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LETTER DATED 14 JULY 1949 FROM THE REPRESENTATIVE OF THE UNITED KINGDOM TO
THE ACTING SECRETARY-GENERAL ENCLOSING THE TEXT OF A NOTE PRESENTED
BY HIS MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM TO
THE YUGOSLAV AMBASSADOR IN LONDON

14 July 1949

On July 5th the Permanent Representative of the Federal People's Republic of Yugoslavia transmitted to the Secretary-General a letter from his Government concerning the Free Territory of Trieste. This was circulated to members of the Security Council under 5/1348. In this connexion I have the honour to transmit to you herewith the text of a note which is being presented today by His Majesty's Government in the United Kingdom to the Yugoslav Ambassador in London. I should be grateful if the text of this note could be circulated for information to other members of the Security Council

(Signed) Alexander Cadogan

## Text of the Note from His Majesty's Government in the United Kingdom to the Yugoslav Ambassador in London.

London, 14 July 1949

Your Excellency,

I have the honour to refer to the letter dated 2nd July and transmitted by the Yugoslav Government to the Secretary-General of the United Nations on July 6th 1949 concerning the loan by the Yugoslav Government of five hundred million dinars to the Military Administration of the Yugoslav Army for the Yugoslav zone of the Free Territory of Trieste for the purpose of replacing the medium of exchange of the zone with Yugoslav dinars.

His Majesty's Government in the United Kingdom must again reject the Yugoslav allegations that the Military Government in the United Kingdom -United States Zone of the Free Territory of Trieste has violated the treaty of peace with Italy through the conclusion of certain agreements with the Italian government. Similar charges have been made by the Yugoslav government: on previous occasions and have been brought to the attention of the Security Council of the United Nations which has failed to sustain them. The United Kingdom and the United States governments have set forth in detail and explained at length the nature of the agreements between the Allied Military Government of the United Kingdom -United States Zone and the Italian government. These agreements have been demonstrated to be in conformity with the provisions of the Italian Peace Treaty and indispensable to assure the well-being of the inhabitants of the United Kingdom - United States Zone. His Majesty's Government deplores the fact that the Yugoslav government continue to put forward these charges which upon objective examination have been demonstrated to be groundless.

In the course of the earlier discussion of the Yugoslav charges concerning the administration of the United Kingdom - United States Zone it was pointed out on several occasions that it is in fact the Military Administration in the Yugoslav Zone of the Free Territory that has violated the peace treaty and has followed a policy clearly calculated to tie the Yugoslav Zone ever more closely to Yugoslavia. The recently announced currency conversion represents an additional move in this direction which can have the result only of further integrating the Yugoslav Zone into the Yugoslav economy.

His Majesty's Government have not failed to note the statement of the Yugoslav authorities that they have been unable to reach agreement with the Italian government upon the supply of Italian lira to the Yugoslav /Zone of

Zone of the Free Territory of Trieste in accordance with Article 11 of Annex VII of the peace treaty. In as much as the Yugoslav authorities have not followed the procedures provided in the treaty of peace for the settlement of such questions this statement cannot be accepted as a valid explanation for their unilateral action in introducing the dinar into the zone under their temporary military administration.

His Majesty's Government have previously recommended a solution of the Trieste question in the interests of international stability and of the well-being of the inhabitants of the area and deplore any action which adds to the difficulties of achieving such a solution.