachers. It is believed that parents are becoming increasingly appreciative of the benefits their children receive in A.M.G. schools and are becoming reluctant to lose these advantages for purely political reasons which, in many cases, are of very little interest to the parents.
2. The rift between the Italian and Slovene language schools based on race (there is very little linguistic division as virtually all of the racial Slav population of this Zone speak Italian) continues to be a problem. A.M.G. has, however, instituted kindergartens and primary schools where children of Italian and Slovene descent go to the same school, and it has been found that both the teachers and the children get on very well together and there is virtually no friction. Since the submission of my last report, four private Slovene kindergartens, sponsored by parents' councils and the Slovene Cultural Clubs, requested A.M.G. to take them over.
3. The United States Foreign Relief Mission in Trieste has contributed a considerable sum of money for aid in the way of clothing, medical supplies and schoolbooks for needy children in kindergartens and in elementary and secondary schools. Money has also been provided to assist pensioned and needy teachers, thereby appreciably raising the morale of certain sections of the teaching profession.
4. The University of Trieste continues as set forth in the report for the final period of 1947. New buildings, which are now near completion, will enable three faculties, which were formerly housed elsewhere, to be accommodated in the Main University block.
5. Details of the school system for 1947/48 term are shown at Appendix I.

SECTION 12
PRESS AND RADIO

1. There have been no changes in the general organization and operation of the Trieste Press as it was described in my preceding report. The circulation of the various newspapers has remained relatively constant though there has been a small increase in that of the pro-Italian afternoon newspapers. The circulation figures of the six daily newspapers published in Trieste are given below. It should be noted, however, that, as no daily newspapers are published in the Yugoslav Zone of the Free Territory, a considerable number of those publications printed in Trieste, which are permitted entry into the Yugoslav Zone, are actually distributed there.

<u>Name</u>	<u>Political Affiliation</u>	<u>Daily Circulation</u>
"Giornale di Trieste"	Independent Italian with Italian Nationalist tendencies	45,000
"Il Corriere di Trieste"	Independent with extreme Left-wing tendencies	25,000
"La Voce Libera"	Italian Nationalist with tendency towards third force and Right-wing Socialist movement	20,000
"Il Lavoratore" (Italian language)	Organ of Communist Party of the Free Territory of Trieste under Slav influence	14,000
"Primorski Dnevnik" (Slovene language)	Philo-Communist organ of liberated front in Slovene language	9,000
"Ultimissime"	Christian Democrat affiliations	8,200

2. Increased supplies of newsprint now make it possible for all daily papers to print three-four page editions weekly as compared to one heretofore. There has also been a considerable drop in the cost of newsprint. While this reduction in cost has been of considerable benefit to the pro-Italian papers, it has not affected those publications which received their supply of paper from Yugoslav sources, since this supply was provided to all papers of pro-Yugoslav tendency at preferential rates.

3. At the present cost of production, labour and materials, no newspaper printed in Trieste, with the exception of one, can exist as a purely commercial enterprise. The approximate break-even cost figure is a
/paid circulation

paid circulation of 30,000 copies daily. It is believed that the subsidies required by the Trieste papers are provided in one form or another by interested political organizations in either Italy or Yugoslavia as the case may be.

4. The greater part of all news disseminated in the British/United States Zone originates from the following governmental or private news agencies: "Reuters" (British), United Press (American), Agence France Presse (France), TASS (Russian), Tanjug (Yugoslav), and ANSA (Italian). All of these agencies possess either offices or agents in Trieste which handle their respective daily news files. Radio Trieste, which is operated by A.M.G., uses all these sources in compiling news for broadcasting on its Italian and Slovene language programmes. In general, both the Press and Radio in the British/United States Zone give to the public a comprehensive presentation of world news.

5. Free access to the British/United States Zone is given to all properly accredited correspondents from other countries. No record exists to show that any correspondent has been refused permission to enter Trieste and subsequently to write what he sees fit on whatever subject he wishes. Press conferences and interviews are frequently arranged by the military and administrative authorities. Public relations facilities for gathering news are placed at the disposition of both local and other correspondents.

6. In accordance with the procedure prescribed by the administration of the Yugoslav Zone, A.M.G. has from time to time made requests for American, British and French correspondents to visit the Yugoslav Zone for general or specific purposes of reporting. In no instance since 15 September 1947 have any of these requests been granted. Press correspondents from this Zone have, on one occasion since 15 September 1947, been invited to a press conference in the Yugoslav Zone. They were, however, escorted to Capodistria and given no opportunity to visit other parts of that Zone.

SECTION 13
EXERCISE OF FREEDOM OF WORSHIP

1. Roman Catholic Church

The following statistical information regarding the Roman Catholic Church in the British/United States Zone has now been obtained from the Episcopal Curia of the Diocese of Trieste and Capodistria.

	<u>City of Trieste</u>	<u>Remainder of Zone</u>
Parish Churches	14	16 *
Dependent Churches	12	34
Secular clergy **		125
Regular clergy **		78

The United Dioceses of Trieste and Capodistria are canonically independent of the Archdiocese of Gorizia.

The religious life of the Roman Catholic community of the Zone has pursued a normal course. A new church has been consecrated in the San Sabba district of Trieste and a new orphanage has been opened in the Slovene village of Opicina. The Bishop's Lenten conferences filled the largest church in Trieste beyond capacity and attendances at Easter services in both city and country churches were unusually large. Increasing activity - cultural, social and religious - is reported on the part of Catholic Action. Welfare activities of religious institutions, which are conducted without distinction of race or creed, were stimulated by generous grants from the United States Foreign Relief Mission.

2. Anglican and Evangelical Churches

The Anglican Bishop of Gibraltar visited Trieste on 17 and 18 March and held a confirmation service.

The United Swiss and Waldensian Evangelical community observed the centenary of the Edict of Emancipation of 17 February 1848 with special services.

* Including five churches belonging to the Archdiocese of Gorizia.

** Figures for the British/United States Zone as at 31 December 1947. The total number of the clergy in the diocese of Trieste and Capodistria, including the Yugoslav Military Zone, was 170 secular and 96 regular.

SECTION 14

WELFARE

1. Owing to hard weather normally experienced in the Trieste area, and the resultant hardship to the poorer elements of the population, the months of January, February and March are always fraught with anxiety for the local welfare and relief services. The A.M.G. Public Welfare Division accordingly took the precaution of making a substantial distribution of relief comforts during the earlier part of the winter. The quantity issued during the first quarter of 1948 was proportionately less. Assistance in the form of monetary grants, free meals, care in public institutions, and various forms of special relief has however continued unabated.
2. Work in connection with displaced persons and refugees has been complicated by a tightening up of the Italian Immigration regulations, which has rendered it impossible for the International Refugee Organization to accept persons from the British/United States Zone into camps in Italy in the same numbers as hitherto. It is hoped, however, ultimately to arrange for the emigration to South America of some of those remaining in the Zone.
3. Appendix J gives some details of the activities of the A.M.G. Public Welfare Division during the quarter.

/SECTION 15

SECTION 15
AGRICULTURE AND FISHERIES

1. Within the very small area available for cultivation, the harvest prospects are good and hay crops much in advance of those of 1947. Funds, amounting to three million lire contributed by the United States Relief Mission, have enabled the Inspectorate of Agriculture to buy and distribute fruit trees, grape vines, seeds and fertilizers which have been allotted to the more needy farmers at prices considerably below cost. The money obtained by these sales is again being used to assist those who are most in need, and many small farms in the district around Muggia are thus being enabled to survive and develop. The livestock situation has improved as a result of good pasture and government help. The Veterinary Service has succeeded, by the application of extensive prophylactic measures, in preventing the spread of epidemics, prevalent in adjacent territories, into the Zone. A sum of two million lire, allotted by the United States Foreign Relief Mission, is being used for the importation of laboratory supplies, hog cholera serum and medicines.
2. It is estimated that 500 acres of tillable land will be added to the Territory when the Noghere land reclamation project is finished in July 1948.
3. Further forestry plantings have taken place since the middle of February 1948, and 1300 persons are now employed on various forestation and pasture improvement projects.
4. Important progress has been made in the development of fisheries and the fishing industry, and this has been reflected in the value of catches since 1 January 1948. This year the fish harvest, as compared with corresponding months of 1947, has been almost tripled, allowing an export of nearly 250,000 kilograms in three months.

The following comparative figures for the months of January, February and March 1947 and 1948 indicate the weights of fish brought to Trieste:

Year	Fish landed	Exported	Consumed locally
	kg.	kg.	kg.
1947	338,635	1,620	337,015
1948	840,991	238,547	602,444

This improvement is largely attributable to the encouragement given to the fishing industry by A.M.G. and to the work of the local fisherman's protective association (Consorzio Tutela Pesca). The association has provided financial assistance to fishermen for the repair and purchase of boats and equipment as well as facilities for insurance, legal aid and general welfare.

/Amongst

Amongst A.M.G. activities in support of the industry has been the reopening of the Trieste Fishing School, closed for a number of years, which provides instruction in nautical subjects and fishing methods.

SECTION 16
MISCELLANEOUS

1. Railways

The formal agreement between A.M.G. and the Italian Government covering the operation of the railways within the Zone, referred to in my first periodical report, is now awaiting signature. In practice its provisions are already in force.

Discussions on the operation of the railways between the British/United States Zone and Yugoslavia are still in progress with the Yugoslav Economic Delegation. Figures showing the traffic over the railways in the Zone during the past three months are given at Appendix L.

2. Public Utilities

The position of the public utilities has remained unchanged and a satisfactory supply has been maintained by the electricity, gas and water services. On account of an exceptionally mild winter, restrictions on the consumption of electricity were less rigorous than during previous winters and were removed altogether by the end of February.

3. Posts and Telecommunications

The agreement with the Italian Government covering the operation of the postal and telecommunication systems of the Zone, described in my last report, has now been concluded.

An agreement on matters of mutual interest to the Zone and Yugoslavia, which should result in an improvement in the existing services, is awaiting ratification by the Yugoslav Government. A daily mail service and a telegraph circuit between the two Zones of the Free Territory have been established.

SECTION 17
CONCLUSION

1. In my previous report I drew attention to the fact that, in my opinion there was no evidence of a real disinterested disposition to build up an independent Triestine political consciousness, distinct from Italian or Yugoslav national and racial ideology. A further period of three months administration has served only to reinforce this opinion, and I am convinced that the large majority of all sections of the population of the Zone received the proposal of 20 March 1948 by the Governments of the United States, United Kingdom and France, that the Free Territory should be returned to Italian sovereignty, with enthusiasm and a deep sense of relief. It must be clear beyond all doubt that this relief is tempered with the reasonable hope that the territory will be returned in such a manner as will allow Italy to establish the security of the areas now under foreign protection before the withdrawal of the Allied troops.
2. There can be no healthy economic revival or political stability until the future of the Free Territory is firmly settled and the present uncertainty brought to an end. While the existing situation prevails, the industry and commerce of Trieste can only be kept alive by means of a form of artificial respiration. I believe that a natural and robust economic recovery can only begin when the territory is regrafted on to the body of Italy, which alone is likely to restore life to its shipyards and kindred industries. Moreover, a foreign military government, however efficient and sympathetic, cannot be a satisfactory substitute for a national and representative one. I conclude, therefore, that the solution to the problem of Trieste lies in the implementation of the tripartite proposal of 20 March 1948 as soon as this is possible.

APPENDIX A
CRIME RETURN
(1 JANUARY - 31 MARCH 1948)

A. - Cases ReportedB. - Persons Arrested

	<u>A.</u>	<u>B.</u>
1. Murder	1	6
2. Attempted murder	4	1
3. Manslaughter	-	-
4. Abduction.	-	-
5. Rape	-	-
6. Serious woundings.	28	19
7. Assault with weapons	-	-
8. Assault on Police (other than cases in categories 6 and 7).	3	2
9. Arson.	6	-
10. Damage by explosions	4	-
11. Extortion.	1	1
12. Threats to kill or injure.	6	11
13. Threats to damage property	4	2
14. Blackmail.	1	-
15. Robbery with firearms.	8	1
16. Robbery without firearms	8	3
17. Burglary or housebreaking.	113	1
18. Possession of explosives	1	1
19. Possession of arms and ammunition.	8	10
20. Theft (serious).	120	40
21. Theft from persons	86	5
22. Theft from railway wagons.	-	-
23. Other thefts in Docks and Railway premises	62	2
24. Theft of motor vehicles.	5	1
25. Theft (minor).	175	53
26. Embezzlement	7	6
27. Receiving.	5	5
28. Forgery (currency offences).	-	-
29. Forgery (other than 28).	-	-
30. Fraud.	40	64
31. Border Incidents	8	-
32. Unauthorized demonstrations (wearing partisan uniform).	1	60

APPENDIX B

ALLIED MILITARY GOVERNMENT COURTS

STATISTICAL REPORT ON CHARGES DEALT WITH BY ALLIED MILITARY GOVERNMENT COURTS AND REVIEWS FOR THE PERIOD 1 JANUARY TO 31 MARCH 1948

	Charges			Appeals		Petitions for Grace	Total
	Summary	Superior	Total	Reviews	Appeal		
January 1948	36	37	73	42	25	40	107
February 1948	13	40	53	42	9	29	80
March 1948	25	22	47	54	27	27	108
TOTAL	74	99	173	138	61	96	295

CLASSIFICATION OF OFFENCES

GENERAL COURT

1 accused

Charges : Possession of handgrenades - conspiracy - prejudice to
good order.

Sentence : 7 years imprisonment.

SUPERIOR COURTS

Conspiracy.	4
Possession of arms and ammunition	15
Theft and possession of Allied Forces property.	23
Unauthorized wearing of Uniforms.	21
Taking part in unauthorized demonstrations.	27
Hiring workers unauthorized	4
Uttering words disrespectful to A.M.G..	3
Pretending to be acting under Authority of A.M.G.	1
Possession of printed matters detrimental to A.M.G.	1
TOTAL	99

SUMMARY COURTS

Theft and possession of Allied Forces property	44
Failing to have any means of identification	7
Disobeying an order given under authority of A.M.G.	8
Entering forbidden Areas	3
Prejudice to good order	3
Painting slogans on walls	3
Making a false statement	1
Possession of Military Payment certificates	1
Altering a permit	1
Violation of housing regulations	3
TOTAL	74

CLASSIFICATION OF SENTENCES

PERIOD 1 JANUARY - 31 MARCH 1948

SUPERIOR COURTS

70 accused were tried on 99 charges

SENTENCES

3 months imprisonment or less	9
6 " " 	9
12 " " 	5
18 " " 	1
2 years " 	4
3 " " 	2
4 " " 	1
5 " " 	1
6 " " 	1
 Fined	 17
Suspended	4
Cautioned	2
Not guilty	33
Dismissed	10
TOTAL	99

/SUMMARY COURTS

SUMMARY COURTS

69 accused were tried on 74 charges

SENTENCES

1 month imprisonment or less	12
2 months. "	3
3 " "	7
5 " "	1
6 " "	6
8 " "	1
9 " "	1
Fined	19
Cautioned	4
Suspended	4
Not Guilty.	9
Dismissed	7
TOTAL	74

APPENDIX C

ITALIAN LOCAL COURTS

STATISTICAL REPORT OF WORK OF THE LOCAL COURTS DURING THE PERIOD 1 JANUARY TO 31 MARCH 1948

PRETURA OF TRIESTE

Number of people tried - 4058 (criminal cases)	convicted - 2652 acquitted - 1406	total - 4058
Number of civil cases examined		514
Number of deliberations in chamber in civil matters		599
Number of decisions made by Tutorial Office		774

TRIBUNAL OF TRIESTE

Number of people tried - 525 (criminal cases)	convicted - 367 acquitted - 158	total - 525
Number of civil cases heard		130
Number of decisions made in chambers in civil matters		208

CRIMINAL INVESTIGATING OFFICE OF TRIESTE

Investigations completed and recommendation made in penal matter	1225
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COURT OF ASSIZE OF TRIESTE

Number of people tried - 21 (criminal cases)	convicted - 17 acquitted - 4	total - 21
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COURT OF APPEAL OF TRIESTE

Number of people tried - 260 (criminal cases)	convicted - 247 acquitted - 13	total - 260
Number of civil cases heard		53
Number of decisions made in chambers in civil matters		26

SECTION OF THE COURT OF APPEAL OF TRIESTE ACTING AS COURT OF CASSATION

Decisions made in penal matters	15
Decisions made in civil matters	2

/APPENDIX D

APPENDIX D

NUMBER OF PERSONS CROSSING FRONTIERS OF BRITISH-UNITED STATES ZONE WITH YUGOSLAVIA AND ITALY

January

	Into Zone	Out of Zone	Total
Italy	59,217	62,325	121,542
Yugoslavia	3,033	2,977	6,010
Yugoslav Zone	33,014	33,401	66,415

February

	Into Zone	Out of Zone	Total
Italy	60,863	59,325	120,188
Yugoslavia	2,463	2,343	4,806
Yugoslav Zone	31,958	31,526	63,484

March

	Into Zone	Out of Zone	Total
Italy	83,943	83,422	167,365
Yugoslavia	4,423	4,241	8,664
Yugoslav Zone	44,439	45,740	90,179

Note:

Figures in 1947 were as follows:

In and out of Italy -
October - 153,624
November - 131,820
December - 135,731

In and out of Yugoslavia -
October - 8,329
November - 11,874
December - 9,168

It is considered that the fluctuation in monthly figures is a reflection of the weather conditions existing. It is noted that in the winter months traffic dropped and with the coming of spring conditions in March, a rapid rise of movement took place.

/APPENDIX E

APPENDIX E

VOLUME OF TRADE (WITH VALUE) WITH YUGOSLAVIA AND JMG ZONE
(1 JANUARY TO 31 MARCH 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	654	84,005,408	35	9,000,280
Fruits and Vegetables	182	25,229,350	538	48,232,080
Wines and Liquors	1,210	74,649,954	1/4	23,000
Constructional Material	1,824	22,317,700	14	1,141,031
Fuel (Coal and Wood)	-	-	-	-
Fuel (Petroleum products)	-	-	-	-
Raw materials	3,807 1/4	113,135,338	93 1/2	7,611,445
Livestock and Feed	58	10,117,050	-	-
Manufactured Goods and Machinery	220	16,882,198	427 1/4	337,289,950
Miscellaneous	80	4,160,500	81	1,318,442
Total	8,035 1/4	350,497,498	1,189	404,616,228

VOLUME OF TRADE (WITH VALUE) WITH AUSTRIA
(1 JANUARY TO 31 MARCH 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	229,392	1/2	307,857
Fruits and Vegetables	11	1,072,480	234	6,741,750
Wines and Liquors	-	-	1/4	5,000
Constructional Material	17	1,061,910	29	1,200,000
Fuel (Coal and Wood)	-	-	-	-
Fuel (Petroleum Products)	-	-	-	-
Raw Materials	303	7,733,989	1,278	30,771,767
Livestock and Feed	-	-	-	-
Manufactured Goods and Materials	107	11,534,214	103	8,594,902
Miscellaneous	-	-	-	-
Total	439	21,631,985	1,644 3/4	47,623,276

/VOLUME

APPENDIX E (continued)

VOLUME OF TRADE (WITH VALUE) WITH OTHER EUROPEAN COUNTRIES
(1 JANUARY TO 31 MARCH 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	558	82,122,640	1 1/4	736,275
Fruits and Vegetables	10 1/4	1,599,672	12	551,500
Wines and Liquors	-	-	59	8,592,942
Constructional Material	-	-	100	1,500,000
Fuel (Coal and Wood)	-	-	-	-
Fuel (Petroleum products)	-	-	-	-
Raw materials	30	8,702,591	14	2,248,412
Livestock and Feed	-	-	-	-
Manufactured Goods and Machinery	19 3/4	7,058,303	16 3/4	38,371,166
Miscellaneous	29	3,152,088	1/4	1,592,980
Total	647	102,635,294	203 1/4	53,593,275

VOLUME OF TRADE (WITH VALUE) WITH SWITZERLAND
(1 JANUARY TO 31 MARCH 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	91	24,128,382	1/4	22,000
Fruits and Vegetables	-	-	48	16,574,400
Wines and Liquors	2	2,289,420	1,174	102,234,305
Constructional Material	-	-	500	7,077,371
Fuel (Coal and Wood)	-	-	-	-
Fuel (Petroleum Products)	-	-	-	-
Raw Materials	-	-	3,669	103,531,213
Livestock and Feed	-	-	-	-
Manufactured Goods and Machinery	116 1/4	244,941,983	70	70,551,355
Miscellaneous	3	157,430	1/2	2,743,198
Total	212 1/4	271,517,215	5,461 3/4	302,733,842

APPENDIX F

PUBLIC WORK PROJECTS WITH NUMBERS EMPLOYED

(1 January to 31 March 1948)

<u>Project</u>	<u>Monthly Average Employed</u>
Buildings	1,863
House Construction	1,164
Land Reclamation	108
Harbour	24
Distressed Villages	12
Tunnels	55
Removal of Debris	4,048
State Roads	566
Communal Roads	332
Provincial Roads	111
Various	783
TOTAL	<u>9,066</u>

APPENDIX G

AGREEMENTS ON FINANCE AND PROVISIONS OF FOREIGN EXCHANGE BETWEEN BRITISH/UNITED STATES ZONE, FREE TERRITORY OF TRIESTE AND THE GOVERNMENT OF THE ITALIAN REPUBLIC

(1) AGREEMENT

between the British/United States Military Command with functions of Government in the relevant Zone of the Free Territory of Trieste (hereinafter referred to as "the Command of the Zone") and the Government of the Italian Republic to regulate certain financial questions arising from the execution of the Treaty of Peace.

The COMMAND OF THE ZONE and the GOVERNMENT OF THE ITALIAN REPUBLIC, desiring to put into execution the clauses of the Treaty of Peace signed in Paris on the 10th February, 1947, between the Allied and Associated Powers, of the one part, and Italy, of the other part;

whereas the said Treaty came into force on the 15th September, 1947: and

whereas, within the meaning of Article 29, the Free Territory of Trieste is constituted from that date and the instrument for the provisional regime, as in Annex VII of the Treaty, has come into force: and

whereas, in the sense of Article 1 of that Annex, pending assumption of office by the Governor, the Free Territory shall continue to be administered by the Allied Military Commands, within their respective zones;

in view of the request of the Command of the Zone in respect of the application of Article 11 of the said Annex on the basis of which, pending the establishment of a separate currency regime, Italy shall supply the necessary currency;

have agreed on the following provisions:

Article 1

The Italian Government and the Command of the Zone undertake to place no restrictions on the free movement of bank notes and notes of the Italian State between their respective territories in order that the requirements for economic activities may continue to be provided through the normal financial channels.

Article 2

The Italian Government undertakes to give appropriate instructions to the Central Administration of the Bank of Italy, so that each time an effective supply of currency, through temporary or extraordinary advances is made available to the Italian Treasury (which advances are not

conversions of previous debts in respect of the Bank of issue), there will be likewise made to the Command of the Zone, through the Trieste branch of the aforesaid bank a supply of bank notes, legal tender in the Republic of Italy, on the basis of a fixed percentage of 0.55 per cent of the currency in question. This percentage corresponds to the relationship between the respective working populations of the Italian Republic and the British/United States Zone of the Free Territory of Trieste.

In the event of the Italian Treasury returning to the Bank of Italy any part of the advances described above, the Command of the Zone will return the proportionate amount.

Article 3

Such provisions to the Free Territory of Trieste are exempt from any guarantee and the only payment will be an annual fee as reimbursement for the cost of manufacture, subject to the same conditions and rates as those applying to the provision of notes by the Bank of Italy to the Italian Treasury.

Article 4

The amount of notes thus supplied will be entered by the Trieste branch of the Bank of Italy in a special account in the name of the Command of the Zone.

The operation of the Treasury cash account of the Zone will be entrusted to the Trieste branch of the Bank of Italy which will provide special accounting showing the income and expenditure in respect of the Administration of the Zone. No payment shall be made beyond the limits of available funds.

Article 5

The Command of the Zone will apply in the Territory under its jurisdiction all regulations of the Italian Republic concerning monetary circulation and will avoid taking any contrary measures. In particular the Command of the Zone will adopt all necessary measures against the manufacture and distribution of false or counterfeit notes and against the illicit transfer of currency abroad.

Article 6

The present agreement is effective from the coming into force of the Treaty of Peace with Italy.

DONE at Rome in duplicate, in the English and Italian languages both of which shall have equal validity, this day 9th of March 1948.

For the Command of the Zone

For the Government of Italy

APPENDIX G (continued)

(ii) AGREEMENT

on finance between the British/United States Military Command with the functions of Government in the relevant Zone of the Free Territory of Trieste (hereinafter referred to as "The Command of the Zone") and the Government of the Italian Republic.

Article 1

The Command of the Zone and the Italian Government agree on the necessity that the latter should receive adequate financing for the particular needs of its administration.

The Italian Government declares itself ready to supply such financing.

Article 2

The Command of the Zone declares its intention of limiting expenditure to the reasonable economic needs of the Zone.

Article 3

The Command of the Zone will supply to the Italian Government the requisite data about the financial requirements of the Zone. On the basis of an estimate compiled in conjunction with officials of the Italian Treasury, the Italian Government and the Command of the Zone will agree the amounts to be supplied every six months by the Italian Government. If at any time the Italian Government and the Command of the Zone do not reach agreement on the amount of the funds in question, the latter may refer to His Majesty's Government in the United Kingdom and to the Government of the United States.

Article 4

The Italian Government undertakes to hand over to the Command of the Zone such installments as the latter may request up to the total agreed for every six months.

Article 5

The settlement of the resulting obligations of the ultimate Government of the Free Territory of Trieste vis-a-vis the Italian Government in consequence of the operations effected in accordance with the present agreement shall form the subject of future agreement between the Italian Government and the ultimate Government of the Free Territory of Trieste.

Article 6

The present agreement is effective from the coming into force of the Treaty of Peace with Italy.

DONE at Rome in duplicate, in the English and Italian languages both of which shall have equal validity, this day 9th of March 1948.

For the Command of the Zone

For the Italian Government

APPENDIX G (continued) :

(iii) AGREEMENT

between the British/United States Military Command with functions of Government in the relevant zone of the Free Territory of Trieste (hereinafter referred to as "The Command of the Zone") and the Government of the Italian Republic on the provision of foreign exchange for the Zone.

Article 1

For the purpose of giving effect to the provisions of Article 11 of Annex VII to the Treaty of Peace the Italian Government declares its willingness to satisfy the foreign exchange needs of the British/United States Zone of the Free Territory of Trieste under conditions no less favourable than those applying in Italy. Statements of supplies which are indispensable to the Zone will be prepared and transmitted periodically to the Italian Government by the Command of the Zone.

Article 2

The Italian Government and the Command of the Zone recognize that the operation of the provisions of Article 11 of Annex VII of the Treaty of Peace must involve the application to the Zone as heretofore of the Italian exchange control regulations. The Italian Government shall receive current foreign exchange earnings accruing to the Command of the Zone under the exchange regulations in force. The Command of the Zone shall however retain for such disposition as it may consider appropriate any special dollar or sterling grants or advances which it may receive as international aid, which for the purpose of this agreement shall not be deemed to be current earnings.

Article 3

The Italian Government recognized that in the operation of this Agreement full consideration will have to be given to the special requirements of the Zone.

Article 4

The Italian Government and the Command of the Zone will consult together from time to time as to:

- (a) the details of the controls necessary;
- (b) the administration of the controls;
- (c) any other matter arising out of the operation of this Agreement.

Article 5

The present agreement is effective from the coming into force of the Treaty of Peace with Italy.

/DONE at Rome

DONE at Rome in duplicate in the English and Italian languages both of which shall have equal validity, this day 9th of March 1948.

For the Command of the Zone

For the Italian Government

APPENDIX H

TABLE OF INFECTIOUS DISEASE INCIDENCE

BRITISH/UNITED STATES ZONE

Measles	-	96
Scarlet Fever	-	48
Chicken Pox	-	30
Typhoid	-	30
Paratyphoid	-	3
Mumps	-	1
Undulant Fever	-	3
Diphtheria	-	52
Whooping Cough	-	25
Tuberculosis	-	173
Cerebrospinal Meningitis	-	2

APPENDIX I
SCHOOL SYSTEM FOR 1947/1948 TERM

TYPE OF SCHOOL	Duration of course of studies (years)	Number of pupils			Teachers	
		Italian	Slovene	Total	Italian	Slovene
1. Elementary Schools	5	15721	4170	19891	1027	220
2. Secondary schools consisting of:						
(a) Junior High Schools	3	2799	606	3405	165	37
(b) Professional Training courses	2	-	134	134	-	11
(c) Professional Training schools	3	3699	354	4053	228	19
3. Senior High Schools consisting of:						
(a) Classic Lyceums	5	817	-	817	62	-
(b) Scientific Lyceums	2	880	160	1040	54	15
(c) Teachers Training schools	4	281	27	308	37	3
(d) Technical Institutes	5	439	-	439	37	-
(e) Nautical Institutes	5	319	-	319	31	-
(f) Technical Industrial Institutes	5	611	-	611	43	-
(g) Commercial Technical schools	2	681	90	771	49	8
(h) Industrial Technical schools (for girls)	2	33	-	33	6	-
4. University of Trieste consisting of:						
(a) College of Letters and Philosophy	4			357		
(b) College of Jurisprudence	4			469		
(c) College of Economics and Commerce	4			926		
(d) College of Engineering	5			358		
(e) College of Sciences	4			417		
5. Italian privately operated schools:						
(a) Elementary	5	1025	-	1025	49	-
(b) Secondary	4	292	-	292	65	-
6. Conservatory of Music	up to 10			250	38	

APPENDIX J
WELFARE RELIEF AND DISPLACED PERSONS

1. Welfare Relief

A. Monetary grants	10,886....persons
Free Food (Bread, soup, etc.)	538,393....meals
Assisted in Institutions	7,398....persons
Special relief to bombed out families	709....families
B. Distribution of relief comforts:	
Blankets	806
Sheets	373
Vests	13,900
Footwear (pairs)	9,585
C. Assistance to War Widows and Orphans:	
Grants to War Widows	126 persons
Grants for the maintenance of War Orphans	529 grants
No. of War Orphans maintained in college .	141 orphans
D. Maternity and Child Welfare:	
No. of children examined and assisted. . .	1943
No. of mothers examined and assisted . . .	104
No. of children maintained either permanently or in daily creches	380

2. Movement of Displaced Persons:

	<u>To Italy</u>		<u>To Yugoslavia</u>
Italians	130	Italians	56
Yugoslavs	66	Yugoslavs	10
Prisoners of War	2		
		Total	<u>66</u>
Total	<u>198</u>		

APPENDIX K

SHIPPING STATISTICS

(1 JANUARY TO 31 MARCH 1946)

		CARGO (TONS)				PASSENGERS	
		---				---	
	Number of ships	Gross Registered Tonnage	Military Supplies		American Relief	Civil Cargo	TOTAL of CARGO
			Trieste - Austria	---	Trieste - Austria		
Ships of 200 Tons and less	arrived: 2302	184014	---	---	---	17660	17660
	sailed: 2283	182071	---	---	---	12096	12096
Ships over 200 Tons	arrived: 303	644751	3325	9	50926	54360	287943
	sailed: 292	663250	---	---	---	59550	59550
Tankers of 200 Tons and less	arrived: 53	7868	---	---	---	---	---
	sailed: 53	7887	---	---	---	10467	10467
Tankers over 200 Tons	arrived: 35	32967	---	---	---	124037	124037
	sailed: 40	37508	---	---	---	41979	41979
Fishing Boats	arrived: 669	---	---	---	---	137	137
							Value
							(Lire)
							132,800,000

TOTAL	ARRIVED: 3362	869600	3325	9	50926	179323	196194	429777	293406
	SAILLED: 2668	890716	---	---	---	---	124092	124092	292008

APPENDIX L
RAILWAY LOADINGS EX TRIESTE
(Expressed in terms of wagons)

JANUARY 1948

	<u>Austria</u>	<u>Czechoslovakia</u>	<u>Poland</u>	<u>Yugoslavia</u>	<u>Local</u>	<u>Various</u>	<u>TOTAL</u>
7.1.48	742	43	-	10	-	23	818
14.1.48	1093	271	-	40	-	125	1529
21.1.48	404	143	14	234	107	117	1019
28.1.48	402	27	-	-	25	124	578
31.1.48	404	37	-	-	1	52	494
TOTAL	3045	521	14	284	133	441	4438

FEBRUARY 1948

	<u>Austria</u>	<u>Czechoslovakia</u>	<u>Hungary</u>	<u>Yugoslavia</u>	<u>Local</u>	<u>TOTAL</u>
7.2.48	1022	94	60	17	-	1193
14.2.48	1418	271	13	71	3	1776
21.2.48	704	197	20	196	19	1136
28.2.48	550	272	24	52	48	946
TOTAL	3694	834	117	336	70	5051

/MARCH 1948

APPENDIX I (continued)

MARCH 1948

	<u>Austria</u>	<u>Italy</u>	<u>Czechoslovakia</u>	<u>Hungary</u>	<u>Switzerland</u>	<u>Local Yugoslavia</u>	<u>France</u>	<u>Bulgaria</u>	<u>TOTAL</u>
7.3.48	351	294	651	55	-	101	-	-	1572
14.3.48	646	259	365	36	13	74	-	-	1468
21.3.48	1103	90	195	38	3	60	39	-	1565
28.3.48	1739	89	218	26	1	124	-	5	2276
31.3.48	245	51	63	21	49	24	-	4	498

<u>TOTAL</u>	4084	783	1492	176	66	383	39	9	7379
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