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KINGDOM AND THE UNITED STATES OF AMERICA 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,  
1 OCTOBER TO 31 DECEMBER 1949

22 March 1950

We have the honour 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 October to 31 December 1949", by Major General T.S. Airey, C.B., C.B.E., Commander, British-United States Zone, Free Territory of Trieste.

This report will be published in Trieste by General Airey after noon New York time on March 22. It is requested that it not be released to the Press until that date.

(Signed)           TERENCE SHONE

Representative of the United Kingdom  
of Great Britain and Northern  
Ireland

(Signed)           WARREN R. AUSTIN

Representative of the United States  
of America

/RECORD ON  
S/1473

REPORT ON THE ADMINISTRATION OF THE BRITISH-UNITED STATES  
ZONE OF THE FREE TERRITORY OF TRIESTE,  
1 OCTOBER TO 31 DECEMBER 1949

BY

MAJOR GENERAL T. S. AIREY C.B., C.B.E.,  
COMMANDER BRITISH-UNITED STATES ZONE,  
FREE TERRITORY OF TRIESTE

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REPORT NUMBER 9

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### GENERAL REVIEW

This report on my administration of the British-United States Zone of the Free Territory of Trieste deals with the period from 1 October to 31 December 1949 and is the ninth submitted to the Security Council since the entry into force of the Treaty of Peace with Italy in September 1947.<sup>1/</sup> The developing economy of the Zone has now reached a point where it will be more convenient to study administrative statistics at intervals longer than three months. My next report will therefore deal with a more protracted period, and in the present one I have reviewed substantial progress made during 1949.

Notwithstanding bitter and unscrupulous communist opposition, solid results in the field of economic recovery became apparent during 1949 through increased industrial, commercial and port activity, following the inclusion of Trieste in the European Recovery Programme in 1948. The construction of 70,000 tons of shipping in the Zone's shipyards is now well advanced; iron and steel production is increasing and mineral oil refining has reached an encouraging level and is extending its markets. Much has been done, and is being done, towards the modernization of plant in the heavy industries. Smaller industries are also deriving benefit from the programme although its full effect will not be felt until later in 1950, when substantial sub-contracts should become available.

In 1949 imports and exports by sea through the whole of the Zone, including that part of Trieste waterfront which is outside the free port area, reached the record total of 3,482,490 tons, exceeding the 1948 figure by 718,247 tons and the previous record, reached in 1913, by 32,761 tons.

Transit traffic through the free port, through which passes the greater part of the Zone's hinterland trade, increased, in the case of Austria, from 1,201,021 tons in 1948 to 1,719,916 tons in 1949; in the case of Yugoslavia, from 73,555 tons in 1948 to 79,340 tons in 1949; in the case of Czechoslovakia, from 103,958 tons in 1948 to 212,361 tons in 1949; and in the case of Hungary from 14,524 tons in 1948 to 66,561 tons in 1949. Traffic with these countries, which promised well at the beginning of 1949, declined sharply during the year but showed an upward tendency in November and December. The main obstacle to its development lies in

<sup>1/</sup> The preceding eight quarterly reports to the Security Council have been reproduced under the following symbols: S/679, S/731, S/953, S/1174, S/1242, S/1318, S/1374 and S/1424.

currency and exchange difficulties arising from the payment of port charges. I believe that the recovery of commerce with the Danubian hinterland is a most vital need of Trieste's economy and the Military Government is devoting the closest attention to it and is also seeking to extend it into Southern Germany.

Nearly 90 per cent of imports under the European Recovery Programme during the last quarter of 1949 consisted of industrial commodities as a result of reduced dependency of the Zone upon sources in the dollar area for its food supplies. Whereas in the past a large variety and quantity of food-stuffs have had to be imported under ERP, improved conditions have now made them procurable from non-dollar sources in Europe, and I anticipate that in the future bread grains will be the only food-stuff which it will be necessary to import under the recovery programme.

The recovery of Trieste's fishing industry has received special attention and during 1949 a number of new fishing vessels were completed. Although more fish is being consumed in the Zone, the quantity of fish exported from it is now five times greater than in 1938.

For the year beginning on 1 July 1949, the Zone was allotted \$13.4 million of Marshall Aid as compared with \$17.9 million in the previous year, a reduction which reflects increased dollar earnings resulting from commercial and industrial improvement as well as the continued spending of Allied personnel and a decreased dollar expenditure on food.

A material advance has been made towards the achievement of a balanced budget as a result of increased commercial activity, gradual rationalization of administration and increased revenue due to improvements in the system of tax assessment and collection. An annual deficit rate in lire on 30 June 1948 of 21.4 billion has been reduced to one of 9.5 billion for the budgeting period ending on 31 December 1949, though the final figure is likely to be smaller.

Public works have included the construction of new housing, schools, clinics, hospitals, utility services and port development. During 1949, Allied Military Government built 462 new apartments, making a total of 1,461 completed up to date with government funds. By 1 July 1950, it is expected that 2,523 apartments will have been provided from government funds appropriated up to and including 1949, and grants in aid to the extent of 50 per cent were allotted in 1949 for the building of some 480 more. It should also be noted that a total of 24,211

/war-damaged

war-damaged apartments had been repaired with partial aid from government funds up to the end of 1948. The Allied Military Government is fully aware of the importance of the invisible earnings of tourism. For this reason, I have removed restrictions on travel between the Zone and other countries in the European Recovery Programme and undertaken the construction of accommodations which will relieve the housing shortage and provide for the needs of British and American personnel temporarily living in the Zone.

The economy of the Zone must develop along lines which will be compatible with changing world conditions, and Allied Military Government has therefore undertaken a thorough survey of existing industries in order to determine their needs for financial assistance towards modernization which will improve and cheapen production and open up wider markets. Schemes submitted for the establishment of new industries are being studied and a large area of ground has been reclaimed and is being developed as an industrial estate which will offer, in addition to normal services, special fiscal concessions designed to attract new enterprise.

Improvement in the economic situation of the Zone has been due in the first place to the European Recovery Programme, in which I have received the most valuable assistance from the European Co-Operation Administration's Special Mission in Trieste; to the Italian Government, which has made good the Zone's budgetary deficit, and to the close co-ordination of the Zone's economy with that of Italy, upon which it indeed depends.

Since the summer of 1949, the local administration of the six communes has been in the hands of freely elected communal councils, and certain functions of the central government have devolved upon local officials where this has been possible with due regard to the special responsibilities of the Allied Command. Educational facilities have been increased; arrangements have been made to strengthen the judiciary with additional judges seconded from Italy; and steps have been taken to remove all possible restriction to movement and trade across the Zone's boundaries by taking advantage of Trieste's position within the lira-currency area.

In conclusion I must again express the opinion, reiterated in my previous reports and unaltered by continued experience, that the problem of Trieste can only be solved satisfactorily and justly by the return, as soon as possible, of

/the Free Territory

the Free Territory to Italy in the spirit of the three-Power proposal of 20 March 1943. I believe that the restoration, already overdue, of the large Italian population of this Territory to the sovereignty of its mother country will in the end be essential in the interests of peace. I am further convinced that any attempt to construct a separate economy will not be in the interests of the inhabitants of the area and will be contrary to the trend of Western Europe towards a closer economic integration and political unity.

/SECTION 1



SECTION 1

GENERAL ADMINISTRATION

In my last report (S/1424), I referred to the fact that, in order to encourage the free movement of trade and tourist traffic, the regulations governing entry into the Zone had been relaxed to the extent that Italian citizens may now pass the frontier on production of their identity cards only. In October 1949 this policy was further developed by the publication of an order which permits the nationals of those countries which are fellow members of the Organization for European Economic Co-operation to enter the Zone on the production of a valid passport without a military entry permit or a visa.

The number of persons who entered and left the Zone during the last quarter of 1949 is shown at Appendix "A".

The need is becoming increasingly apparent to regularize the position of the large number of refugees and others who have become superimposed upon the resident population of the Zone. Hitherto, the issue of identity cards has been confined to those persons who were domiciled in the Zone when the Peace Treaty with Italy came into force. Other persons who did not fulfil this condition had no regular means of identification and many of them, including Italian ex-residents in territory ceded to Yugoslavia, were therefore unable to cross the frontier into Italy.

AMG Order 228 of 15 December 1949 has been designed to rectify this situation by authorizing the issue of identity cards to all persons legitimately living in the Zone, regardless of their residential status. The cards issued to persons whose names are not inscribed in the permanent population register of one of the communes of the Zone are to be of a special type. They do not at present entitle the holders to any special privileges which they did not formerly possess, nor are they recognized by the authorities of the Yugoslav Zone.

## SECTION 2

### THE ECONOMIC SITUATION

#### I. Dollar allocation under the European Recovery Programme

The allocation of ERP aid to the British-United States Zone for the year beginning on 1 July 1949 (i.e. 1949-50) amounts to \$13.4 million. Although this is somewhat less than the amount originally applied for by AMG, it will be sufficient for the Zone's deficit dollar requirement in view of the improved availability of commodities in non-dollar areas. The principal imports for which the Zone must pay in dollars are bread grains, crude oil, steel, non-ferrous metals and freight.

#### II. ERP imports and procurement

During the last quarter of 1949, ERP imports amounted to nearly \$1.5 million, an increase of approximately 50 per cent over the previous quarter. Industrial commodities made up nearly 90 per cent of these imports, the largest single item being crude petroleum, which amounted to slightly more than \$1 million. This preponderance of industrial products results in part from the fact that during previous periods adequate grain supplies had accumulated, and in part from the reduced dependency of the Zone upon dollar sources for its supply of food. Whereas last year considerable quantities of lard, milk, meats and edible oil had to be purchased with ERP dollars, during the quarter under review these commodities have become available from non-dollar sources, with the result that bread grains are now the only food items expected to be imported with ERP dollar funds during the remainder of the recovery programme.

Procurement authorizations issued by the ECA during the quarter amounted to more than \$4 million, and industrial items constitute the larger part although bread grains amount to about \$1.5 million. The actual import of the products for which procurement authorization has been given will depend upon the speed with which commercial contracts can be negotiated, the incidence of shipping between the United States of America, and Trieste, and our scheduled needs of food imports. The availability in Western Europe of many commodities which formerly could only be obtained in the dollar area has forced some changes in planned imports and resulted in minor delays.

/Details of the

Details of the ERP imports and procurements during the period under review are shown at Appendix B.

III. The 1949-50 investment programme

The Zone's ERP investment programme for the fiscal year ending 30 June 1950 was considered at a meeting held in Rome in October, attended by representatives of the Office of the Special Representative of the ECA (OSR), the ECA Missions in Rome and Trieste, the British and United States Embassies and the AMG, in order to co-ordinate that programme with the overall Italian programme. As a result of ~~these~~ discussions and of further examination, it has now been decided to undertake modernization programmes for iron and steel production, shipbuilding, the manufacture of pharmaceuticals and the installation of a new milk pasteurization plant. A further four projects are still under examination.

IV. Loans from non-ERP funds

(a) Small and medium loans fund

This fund, established for the purpose of assisting the smaller type of business with low-fixed interest bearing loans up to a maximum of L. lire 15 million, was opened in January 1949. As was anticipated, this measure has given some impetus to the recovery efforts of the smaller industries and businesses. Between January and November 1949 some 120 requests for loans from this fund were received, the last of which are now being examined. Loans amounting to L. 332,300,000 were approved and a total of L. 217,720,000 utilized.

(b) General loans

In addition to the financing by the AMG of the major projects on which the Zone's investment and recovery programme is based, loans amounting to L. 685 million, each of more than L. 15 million were granted in 1949 to selected industrial and commercial undertakings for the repair and reconstruction of war-damaged buildings and equipment and for improvement and expansion.

SECTION 3

THE FINANCIAL SITUATION

I. Budget for the period 1 July - 31 December 1949

Details of the Zone's budget for the half year 1 July to 31 December 1949 and a copy of the agreement between the AMG and the Italian Government under which the latter will meet the estimated deficit of L. 4,750 million were given in my last report. From figures available up to date, it is clear that expenditure will be within the budgetary allocation but that revenue will substantially exceed earlier estimates. This is due to increased commercial activity and to improvements in the system of tax collection and assessment. The final figures will not however be available until the accounts with the Treasury up to the end of December 1949 are completed, but it is certain that the actual deficit will be considerably less than was originally estimated.

II. Budget for the period 1 January - 30 June 1950

The budget for the first half of 1950 conforms closely to that of the preceding six months and is drawn up with due regard to the Italian fiscal laws and regulations which are implemented or in course of implementation within the Zone. Ordinary expenditure and the cost of ordinary public works and unemployment relief works are to be financed from revenue, thus limiting the Italian Government's contribution to the financing of recovery projects. This contribution is, moreover, to include provision for reimbursable capital investments, the interest and amortization payments on which will be available after 1952 for continuing the reconstruction of the Trieste merchant fleet and for industrial development.

The budget prepared by the AMG was discussed with the Italian Government in November 1949. An agreement, at Appendix C, was signed "ad referendum" and has since been ratified. Under the agreement the Italian Government will finance the estimated deficit of L. 4,155 million. It is anticipated that there will be a surplus on regular governmental operations of L. 434,350,000. It will be noted that, although the deficit to be financed by the Italian Government is L. 4,155 million, provision has been made on the expenditure side for loans totalling L. 5,098 million, which amount is reimbursable in due time in accordance with the

/terms of the

terms of the respective loans making up the total figure. Details of the budget are shown at Appendix D.

At Appendix E is a comparative statement of estimated expenditure and revenue for the second half of 1949 and the first half of 1950. The reduction of L. 195 million anticipated in ordinary expenditure is due to the fact that the last half of each year contains seven pay periods since all stata and communal workers receive an extra month's pay in December. Extraordinary expenditure is increased by L. 165 million; but under this heading is shown a special grant by the Italian Government of L. 2,469 million in aid of shipbuilding compared with L. 2,288 million during the previous six months. Movement of capital items are less by L. 224 million and these, as mentioned above, are reimbursable. On the revenue side an increase of L. 342 million is anticipated in ordinary revenue and L. 23 million in extraordinary revenue, a total of L. 365 million.

## SECTION 4

### INDUSTRY

#### I. General

During the last quarter of 1949, industrial activity has been generally maintained at a satisfactory level. Production planned under the Zone's ERP is now taking effect and the larger industries, i.e. ship-building, mineral oil refining and iron and steel production, are showing considerable advances. Smaller industries such as general engineering, paint and varnish production, woodworking, furniture and clothing manufacture, are deriving benefit from the programme but the full effect will not be felt until 1950, when substantial sub contracts will become available to the smaller concerns.

The severe electricity shortage which has been experienced throughout Italy has adversely affected industrial activities in the Zone. The AMG has however done everything possible to mitigate the consequences to industry, and many concerns have installed their own generators.

#### II. Ship-building

The programme of approximately 96,000 tons of new construction is in full operation and about 70,000 tons are now on the building slips in the large and small ship-yards of the Zone. The Italian Government Allied Military Government Mixed Commission met in Rome during November, and reached agreement on the construction of two more ships of 13,000 tons each for the Lloyd-Triestino line, thus completing the programme. The keels of these vessels will be laid in 1950, and continuity of work will thus be provided in the principal ship yard. The demand for small ships is limited but every effort is being made to assist the small ship-yards. The ship-repairing section of the industry is experiencing difficulties in securing orders as the world demand for this class of work has shown a sharp decline.

#### III. Iron and steel production

As compared with the previous quarter, the output of steel ingots increased by 20 per cent, of steel plate by 70 per cent and of pig iron by 80 per cent. This improvement reflects the value of the modernization programme now in progress.

#### /IV. Mineral oil

IV. Mineral oil refining

This industry continues to maintain a very satisfactory level of activity. Efforts to find markets in Austria and Germany for petroleum products surplus to Trieste and Italian requirements have been successful and promise well for the future. The most notable achievement in this field during the current quarter has been the progress made by the larger of the Zone's refineries with the initial stages of the installation of new lubricating-oil refining plants to replace equipment destroyed during the war.

V. Vegetable oil refining

Good progress has been made with the reconstruction of the Zone's one vegetable-oil refinery but production has been severely handicapped by market conditions. Prices of animal fats and oils have fallen, and an abundant European olive crop has resulted in large supplies of this oil. In consequence, the demand for vegetable oils extracted from seeds, copra, etc., has fallen off to a serious extent; and there is no indication of an early improvement in these conditions.

VI. Miscellaneous industries

The food, confectionery, beer, wine and spirit industries have derived benefit from seasonal trade. The general engineering, woodworking, furniture, paint, varnish and clothing industries are maintaining their position and may expect improvement as the main ship-building programme progresses. The soap industry continues to struggle in the face of difficulties arising from the high cost of raw materials. Marble quarrying is handicapped by winter conditions, but several small dollar orders have been secured and efforts are being made to revive pre-war business connexions.

VII. Industrial development

Much progress has been made on the preliminary work in connexion with the planning and development of the Zaule industrial port. Great interest has been shown by both local and foreign firms and although rapid development of what is essentially a long-term project is not to be expected, it is hoped that 1950 will see important advances made in the establishment of new activities.

/The problem of

The problem of the future is to establish new industries covering a variety of products and thereby reduce the Zone's dependence for its industrial well-being solely on ship-building. To this end the AMG has initiated a series of industrial surveys, and British and United States experts have been employed to advise on modern methods of canning manufacture and to investigate a number of existing industries.

At Appendix F is recorded progress made on ships under construction, the relative production figures during the third and fourth quarters of 1949 of the larger industries and production indices and employment in different sectors of industry.



SECTION 5

FOREIGN TRADE

One of the main preoccupations of the AMG has been the maintenance and raising of the level of trade with the countries of the Zone's hinterland, notably Austria, Czechoslovakia and Yugoslavia, for all of which the port of Trieste is the traditional outlet. The failure of this trade to develop along natural lines is primarily attributable to difficulties in obtaining payment from the countries concerned for port dues and services rendered in Trieste, either in acceptable currency or in goods which conform to the requirements of the economy of the lira area. The solution of this difficulty was one of the main subjects of discussion at the meeting of the Italic-Allied Military Government Mixed Economic Commission which was held in Rome in November. As a result of these discussions, it was agreed that the Austrian debit should be liquidated partly out of sterling credits and partly by compensatory shipments of timber. Means whereby trade with Yugoslavia can be increased have for some weeks been the subject of negotiations between the Allied Military Government and the Yugoslav Economic Delegation in Trieste.

Similar efforts are being made to stimulate trade with the Yugoslav Zone of the Free Territory. Since 1947 the British-United States Zone has built up a considerable credit in the inter-zonal compensation account, chiefly on account of invisible exports such as the treatment of hospital patients and other services. An understanding has now been reached between the two military governments which should result in an increase of trade between the Zones and the liquidation of the British-United States Zone's outstanding credit. Meetings between the commercial representatives of the two military governments are held at frequent intervals.

The Allied Military Government has been studying for some time the possibility of securing increased traffic for the port to and from southern Germany. Trieste is interested in:

- (a) The ordinary commercial traffic to and from the Near East, Far East and the Mediterranean area, and
- (b) Part of the ERP traffic through the northern ports of Germany and destined for Bavaria.

/Discussions have

Discussions have been held with officials of the ECA and with the German authorities, and the matter is under further study. Much, however, will depend upon Trieste's ability to compete on favourable terms with northern European ports.

Total trade with all countries for the period 1 September to 30 November 1949 shows a decrease of 10,762 tons compared with the period 1 June to 31 August 1949. While exports for this period have increased by 20,121 tons, imports have decreased by 30,883 tons. This is mainly the result of decreased imports of raw materials from the dollar area. Exports of petroleum products to Yugoslavia, and of wines and liqueurs, petroleum products, manufactured goods and machinery to countries other than Italy, Austria, Switzerland and Yugoslavia have made noteworthy gains in this quarter as compared with the previous three months.

Detailed statistics on foreign trade are given at Appendix G.

SECTION 6

PORT OF TRIESTE

Ships under the Italian flag are still the principal users of the port and these are followed, in order of tonnage, by vessels of the United States of America, Yugoslavia and the United Kingdom. During the last quarter of 1949, two vessels under charter by the International Refugee Organization sailed from Trieste carrying a total of 2,036 displaced persons to Australia.

Details of shipping handled by the port during the last quarter of 1949 are given at Appendix H to the present report. During 1949 imports and exports by sea through the whole of the Zone, including that part of the Trieste waterfront which is outside the Free Port, reached a record total of 3,482,490 tons, exceeding the 1948 figure by 718,247 tons. Transit traffic passing exclusively through the Free Port, which handles the great bulk of the hinterland trade, compared with previous years, was as follows:

	<u>Austrian trade (tons)</u>	<u>Czechoslovak trade (tons)</u>	<u>Hungarian trade (tons)</u>	<u>Yugoslav trade (tons)</u>
1938	532,010	374,406	134,837	81,272
1948	1,201,021	183,958	14,524	73,555
1949	1,719,916	212,361	66,561	79,340

The greater part of war-damage reconstruction in the port has now been completed and proportionately more funds are being invested in modern cargo and goods-handling equipment in order to maintain tariffs at a competitive level. An extensive advertising campaign has also been launched in order to assist the port to compete for traffic in those areas which are most economically served by its unequalled communications and capacity.

Since the progress of salvage operations in Triestine waters was last described in my fifth report (S/1242), both the liners Duilio and Giulio Cesare have been successfully floated. The Duilio is now almost broken up and work on the breaking up of the Giulio Cesare is well advanced. The salvage of the large liner Sabaudia has met with many difficulties due to underwater damage, previously unknown to the salvors, and to brittle plates resulting from the ship having once been on fire. Work, however, is proceeding and it is hoped that major difficulties have now been overcome and that the ship will soon be afloat.

/The destroyers

The destroyers Pigafetta and Sebenico have both been salvaged and broken up. The collier Prometheus has been removed to a position out of the way of all traffic where she is being broken up. Work continues on the breaking up of two sunken Liberty ships, the William Hume and William Palmer.

SECTION 7

RAILWAYS

In my report for the period ending 30 September 1949 (S/1424) I referred to the provision of railway communication to the industrial area which is being developed at Zaule, and to the problem of maintaining traffic with the hinterland. In general the decline in traffic with the countries of the Danube hinterland continued until the end of the quarter when there was some recovery in traffic with Austria, Czechoslovakia and Hungary. The reasons underlying the falling off of this traffic have been dealt with elsewhere in the present report.<sup>1/</sup> The decline is most marked in the volume of traffic over the lines running through Yugoslavia, and in this connexion it is particularly noteworthy that cattle shipments from Hungary via Yugoslavia, normally a seasonal traffic at this time of the year, have come to a complete standstill.

New tariff regulations have been agreed with all countries interested in traffic to and from Trieste and will be brought into effect on 1 January 1950. These regulations are in accordance generally with the provisions of the Berne Goods International Agreement (C.I.M.) and will result in considerable simplification of present practices. It has also been arranged that, as from 1 March 1950, payments for Austrian freight based on the Adriatic League tariffs, which hitherto have had to be made in Austria in schillings, shall be payable in Austria in schillings or in Trieste in Italian lire at the will of the consignor. Payments for this traffic will not in future require to be supported by hard currencies.

Contracts have been placed for preparatory work on the Trieste (Campo Marzio)-Aquilinia railway project which is to feed the new industrial port area of Zaule. These works include a temporary switch-over line to provide service facilities during the levelling of the steep gradient leading out of the main marshalling yards in Trieste, and for earthworks and the construction of viaducts on the first portion of the new Trieste-Servola line.

Total railway consignments leaving Trieste amounted to 26,689 wagons during the quarter, representing an increase of about 8 per cent over the corresponding

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<sup>1/</sup> See section 5.

period of 1948 and due largely to increased traffic to Austria, which offset the fall in traffic to Czechoslovakia during these months.

Incoming rail consignments totalled 16,148 wagons, an increase of about 20 per cent over the last quarter of 1948, again due to the marked increase in traffic from Austria.

In all matters affecting the operation of railways in the Zone, the Italian State Railways have invariably proved themselves most understanding and co-operative.

Details of all incoming and outgoing rail traffic are shown at Appendix I.

SECTION 3  
PUBLIC WORKS

The public works budget for 1949 was L. 7,193,995,000. The funds were used for works ranging from construction of new houses to port development, including the building of a new dredger. Since 1 July 1949, funds made available for projects which will earn revenue, such as the rehabilitation of utilities and the reconstruction of the port area, have been on a long-term loan basis; and interest and the income from amortization is recoverable by the Treasury. Formerly funds were furnished for such purposes on a grant basis.

Details of the budget are:

	<u>Million lire</u>	<u>% of budget</u>
<b>Housing</b>		
Aid to co-operatives, at 50% of cost	525.	
Loans for housing	495.	
Grant for housing	<u>1,008.5</u>	
Sub-total	2,028.5	29.12
Education - schools	679.	9.30
Public health - clinics, hospitals, etc.	495.6	6.85
Highways and streets	448.	6.22
Water supply, sewers, etc.	40.	.53
Port piers, breakwaters, aid to navigation, etc.	788.	10.95
Freight handling, and warehousing in the port area	1,045.	14.43
Public utilities	409.3	5.43
Direct labour for unemployment relief	1,027.495	14.12
Maintenance of government buildings	<u>253.1</u>	<u>3.10</u>
TOTAL	7,193.995	100.

Up to the end of 1948, much progress had been made in the building of houses, schools, clinics, hospitals and in utility services. Funds had been allocated for 1,611 apartments, of which 999 were completed by the end of the year and the remainder continued into 1949. In the latter year, funds were allotted for the construction of a further 912 apartments. By the end of 1949, AMG has completed 1,461 new apartments and expects to finish the present programme by July 1950, when a total of 2,523 apartments will have been provided directly from governmental funds.

In addition to this programme, AMG decided early in 1949 to aid private building with governmental funds to the extent of 50 per cent of the cost of the

/building,

building, the remainder of the cost being contributed by the co-operatives. The sum of L. 520 million was allocated in 1948 for the construction of a further 480 new apartments. Thus, the housing programme for 1949 alone provides for 1,392 apartments.

By the end of 1948, the main arterial roads in the Zone had been rehabilitated and the wartime and immediate post-war deficiencies in maintenance made good. Throughout 1949 these roads were maintained in first-class condition and many improvements to eliminate dangerous curves and crossings have been completed. Local roads have also been improved and extended in some of the outlying communes, where new omnibus lines have been brought to the more remote centres.

The sum of L. 15 million was expended in 1949 for new water supply and sewer projects. This sum was considerably less than that allotted for these purposes in previous years, but it has enabled the work of bringing ample water supplies to the upland rural areas to be continued. An enlargement to the water supply in the Commune of Muggia was completed at a cost of L. 38 million.

The work of renewing and modernizing the sewer system of Muggia has been started at an approved cost of L. 60 million and, when completed, will improve the amenities in the lower part of the town.

The sum of L. 25 million was allocated in 1949, as in 1948, to carry out the most urgent repairs and maintenance to the sewer system of the city of Trieste.

In 1949 L. 291 million was provided for financing repairs and extraordinary maintenance to the quays, docks, etc., of the Port of Trieste and also to the many small ports and harbours along the coast. Projects included repairs to the Molo Bersaglieri, at a cost of L. 14 million, which enables the largest sea-going vessels to dock with safety. Improvements costing L. 59 million were made at Sistiana, Muggia and Santa Croce, so that small cargo and passenger vessels can use these small ports and safer harbourage is provided for fishing vessels.

At the end of 1949, a new gasholder of 40,000 cubic metres capacity, was brought into operation. This gasholder was constructed in Trieste.

In order to ameliorate unemployment until such time as the industrial and commercial tempo of the Zone should improve, a policy of direct relief employment was initiated early in 1948, persons employed being from the registered unemployed and rotated every six months. Emphasis has been placed upon constructional and /supplementary work.



supplementary work. During 1949 L. 966,318,637 was expended, 78 per cent for wages, 15 per cent for transport and mechanical equipment and 7 per cent for materials and tools; and 475,000 man-days of employment were created. The main effort was absorbed by the Zaule Industrial Zone and the San Sabba Stadium projects. In the former, an additional 120,000 square metres of land have been reclaimed and about 1,440 metres of roads and 400 metres of sewerage added in the Zone. The latter project, including the construction of the practice football stadium, has been completed and it has been furnished with a small grand-stand, dressing-rooms and showers, while the main field grand-stand has been increased by a further 10,000 seats.

In addition to these main works, 255 miscellaneous projects were completed, such as improvements to roads, small buildings, parks, gardens, children's playgrounds, walls, squares and clearance of rubble, to a total of about 300,000 man-days.

SECTION 9

POSTS AND TELECOMMUNICATIONS

(a) Posts

During the year 1949, the postal delivery system has been re-organized and deliveries speeded up. A new international parcels office has been opened in Trieste.

(b) Telecommunications

Work has begun on the installation of a modern 3C position telephone trunk switchboard, which will improve long-distance communication with north-eastern Italy. Six new call boxes have been established in outlying areas which were formerly without telephone services, and the exchange at Aurisina has been converted to automatic operation. The Zone's telephone system is being included in the international co-axial cable project which, when completed, will allow for many circuits to centres in Europe.

The central telegraph office has been converted to teleprinter working on all long-distance circuits; battery equipment is being replaced with modern rectifiers and transformers with stand-by apparatus in case of power failure.

The power of the Zone's coastal radio-telegraph station has been increased from 500 watts to 3 K.W. New frequencies have been internationally allocated for working on telephones to the Zone's fishing fleet. In order to conform to the new international frequency plan, requirements have been sent to the International Telecommunication Union at Geneva.

SECTION 10

AGRICULTURE, FORESTRY AND FISHERIES

About ninety acres of the landward part of the Noghère drainage project is already under cultivation. An additional 180 acres are expected to come under the plough in the early autumn of 1950.

Stock situation shows an improvement over that of last year. The incidence of animal diseases is below normal. A number of high-grade bulls and Swiss Alpine dairy cows have been imported into the Zone. Development of the Zone's honey production continues. A new mushroom industry is being developed and government assistance is being given to subsidize the planting of 400,000 vines and 15,000 fruit trees on private farms.

Wet weather this autumn favoured the transplantation of 343,000 trees from the forestry nurseries to their permanent place in the reafforestation scheme, giving employment to 400 persons.

Considerable progress has been made on buildings on the Timavo River fisheries project. A refrigerating plant is nearing completion; the construction of a garage, workshops, boat sheds and dwellings is proceeding; and aqueducts, electric cables and transformers are being prepared for final installation. The school for training fishermen has completed the third month of its first course, and the first group of those who attended will join the fishing fleet in February 1950.

Eight new fishing vessels of 60 to 90 tons have been built and will be launched in January 1950. The amount of fish being brought into Trieste is more than 40 per cent above the 1938 catch. Although more fish is being consumed locally, five times as much is being exported.

Figures, in kilogrammes, for the years 1938, 1948 and 1949 follow:

	<u>Total catch</u>	<u>Exported</u>	<u>Consumed locally</u>
1938	3,383,675	215,350	3,168,325
1948	4,732,619	1,365,172	3,367,447
1949	4,733,381	1,034,859	3,698,522

SECTION 11  
PUBLIC HEALTH

When the Allied Military Government assumed responsibility for the administration of what is now the British-United States Zone, the high tuberculosis rate was by far the most disturbing factor of the public health situation. The disease, which was then increasing and accounted for 12 per cent of the total mortality, has been checked.

The first concrete step in improving this situation was the construction, at a cost of L. 140 million, of a new tuberculosis block in the Trieste hospital for infectious diseases (Ospedale Malattie Infettive). This block, opened in 1948, increased the number of beds available for tubercular patients from 525 to 765. A further improvement was the completion, in October 1949, of an extension to the Trieste Children's Hospital (Ospedale Burlo Carofolo) comprising a 120-bed tubercular department, a 90-bed infants' ward and an orthopaedic section.

Future projects include the construction, by the Istituto Nazionale Provvidenza Sociale, an Italian health insurance society, of a 300-bed tuberculosis hospital for the benefit of its members and selected charitable cases. The funds for this work have been made available and a special board of technicians is engaged in preliminary planning.

In addition to the measures which have been taken to deal with tuberculosis, much has been done to improve the standard of general hospital accommodation in the Zone. Work is in progress on the reconditioning of the main civil hospital (Ospedale Maggiore) at a cost of L. 425 million.

A new X-ray department was opened in May 1949. In November 1949 a new operating theatre and laundry were put into use. The complete project includes the construction, by April 1950, of a new kitchen and an administrative block and, in approximately one year's time, the reconstruction of the anatomopathological department and an out-patient department.

The rise in the population and the effects of the war have led to an increased demand for psychiatric treatment. In 1948 two new wings were added to the Provincial Psychiatric Hospital (Ospedale Psichiatrico Provinciale) increasing its capacity by 150 beds; an extension to the neurological department, containing 50 beds, is under construction. The full cost of these projects, /amounting to

amounting to L. 230 million, has been borne by the AMG.

Figures showing the incidence of infectious diseases during the quarter are at Appendix J.

SECTION 12

LABOUR

The figures below compare the average number of registered unemployed during the last quarter with that of the corresponding quarter of 1948.

1 October - 31 December 1948	21,050
1 October - 31 December 1949	18,200

Registered employed persons increased by 415 in the last quarter of 1949.

As a result of a special survey made in 1949, it was ascertained that, in addition to 85,400 registered employed, there are 45,000 persons who are fully employed in unregistered occupations such as small farmers, artisans, shopkeepers, fishermen, domestic servants and restaurant and small-business owners.

There were 28 strikes in the Zone during the last quarter of 1949 as compared with 13 strikes in the corresponding quarter of 1948. These strikes involved 11,000 workers and a wage loss of L. 25,500,000, as compared with 10,000 workers and a wage loss of L. 6,600,000 in the final quarter of 1948.

In July 1949, an Industrial Requalification Training Centre was started in the area of the Zaule industrial port. The Centre is designed to house initially the several requalification courses now being conducted in various small shops and buildings throughout the Zone to relieve unemployment, and to assist unemployed persons to obtain productive jobs. When the need for these relief requalification courses ceases, the Centre will be used as an industrial training school for the youth of the Zone. It is being constructed entirely by the students on the courses and is now about 10 per cent completed.

During the quarter under review, there were 1,450 persons employed in eight requalification training courses, including theoretical instruction and on-the-job training. The courses normally last six months for each student, after which he is replaced by other needy unemployed. Despite the fact that the courses are primarily for the relief of unemployment, it has been possible to place several hundred of those trained in permanent employment in the trade they studied at the Centre. The courses are all run under the direction of the Department of Labour with money appropriated under the AMG extraordinary budget.

/SECTION 13

SECTION 13  
PUBLIC SAFETY

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

SECTION 14

EDUCATION

The Allied Military Government follows the policy of preserving the Italian school system, the only variation being the maintenance of elementary and secondary schools in which the Slovene language is used but in which the method and syllabus of instruction are otherwise the same.

The system includes the following types of school:

(a) Primary schools (all free)

Kindergartens: for children of from 3 to 6 years of age. Attendance is optional.

Elementary schools: for children of from 6 to 11 years of age. Attendance is compulsory.

Professional training schools: for children of from 11 to 14 years of age. Attendance is compulsory for those who are not graduating to the secondary schools.

(b) Secondary schools

Junior high schools: for children of from 11 to 14 years of age. Attendance at these, which serve as preparatory schools for the senior secondary schools, is optional. An annual fee of L. 300 to 400 is charged.

Senior secondary schools: these comprise classical, scientific and teachers; training schools and technical-industrial, commercial, surveyors and nautical institutes. The periods of study are from four to five years, and age of students is from 14 to 19 years. The annual fee is L. 400 to 500.

Musical lyceum: for pupils of from 14 years and upwards. Annual fee L. 500 to 1,000.

(c) University

For students of from 18 to 19 years of age. The University has five faculties: letters and philosophy, law, economics and commerce, science and physics, and engineering. The period of study is from four to five years.

The 1949-50 school year for the kindergartens and elementary schools started on 8 October. The total number of pupils in the Italian elementary schools was 15,411, as compared with 15,293 in 1948-49, an increase of 118 or 0.06 per cent. In the Slovene elementary schools, however, the number of pupils has dropped from 3,850 to 3,447, a decrease of 403 or 10.5 per cent.

/As a result of



As a result of this fall in attendance in the Slovene-language schools, it was necessary, in the interests of efficiency and economy, to amalgamate certain classes and temporarily to dispense with the services of ten teachers who could no longer be usefully employed. Even after this amalgamation of classes, the average number of pupils in Italian classes in the Zone was 27 as compared with 18 in Slovene classes. The dismissed teachers have since all been re-employed in vacancies resulting from normal wastage.

The new secondary-school year started on 17 October, with 10,803 pupils attending the Italian schools, and 1,549 the Slovene schools, compared with 10,610 and 1,444 respectively for the school year 1948-49.

The system of daily distribution of hot luncheons, instituted in 1946, continues to meet a much-felt need among the poorer children of the community. Some 10,000 of these luncheons are served daily in the kindergartens, elementary schools and professional courses.

The amount of accommodation now available is approximately the same as that in use before the war and nearly double the amount available in 1945. This improvement has been achieved by the gradual de-requisitioning of some of the premises occupied by the Allied Forces, by the repair of war-damaged buildings and by the construction of new elementary schools at Valmaura in the suburbs of Trieste and at Domio in the commune of San Dorligo della Valle. In order to meet the needs of the increased population of the Zone and the demand for higher educational standards, a further 222 classrooms are required. Consequently two new schools, one in Trieste and the other at Muggia, are under construction; a further four, all in country districts, are to be begun in 1950.

The academic year 1949-50 of Trieste University was officially inaugurated on 4 December by the rector, who has recently been re-elected for a second term of office. Much work has been carried out on the new university building, which already houses the faculties of law, economics and commerce, and science and physics. Work is also proceeding on the reconstruction of the administrative offices and great hall and on accommodation for the faculties of engineering and letters and philosophy.

Statistics showing numbers of teachers, pupils and school accommodations are at Appendix L.

## SECTION 15

### PRESS

The withdrawal of subsidies, derived from sources outside the Zone, from a number of political journals after the elections in June 1949, which caused a number of daily papers to cease publication, has continued. Seven weekly papers have been compelled by lack of funds to cease publication.

In October the Idea Liberale (Liberal), L'Ora Socialista (Socialist), La Prora (Christian Democrat), Il Progresso and Gioventu (Communist) ceased regular publication, to be followed in November by the two extreme Right-Wing papers La Fiamma di Trieste (M.S.I.) and La Fiaccola (Qualunquist).

On 17 October a new weekly paper appeared entitled Il Giornale del Lunedì, designed to fill the gap on Mondays when no papers are published in Trieste. On 26 December, the pro-Yugoslav Communists launched a new political weekly entitled La Voce di Trieste with the object of presenting their point of view to the Italian-speaking public.

## SECTION 16

### RELIGIOUS ACTIVITIES

During the last three months of 1949, the activities of the Roman Catholic Church in Trieste included the opening of a new parish church in the Barriera Vecchia district, of an elementary school at San Sabba and of a "Boys' Town" at Opicina. Plans are being elaborated for a large-scale Holy Year pilgrimage to Rome to take place next September.

The Jewish community has opened an institute to accommodate some twenty aged poor in addition to the elementary school, kindergarten and refuge for homeless persons which the community was already maintaining.

On 28 December, the Greek Orthodox community elected a new council, which is to hold office for the year 1950.

## SECTION 17

### DISPLACED PERSONS AND REFUGEES

Information regarding the movement of refugees, displaced persons and optants for Italian nationality from territory ceded to Yugoslavia is given at Appendix M.

APPENDIX A

MOVEMENT OF PERSONS IN AND OUT OF THE BRITISH-UNITED STATES ZONE  
(1 October - 31 December 1949)

IN			
<u>From</u>	<u>October</u>	<u>November</u>	<u>December</u>
ITALY	205,370	156,380	173,967
YUGOSLAVIA	6,340	3,957	6,352
YUGOSLAV ZONE	<u>68,063</u>	<u>58,586</u>	<u>66,901</u>
TOTAL	279,473	218,923	247,220
OUT			
<u>To</u>	<u>October</u>	<u>November</u>	<u>December</u>
ITALY	199,187	156,309	180,253
YUGOSLAVIA	5,556	3,420	5,565
YUGOSLAV ZONE	<u>68,718</u>	<u>59,811</u>	<u>67,995</u>
TOTAL	273,461	219,540	253,813
GRAND TOTAL	IN: 745,616		
	OUT: 746,814		

APPENDIX B

EUROPEAN RECOVERY PROGRAMME IMPORTS

(1 October - 31 December 1949)

<u>Item</u>	<u>Metric tons</u>	<u>Cost F.O.B.(\$)</u>	<u>Freight charges(\$)</u>	<u>Total C.I.F.(\$)</u>
Medical supplies	-	9,600	700	10,300
Steel plates	48.	10,000	1,200	11,200
Tinplate	70.	14,300	1,330	15,630
Teak	537.	104,645	21,280	125,925
Synthetic detergent	1.5	2,155	-	2,155
Machinery	-	8,500	4,500	13,000
Zinc	101.5	24,000	1,750	25,750
Coconut oil	307.5	110,219	9,173	119,392
Crude mineral oil	<u>56,433.</u>	<u>779,605</u>	<u>302,213</u>	<u>1,081,818</u>
TOTAL	57,498.5	1,063,024	342,146	1,405,170

- NOTE:
1. Total ECA imports during the period 1 July - 30 September were to the value of \$954,526 of which industrial commodities were represented by \$563,619.
  2. Dollar costs are subject to revision upon receipt of actual dollar payments made to suppliers by ECA Washington.



4. The Zone Command undertakes to notify the Italian Government of any variations which may take place in the items of the budget for the period January 1 to June 30, 1950, and agrees to discuss such variations at the following Mixed Commission meeting.
5. It is agreed that, should there be a substantial change of circumstances, either party may request modification of this agreement. Such request will be placed on the agenda of the next meeting of the Mixed Commission established under the provisions of Part III of the Agreement of September 22, 1948.

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Signed ad referendum  
For the Italian Government

de Vera d'Aragona

November 26, 1949.

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Signed ad referendum  
for the British-United States  
Zone Command of the F.T.P.  
Ivan B. WHITE

APPENDIX D

ANALYSIS OF APPROVED BUDGET FOR THE FIRST HALF OF 1950

	SUB-TOTALS	TOTALS
	Lire	Lire
<b>A. <u>Regular government operations</u></b>		
1. <u>Ordinary budget expenditure</u>		7,523,316,000
2. <u>Regular extraordinary expenditures</u>		
(a) Non-recurring items for Government departments	75,650,000	
(b) Adjustments on previous public works contracts in accordance with AMG Order No. 451 of 6 September 1947	300,000,000	
(c) Unemployment work relief and labour school	925,000,000	
(d) Regular public works	<u>1,027,000,000</u>	
(e) Total regular extraordinary expenditure	2,327,650,000	<u>2,327,650,000</u>
3. <u>Total expenditures, regular     government operations</u>		9,850,966,000
4. <u>Ordinary receipts</u>	10,047,116,000	
5. <u>Extraordinary receipts</u>	53,200,000	
6. <u>Receipts from movement of capital     (per memoria on U.C.I.R.M. operations     Lire 215,000,000 receipts and     expenditure)</u>	<u>185,000,000</u>	
7. <u>Total revenue</u>	10,285,316,000	<u>10,285,316,000</u>
8. <u>Surplus on regular government     operations (7 minus 3)</u>		434,350,000
<b>B. <u>Recovery budget expenditures (In implementation     of Trieste 1949-50 investment programme)</u></b>		
1. <u>Shipbuilding grants</u>		2,469,350,000
2. <u>Other non-reimbursable investments</u>		
(a) Agriculture, fisheries and reforestation	150,000,000	
(b) Housing	500,000,000	
(c) Dredger for port of Trieste	100,000,000	
(d) Development of industrial port	230,000,000	
		/(e) Railways

	SUB-TOTALS Lire	TOTALS Lire
(e) Railways	35,000,000	
(f) Total non-reimbursable investments	1,015,000,000	1,015,000,000
3. <u>Reimbursable Investments (Movement of capital)</u>		
(a) Rehabilitation of public utilities	250,000,000	
(b) Industrial loans approved by Mixed Commission	376,000,000	
(c) Liquidation of small and medium-sized industry loan programme	100,000,000	
(d) Advance of ERP loans for small ship construction	111,000,000	
(e) Port development (Magazzini Generali)	168,000,000	
(f) Ship salvage	<u>100,000,000</u>	
(g) Total reimbursable investment (Movement of capital)	1,105,000,000	<u>1,105,000,000</u>
4. <u>Total recovery budget expenditures</u> (1 plus 2 (f) plus 3 (g))		4,589,350,000
5. <u>Less surplus from regular government operations</u>		<u>434,350,000</u>
	NET DEFICIT	4,155,000,000

NOTE: The foregoing analysis does not take into account self-balancing receipts and expenditures in connexion with the ERP lire-counterpart fund which are recorded per memoria in the budget.



APPENDIX E

COMPARATIVE STATEMENT OF ESTIMATED EXPENDITURE AND REVENUE DURING THE  
SECOND HALF OF 1949 AND THE FIRST HALF OF 1950

<u>Ordinary expenditure</u>	Appropriation	
	1 July - 31 December 1949	1 January - 30 June 1950
	(In lire)	
Government offices, police and fire services.....	3,934,807,800	4,017,577,232
Education.....	827,058,335	817,651,335
Monuments.....	16,793,000	13,069,960
Observatories.....	3,820,800	3,769,700
Law courts.....	87,667,000	87,917,000
District notarial archives....	1,042,800	947,800
Jails.....	105,775,000	103,098,123
Public and port services.....	1,050,710,345	905,304,850
Public institutions.....	285,945,000	193,980,000
Local bodies.....	704,500,000	830,000,000
Reserve fund.....	700,000,000	550,000,000
TOTAL	7,718,120,080	7,523,316,000
<hr/>		
<u>Extraordinary expenditure</u>		
Sundry repairs to, and equipment of, public buildings.....	510,231,584	245,650,000
Public works.....	2,848,240,000	3,097,000,000
Special grant by Italian Government in aid of ship- building.....	2,288,700,000	2,469,350,000
TOTAL	5,647,171,584	5,812,000,000
<hr/>		
<u>Movement of capital</u>		
Sundry advances, loans etc....	1,664,193,200	1,105,000,000
ERP.....	3,657,841,515	3,993,158,485
TOTAL	5,322,034,715	5,098,158,485
<hr/>		
<u>Summary of expenditures</u>		
Ordinary.....	7,718,120,080	7,523,316,000
Extraordinary.....	5,647,171,584	5,812,000,000
Movement of capital.....	5,322,034,715	5,098,158,485
TOTAL	18,687,326,379	18,433,474,485

APPENDIX E (cont'd)

<u>Ordinary revenue</u>	Estimated revenue 1 July - 31 December 1949	Appropriation 1 January - 30 June 1950
Direct taxes.....	487,000,000	646,000,000
Indirect taxes.....	2,452,130,000	2,684,990,000
Tax on manufactures, customs and indirect consumer taxes..	5,069,210,000	5,051,600,000
Refunds and miscellaneous receipts from unexpected budgetary items.....	207,918,000	161,616,000
Post and telecommunications....	274,901,000	257,000,000
State monopolies.....	1,214,600,000	1,245,910,000
TOTAL	9,705,759,000	10,047,116,000
 <u>Extraordinary revenues</u>		
Lending tax and sundry temporary taxes.....	18,100,000	20,100,000
Sundries.....	12,720,000	33,100,000
TOTAL	30,820,000	53,200,000
 <u>Movement of capital</u>		
Recoveries from sundry advances.....	542,905,864	185,000,000
Sale of ERP goods.....	3,657,841,515	3,993,158,485
TOTAL	4,200,747,379	4,178,158,485
 <u>Summary of revenues</u>		
Ordinary.....	9,705,759,000	10,047,116,000
Extraordinary.....	30,820,000	53,200,000
Movement of capital.....	4,200,747,379	4,178,158,485
TOTAL	13,937,326,379	14,278,474,485
 <u>GRAND SUMMARY</u>		
Total expenditure	18,687,326,379	18,433,474,485
Total revenue	13,937,326,379	14,278,474,485
DEFICIT	4,750,000,000	4,155,000,000

APPENDIX F

INDUSTRIAL INFORMATION  
(Second half of 1949)

A. MAIN INDUSTRIES

1. SHIP-BUILDING

Type	Tonnage	Ordered by	% complete on 30 September	% complete on 31 December
* M.V/C.P	3,600	C.R.D.A. (own account)	37.9	96.5
M.V/C.P	3,600	" " "	83.1	94.4
M.V/C.P	1,200	" " "	75.	83.6
M.V/C.P	1,200	" " "	75.	86.
M.V/C.P	25,000	ITALIA S.A.	26.7	45.5
M.V/C.P	13,000	LLOYD TRIESTINO	11.8	41.8
M.V/C.P	13,000	" "	9.1	55.
M.V/C.P	13,000	" "	8.1	28.7
** M.V/C	1,200	SPERCO, Trieste	15.	60.
M.V/C	13,000	FLUMAR, Rome	12.	50.
*** M.F.V.	1,560	GENESPESCA, Leghorn	68.2	100.
M.F.V.	1,560	" "	40.	85.8
M.F.V.	55	COOPERATIVA PESCATORI	75.	99.5
M.F.V.	55	" "	75.	99.5
M.F.V.	55	" "	40.	93.6
M.F.V.	55	" "	40.	93.6
M.F.V.	55	" "	65.	90.
M.F.V.	55	" "	65.	90.
M.F.V.	75	" "	65.	90.
M.F.V.	75	" "	65.	90.
M/Tanker	500	MONTANARI, Fano	29.	63.6
Dredger	-	GENIO CIVILE, Trieste	-	32.5

- \* M.V/C.P - Motor vessel/cargo passenger  
 \*\* M.V/C - " " /cargo  
 \*\*\* M.F.V. - Motor fishing vessel

2. IRON AND STEEL

Production	1 July - 30 September (tons)	1 October - 31 December (tons)
Steel ingots	7,963	7,900
Steel plates	2,146	3,514
Pig iron	14,062	16,613

3. MINERAL OIL REFINING

Crude oil processed	160,593	154,630
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/4. VEGETABLE

APPENDIX F (continued)

1 July - 30 September    1 October - 31 December

4. VEGETABLE OIL PRODUCTION

Raw material processed	4,074	974
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B. EMPLOYMENT AND PRODUCTION FIGURES

1. MAIN INDUSTRIES	<u>Output % of present maximum capacity</u>	<u>Average number employed</u>
Shipbuilding (5 main firms)	80	4,275
Mechanical engineering (8 main firms)	61	2,954
Mineral oil refining, chemical, pharmaceutical (10 main firms)	78	1,408
Iron and steel:     coke (1 firm)             pig iron	66 50	
steel ingots	66	
steel plate	44	1,385
Ship repairing (1 firm)	47	1,208
Textile and clothing (4 main firms)	74	1,042
Stationery and printing (6 main firms)	44	1,026
Liquor and syrups (3 main firms)	74	456
Beer (1 firm)	53	448
Vegetable oil refining: extraction	5.4	
(1 firm)                    refining	2.1	209

APPENDIX F (Continued)

2. SECONDARY INDUSTRIES	<u>Output % of present maximum capacity</u>	<u>Average number employed</u>
Spaghetti, macaroni, flour (3 main firms)	51	281
Woodworking (3 main firms)	61	191
Stone and marble quarrying	51	177
Confectionery (2 main firms)	45	131
Canning (1 main firm)	42	47

## APPENDIX G

## FOREIGN TRADE STATISTICS

Statistics of trade with Austria  
 (1 October - 31 December 1949)

S/1473  
 Page 46

DESCRIPTION	IMPORTS THROUGH CUSTOMS		EXPORTS THROUGH CUSTOMS	
	Quantity (tons)	Value in lire	Quantity (tons)	Value in lire
Food . . . . .	-	-	1,303.2	120,368,855
Fruit and vegetables . . . . .	0.2	174,650	12.4	4,762,315
Constructional materials . . . . .	2,342.3	48,969,575	54.9	9,264,853
Raw materials . . . . .	0.4	307,200	77.3	21,877,253
Manufactured goods and machinery . . . . .	9.7	9,619,660	0.3	1,179,872
Miscellaneous . . . . .	395.9	33,450,783	0.5	910,664
<u>TOTAL</u>	<u>2,748.5</u>	<u>92,521,868</u>	<u>1,448.6</u>	<u>158,363,822</u>

/Statistics of trade with Switzerland

Statistics of trade with Switzerland

(1 October - 31 December 1949)

DESCRIPTION	IMPORTS THROUGH CUSTOMS		EXPORTS THROUGH CUSTOMS	
	Quantity (tons)	Value in lire	Quantity (tons)	Value in lire
Food . . . . .	-	-	49.5	6,345,000
Tobacco . . . . .	77.9	161,928,977	-	-
Fruit and vegetables . . . . .	-	-	44.6	10,087,872
Wines and liquors . . . . .	-	-	16.0	2,020,000
Constructional materials . . . . .	0.06	128,218	-	-
Fuel (petroleum products) . . . . .	-	-	0.1	126,592
Manufactured goods and machinery . . . . .	0.1	1,732,121	6.0	19,331,898
Miscellaneous . . . . .	-	-	5.3	1,352,685
<u>TOTAL</u>	<u>78.0</u>	<u>163,789,316</u>	<u>121.5</u>	<u>39,264,047</u>

/Statistics of trade with Yugoslavia

Statistics of trade with Yugoslavia and the Yugoslav Zone

(1 October - 31 December 1949)

DESCRIPTION	IMPORTS THROUGH CUSTOMS		EXPORTS THROUGH CUSTOMS	
	Quantity (tons)	Value in lire	Quantity (tons)	Value in lire
Food . . . . .	595.4	39,622,746	6.5	1,096,160
Fruit and vegetables . . . . .	755.5	18,637,531	22.1	1,012,822
Wines and liquors. . . . .	1,514.6	79,515,773	0.2	81,320
Constructional materials . . . .	10,996.8	129,351,613	1,283.3	97,661,773
Fuel (coal and wood) . . . . .	3,603.6	27,763,615	-	-
Fuel (petroleum products). . . .	8.0	290,000	867.1	34,390,965
Raw materials. . . . .	6.3	809,500	153.5	202,045,797
Manufactured goods and machinery	27.0	2,657,500	73.8	67,609,222
Livestock and feed . . . . .	28 head	1,329,000	-	-
Miscellaneous. . . . .	1,595.9	40,176,218	219.5	49,990,351
	28 head			
<u>T O T A L</u>	<u>19,103.1</u>	<u>340,153,496</u>	<u>2,626.0</u>	<u>453,888,410</u>

/Statistics of trade with



Statistics of trade with all countries except Italy, Austria, Switzerland and Yugoslavia

(1 October - 31 December 1949)

DESCRIPTION	IMPORTS THROUGH CUSTOMS		EXPORTS THROUGH CUSTOMS	
	Quantity (tons)	Value in lire	Quantity (tons)	Value in lire
Food . . . . .	11,966.3	1,480,659,155	15.2	4,503,795
Tobacco . . . . .	3.8	11,462,920	-	-
Fruit and vegetables . . . . .	330.0	13,410,592	229.4	35,675,609
Wines and liquors. . . . .	12.0	4,413,367	3,716.6	163,810,871
Constructional materials . . . . .	569.7	21,775,240	846.2	70,674,020
Fuel (coal, charcoal and wood) . . . . .	27,570.6	309,682,361	-	-
Fuel (petroleum products). . . . .	182,776.9	2,080,547,989	451.0	14,582,008
Raw material . . . . .	1,125.4	462,293,298	2,294.5	96,547,157
Livestock . . . . .	0.05	535,000	-	-
Manufactured goods and machinery . . . . .	256.4	165,077,184	2,092.9	864,043,907
Miscellaneous. . . . .	1,467.2	124,571,697	214.8	70,381,164
TOTAL	<u>226,078.35</u>	<u>4,674,428,803</u>	<u>9,860.6</u>	<u>1,320,218,531</u>

/Statistics of trade

S/1473  
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Statistics of trade with Italy  
1 October - 31 December 1949

DESCRIPTION	IMPORTS Quantity (tons)	EXPORTS Quantity (tons)
Food . . . . .	17,801	5,388
Tobacco . . . . .	57	8
Fruit and vegetables . . . . .	12,807	1,427
Wines and liquors. . . . .	10,470	2,583
Constructional materials . . . . .	39,879	36,001
Fuel (petroleum products). . . . .	776	109,645
Fuel (coal and wood) . . . . .	3,900	19,873
Raw materials. . . . .	34,848	6,779
Manufactured goods and machinery . . . . .	5,454	3,079
Miscellaneous. . . . .	17,537	4,901
Livestock. . . . .	1,552 (plus 507 heads)	4 (plus 23 heads)
	145,081	189,688

NOTE: As there are no customs barriers between the British-United States Zone of the Free Territory of Trieste and Italy, it is not possible to show value of trade between the two.

## APPENDIX H

## SHIPPING STATISTICS, PORT OF TRIESTE

(1 October - 31 December 1949)

Type of Ship	Number of ships	Net tonnage	C A R G O - ( M e t r i c t o n s )						Total cargo	Number of passengers
			British military supplies		United States Supplies ECA & military		Commercial cargo			
			Trieste	Austria	Trieste	Austria				
Ships of 200 tons and less	arrived	1,328	68,891	-	-	-	-	16,274	16,274	110,002
	sailed	1,304	66,605	-	-	-	-	4,648	4,648	111,384
Ships of over 200 tons	arrived	284	669,642	1,466	-	2,949	232,465	208,403	445,283	125
	sailed	275	654,364	-	-	-	-	130,553	130,553	1,253
Tankers of 200 tons and less	arrived	180	20,591	-	-	-	-	152	152	-
	sailed	180	20,716	-	-	-	-	39,888	39,888	-
Tankers of over 200 tons	arrived	30	79,069	-	-	-	-	164,933	164,933	-
	sailed	28	77,594	-	-	-	-	17,302	17,302	-
TOTAL:	ARRIVED:	1,822	838,193	1,466	-	2,949	232,465	389,762	626,642	110,127
	SALLED:	1,787	819,279	-	-	-	-	192,391	192,391	112,637
GRAND TOTAL (cargo and passengers)								819,033	222,764	

## APPENDIX I

## RAIL TRAFFIC STATISTICS

Railway loadings ex Trieste  
(1 October - 31 December 1949)  
(In terms of wagons)

<u>Month</u>	<u>Italy</u>	<u>Austria</u>	<u>Czechoslovakia</u>	<u>France</u>	<u>Hungary</u>	<u>Switzerland</u>	<u>Yugoslavia</u>	<u>Other countries</u>	<u>T O T A L</u>
October	1,214	4,291	513	32	159	55	359	56	6,679
November	1,428	8,024	772	33	163	22	568	8	11,018
December	1,621	8,132	1,026	9	268	22	526	388	11,992
<b>TOTALS</b>	<b>4,263</b>	<b>20,447</b>	<b>2,311</b>	<b>74</b>	<b>590</b>	<b>99</b>	<b>1,453</b>	<b>452</b>	<b>29,689</b>

Railway loadings into Trieste  
(1 October - 31 December 1949)  
(in terms of wagons)

<u>Month</u>	<u>Italy</u>	<u>Austria</u>	<u>Czechoslovakia</u>	<u>France</u>	<u>Hungary</u>	<u>Switzerland</u>	<u>Yugoslavia</u>	<u>Other countries</u>	<u>T O T A L</u>
October	1,710	2,105	464	11	35	38	587	2	4,952
November	1,697	1,921	665	10	170	27	683	-	5,173
December	1,812	2,789	531	50	115	48	675	3	6,023
<b>TOTALS</b>	<b>5,219</b>	<b>6,815</b>	<b>1,660</b>	<b>71</b>	<b>320</b>	<b>113</b>	<b>1,945</b>	<b>5</b>	<b>16,148</b>

APPENDIX J

Incidence of Infectious Diseases

(1 October - 31 December 1949)

Tuberculosis . . . . .	132
Scarlet fever . . . . .	134
Diphtheria . . . . .	51
Chicken pox . . . . .	46
Whooping cough . . . . .	26
Typhoid fever . . . . .	17
Paratyphoid . . . . .	11
Measles . . . . .	10
Mumps . . . . .	8
Cerebrospinal meningitis . . . . .	2
Acute poliomyelitis . . . . .	2

APPENDIX K

Crime Statistics

(1 October - 31 December 1949)

	<u>Cases Reported</u>
Murder . . . . .	2
Attempted murder . . . . .	1
Manslaughter . . . . .	1
Abuduction . . . . .	-
Serious woundings . . . . .	104
Assault with weapons . . . . .	1
Assault on police . . . . .	13
Extortion and blackmail . . . . .	2
Threats 1 . . . . .	18
Robbery . . . . .	4
Theft . . . . .	488
Fraud and embezzlement . . . . .	129
Unlawful possession and carrying of arms, explosives or ammunition . . . . .	11
Receiving . . . . .	15
	<hr/>
TOTAL	789

APPENDIX L

STATISTICS RELATING TO EDUCATION

School year 1949/50

<u>Type of school</u>	<u>Teachers</u>	<u>Pupils</u>	<u>Classes</u>	<u>Rooms</u>	<u>Remarks</u>
1. ITALIAN Kindergartens (Communal)	84	2,150	13 *		
Kindergartens (Opera asile infantile)	20	577	17 *		
Elementary schools	1,048	16,411	667	371	
secondary schools	943	6,817	303	155	
2. <u>SLOVENE</u>					* Number of kindergartens
Kindergartens (Communal)	3	120	2 *		
Kindergartens (Opera asile infantile)	11	362	10 *		** Number of faculties
Elementary schools	207	3,447	224	136	*** Enrollment still in progress
secondary schools	114	1,549	64	41	
3. <u>UNIVERSITY</u>	139	1,780 ***	5 ***		

APPENDIX M

STATISTICS RELATING TO THE MOVEMENT OF REFUGEES; DISPLACED PERSONS  
AND OPTANTS FOR ITALIAN NATIONALITY

Arrival of refugees and optants at the Refugee Centre

(1 October - 31 December 1949)

	<u>Yugoslavia</u>	<u>Both Zones of the Free Territory of Trieste</u>	<u>Italy</u>
1. <u>Refugees arriving from:</u>			
Hungarian .....	78	-	-
Yugoslav .....	61	31	5
Yugoslav (ex-Italian, inhabitants of Istria)....	24	-	-
Bulgarian .....	51	1	-
Romanian .....	32	1	3
German .....	1	6	-
Italian .....	2	3	-
Polish .....	2	1	-
Czechoslovak .....	-	1	1
Greek .....	-	-	1
Ukrainian .....	-	-	1
Stateless .....	-	1	-
Optants .....	-	4	1
	<hr/>	<hr/>	<hr/>
TOTAL	251	49	12
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
2. <u>Refugee Centre population on 31 December 1949</u>			
Hungarians .....	60		
Yugoslavs .....	69		
Yugoslavs (ex-Italian, inhabitants of Istria)...	46		
Bulgarians .....	20		
Romanians .....	46		
Germans .....	6		
Italians .....	2		
Poles .....	2		
Stateless .....	5		
Optants .....(awaiting transfer by IRO)..	12		
	<hr/>		
TOTAL	268		
	<hr/> <hr/>		