

Declassified E.O. 12356 Section 3.3/NND No. 785017

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DEC. 194

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Declassified E.O. 12356 Section 3.3/NND No. 785017

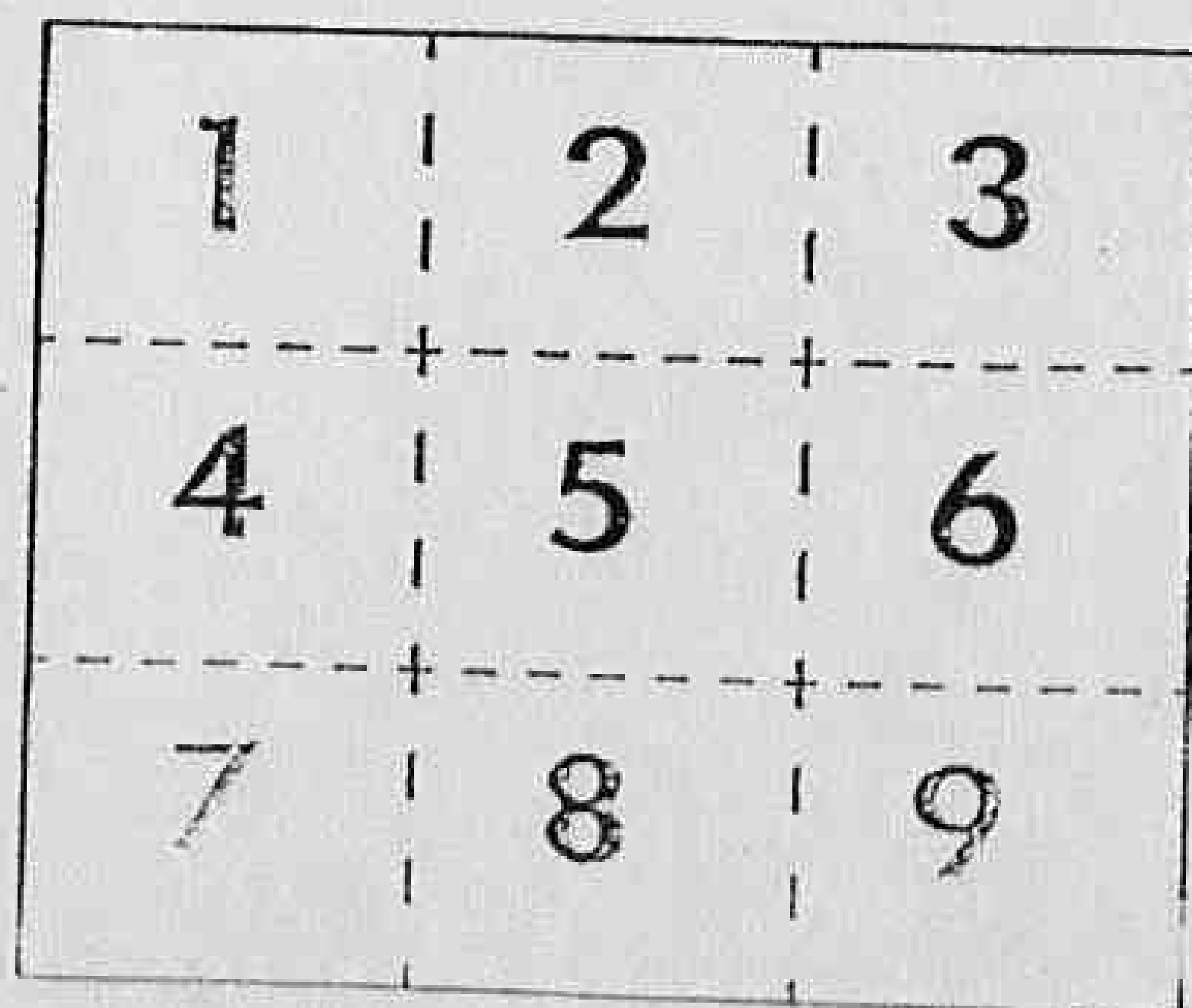
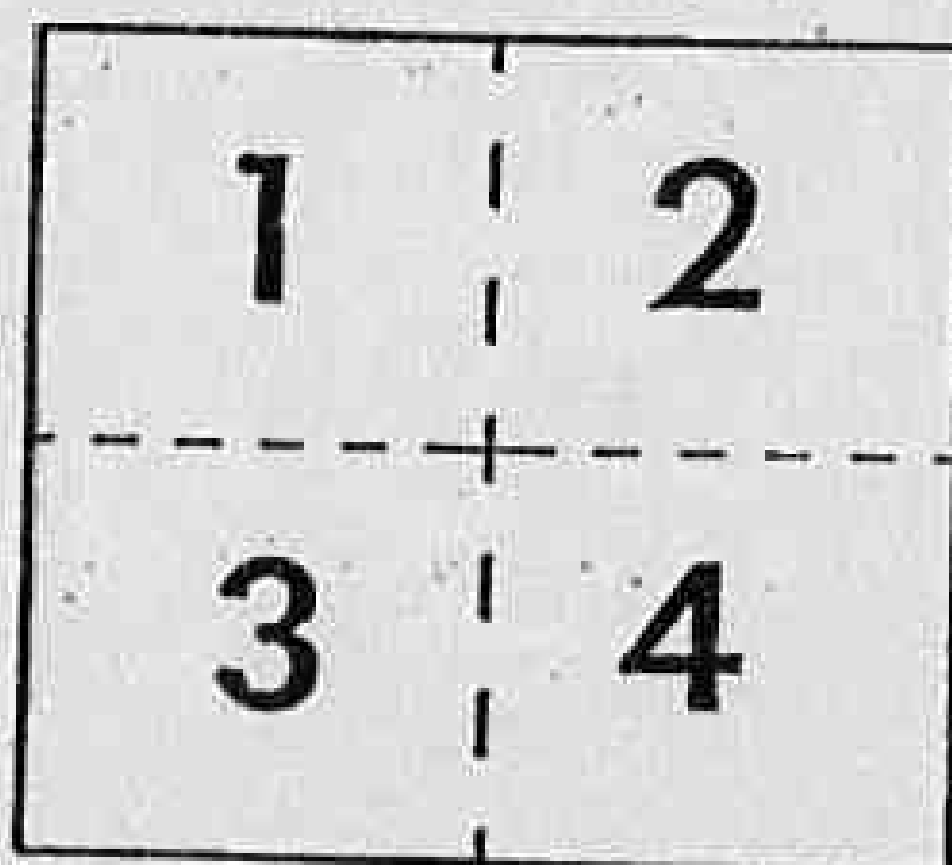
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PROVISIONAL REGIME OF THE FREE TERRITORY OF TRIESTE
DEC. 1946, JAN. 1947

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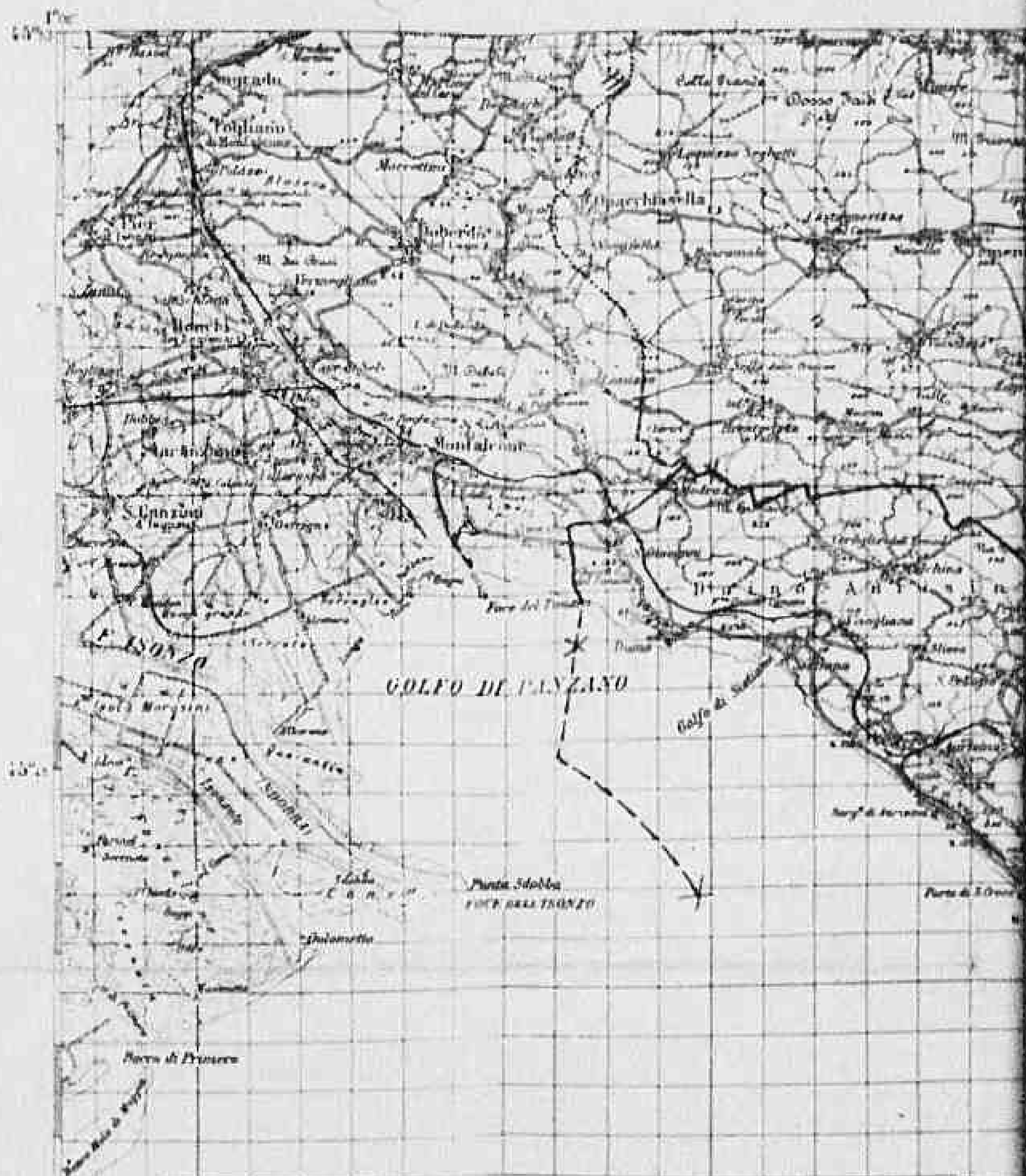
MAPS AND CHARTS TOO LARGE TO FILM
ON ONE EXPOSURE ARE FILMED CLOCKWISE
BEGINNING IN THE UPPER LEFT CORNER,
LEFT TO RIGHT, AND TOP TO BOTTOM.

SEE DIAGRAMS BELOW.



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THE FRONTIERS OF THE FREE TERRITORY OF TRIESTE

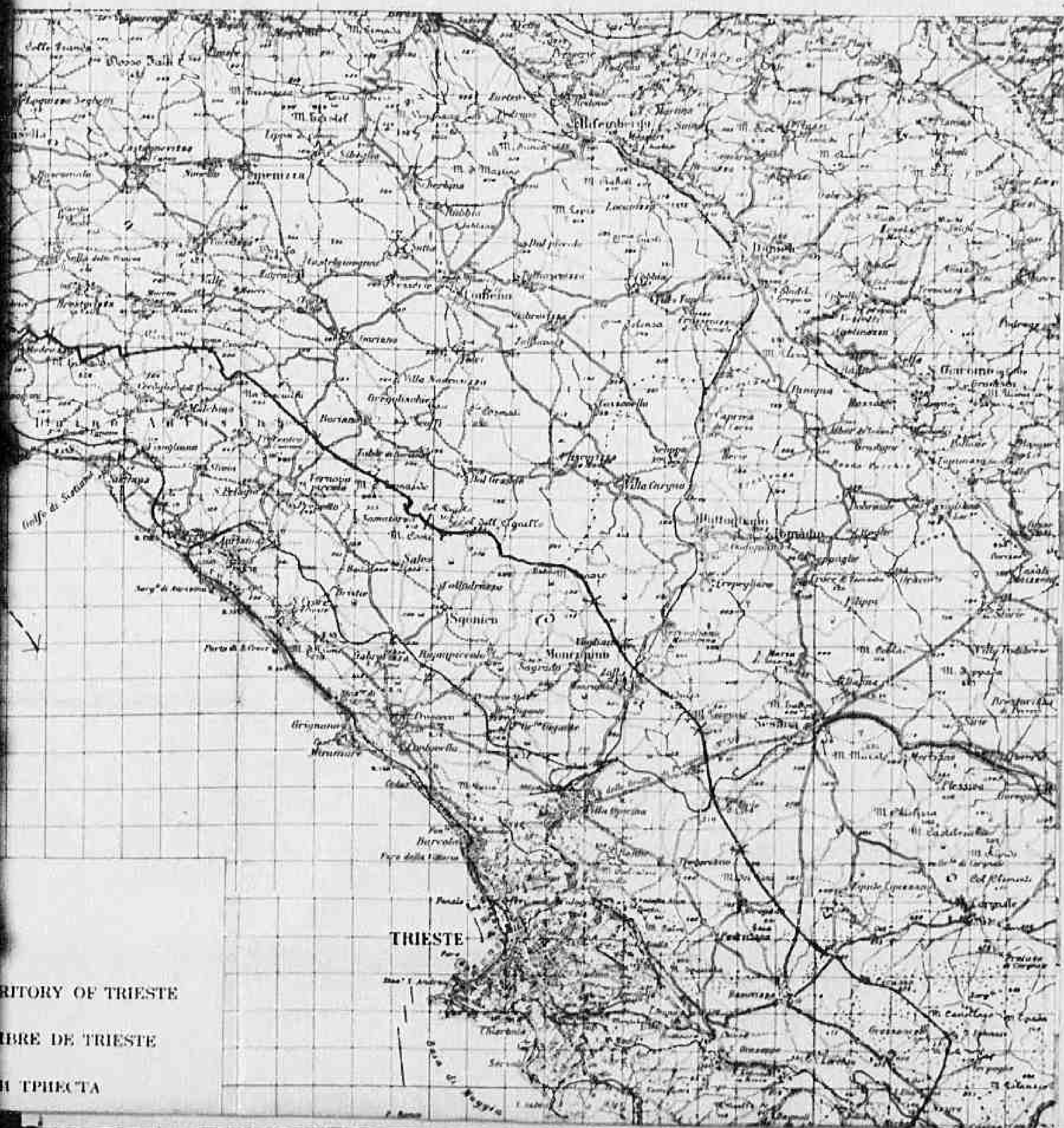
LES FRONTIÈRES DU TERRITOIRE LIBRE DE TRIESTE

ГРАНИЦЫ СВОБОДНОЙ ТЕРРИТОРИИ ТРИЕСТА

0233

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ANNEX NO.
ПРИЛОЖЕНИЕ НОМЕР



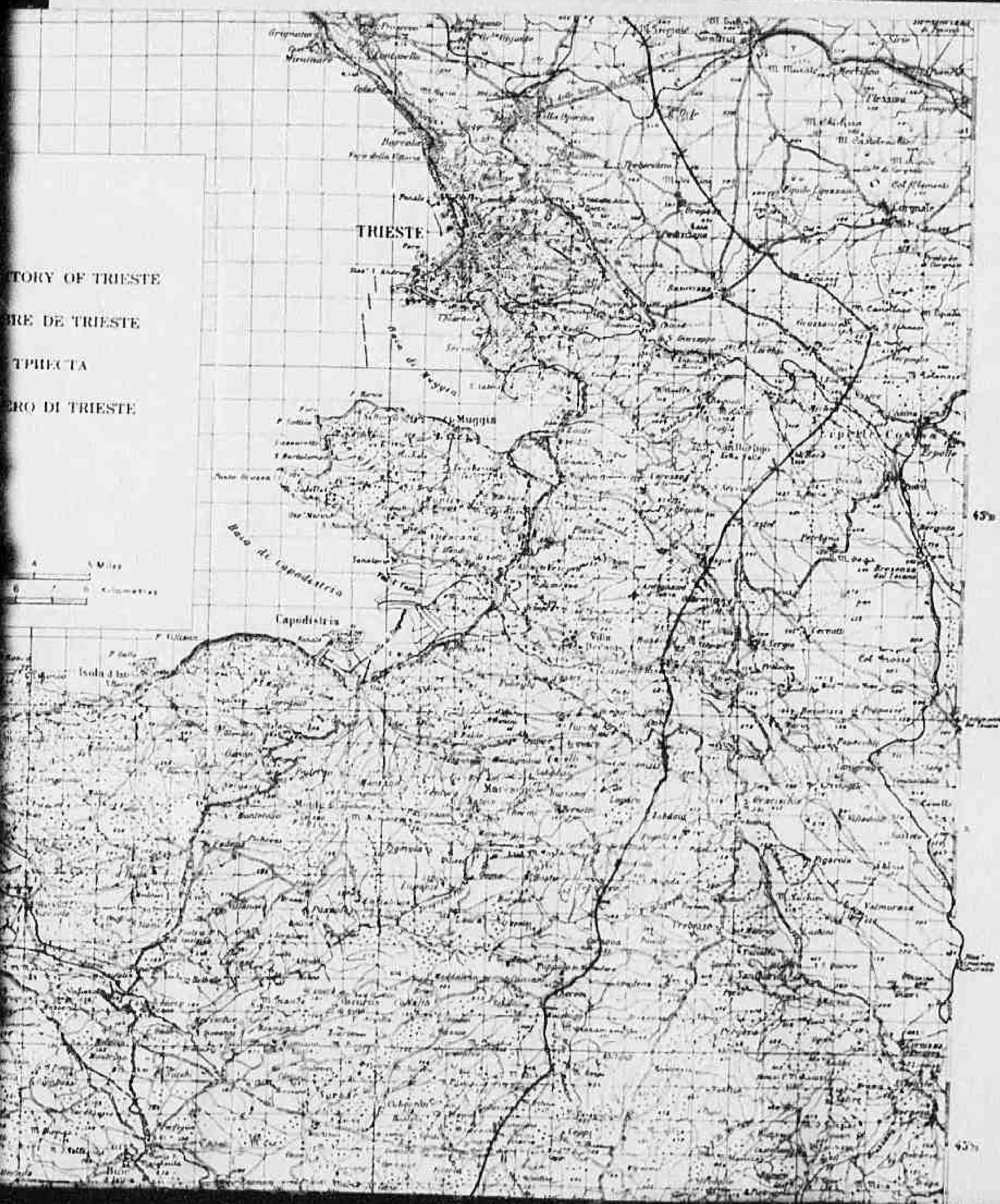
TRITORY OF TRIESTE

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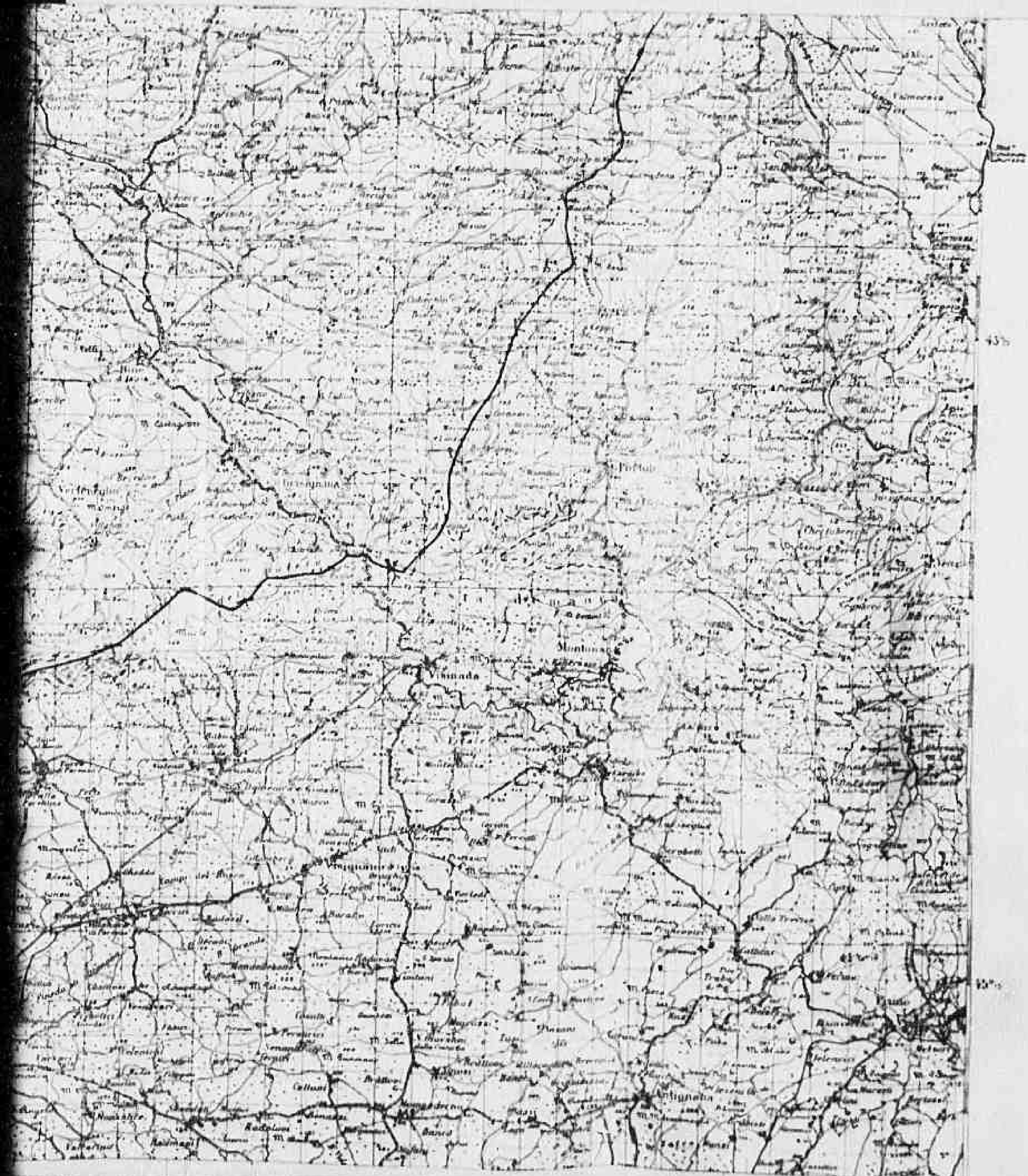
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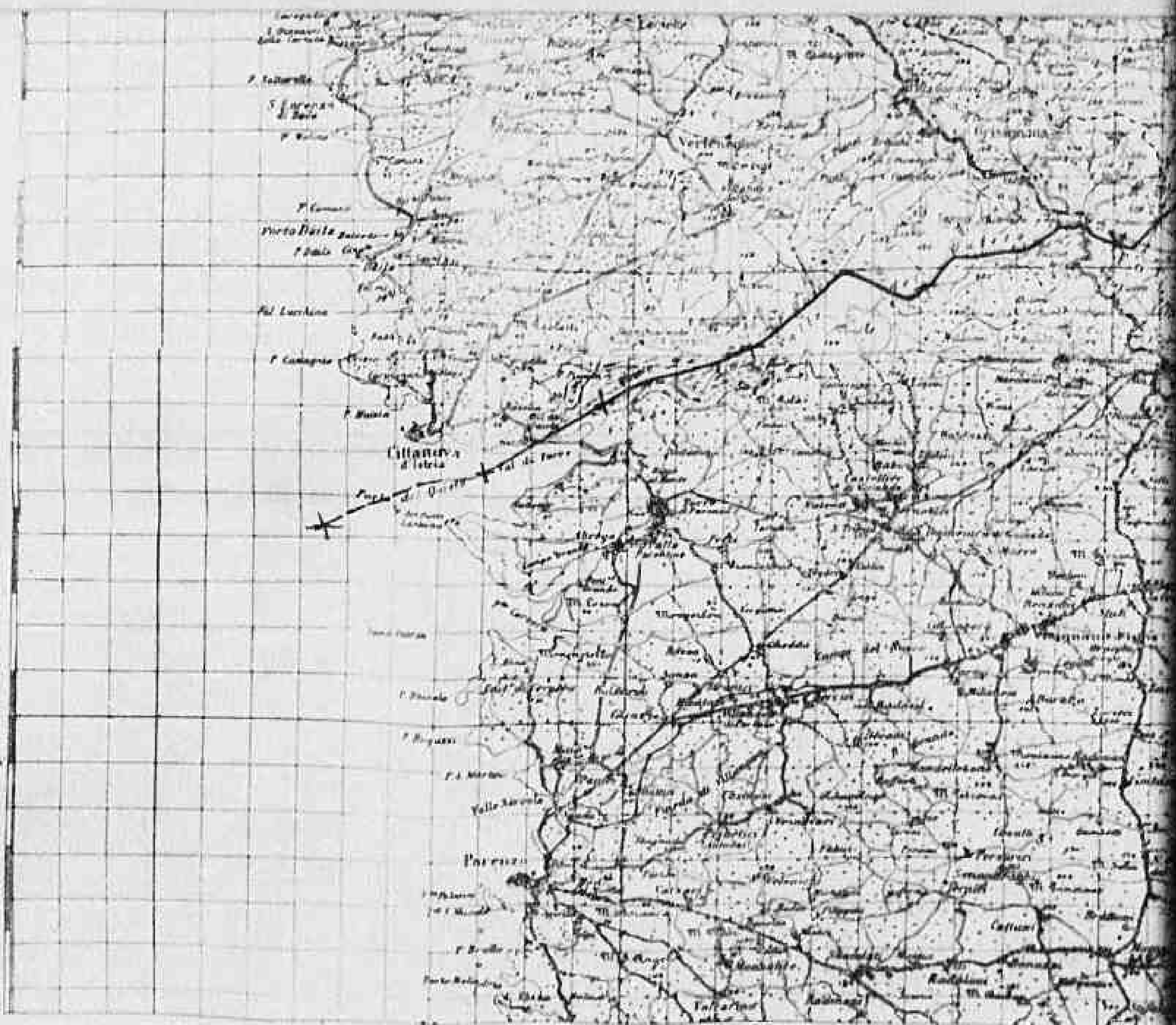
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0238

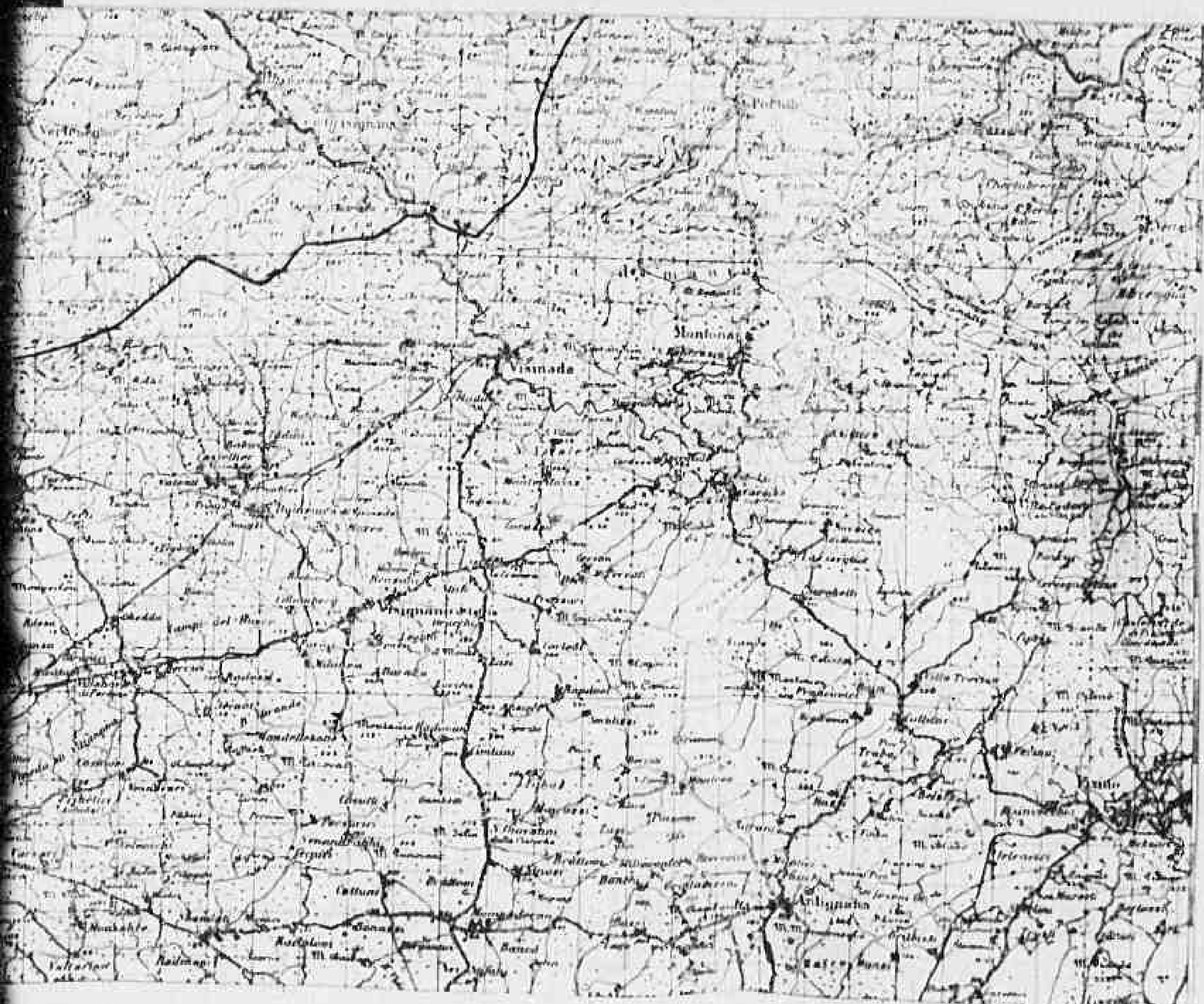
Declassified E.O. 12356 Section 3.3/NND No. 785017



Map prepared under direction of the Chief of Engineers, U.S. Army
Map Service, 1946 from 1:50,000 4748 Sheet numbers 848, 849, 850

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10612 December 1946
Department of State, Division of Map Intelligence and Cartography

0240

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18

Chas. de Comm.

Folio 17 and End of info, please

Chas. de Comm.

Two copies of this have been received.
I am retaining one for the moment
so that the new boundaries may be
marked up on a map.

H.S. 7/11

5178

Declassified E.O. 12356 Section 3.3/NND No. 785017

2627. 91

JAN 15 1947

CG 851

14 January 1947.

SUBJECT: Repairs to Private Property Damaged through Enemy Action.

TO : G-5 AFHQ.

1. Confirming conversation between Admiral Stone and Colonel Parsons on 10 January at HQ. Allied Commission, I am concerned about the application of Order No. 146 dated 6 June 1946 and various supplements, of which Order No. 270 dated 23 November 1946 is the most recent. These orders provide for the repairs by AMG, without expense to the owners, of private buildings destroyed or damaged through enemy action.

2. It will be noted from the attached memorandum of the Deputy Chief Legal Adviser that comparable Italian decrees require the owners to contribute never less than one third of the cost of such repairs, although the owner's contribution may run as high as two thirds in the case of expensive repairs.

3. I have for some time been concerned at the discrepancy between the plan being followed in Zone A and that of the Italian Government. So far as I can trace, the Venezia Giulia plan was not submitted to this Commission for approval. Under Annex CFM(46)(NY)-43(3rd revision) of December 14, 1946, Article 11, of the Draft Peace Treaty, recently received from AFHQ, the Italian Government is required to supply currency needs and foreign exchange of the Free Territory. While no time limit is set for this obligation, the first impression is that it will run from R Day until the entry into force of the Permanent Statute. But unless the "separate currency regime" is established prior to or coincident with the entry into force of the Permanent Statute, which is doubtful, the obligation of the Italian Government may well continue for an indefinite period after the entry into force of the Permanent Statute.

4. It will be noted that Order No. 146 states that neither AMG nor any other agency shall make or assert any claim of any nature against either the owner or as a lien on the rebuilt property, now or at any time in the future. With the Italian Government obligated to provide currency needs, which will probably be equivalent to the cash financing of IFF operating deficits, it would appear that the Italian Government will be financing a reconstruction program more favorable to property owners in the Free Territory than it performs for its own citizens in Italy.

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5. Moreover, the inference of the a/m Article 11 is that if the Italian Government is to supply foreign exchange and currency needs of the Free Territory in the future, it will be required, under

Capt H.

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the provisions of FAN 583, to assume the so-called "State" operating deficits incurred by ANG, Zone A.

6. For the foregoing reasons, I strongly recommend that the operation of Order No. 146 and its supplements be suspended until a new Order, to be approved by AFHQ and this Commission, has been promulgated to bring the procedure in Zone A in this respect at least in line with the equivalent Italian program set forth in the attached memorandum of the Deputy Chief Legal Adviser.

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USN
Chief Commissioner

Copy to:
C.F.A.
C.L.A.
Ex Com ✓
CC

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Note for Executive Commissioner:

G.O. 146 and 270 of Venezia Giulia declaring certain Communes Devastated Areas and saddling AMG (without participation of the landlord) with the responsibility of reconstructing private buildings destroyed or damaged through enemy action (German or Fascist) are not actually based on any previous Italian Government Decrees, although they spring from the same necessity. Italian Legislation dealing with the reconstruction of private houses "in order to secure a roof for people rendered homeless because of acts of war" starts with RDL 366 of 17 November 1944, and continues with DLL 306 of 9 June 1945.

I understand that there is a final text before the Council of Ministers which has not yet been approved.

The principal provisions of the Italian Decrees can be summed up as follows:

- 1) The Minister of Public Works initiates the reconstruction of certain private buildings damaged by war.
- 2) State contributes one half of the cost up to 75,000 lire and one third after that sum up to 150,000. Over 150,000 loans may be granted.
- 3) Landlords reimburse $2/3$ of State loans within a number of years (up to 20). 5113
- 4) Repairs are carried out by the Genio Civile under certain conditions.
- 5) When Genio Civile decide to rebuild without the consent of the landlord, the latter will in any case be responsible of 35% of the cost.

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6) Certain provisions in favour of existing tenants.

G. G. HANWATFORD
Lt. Colonel
Deputy Chief Legal Adviser

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10 2 4 5

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8X

Ex Comm.
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8/240
JAN. NPT

H/9062
JAN. 131000

SCAO AMG VENEZIA GIULIA

ROUTINE

BNXKXN APHQ (ATTACOS G-5) INFO: GHQ CMF = ALLIED COMMISSION

CONFIDENTIAL

BV

CONFIDENTIAL.

Accordance your instructions repeated today by Soemed and C in C personally have instructed acting director economic section this HQ and other officers to answer freely all questions propounded by commission of inquiry of council of foreign Ministers now in Trieste when and only when asked in open meeting or by communication on behalf of entire commission.

AC DIST

INFO ACTION	ECON DIV 3
INFO	CHIEF COMMISSIONER
	EX COMM
	FILE
	SKELETON

5173

CONFIDENTIAL

[Handwritten signature]

[Handwritten initials]

Declassified E.O. 12356 Section 3.3/NND No. 785017

INCOMING MESSAGE

2. It is my view that after "R" day I have no responsibility for feeding or otherwise maintaining any civil territory. It is my opinion however that the territory now being maintained by CCS will suffer want unless a substantial supply of essentials remains in the various areas at the time sovereignty passes. This is particularly applicable to TTT. The free state has practically no indigenous supplies, and unless provisioning is arranged for, and actually on hand, at turnover, it will get off to a very bad start. Allied Troops will be stationed in Maine Province for a considerable period after "R" day. While I have every confidence that Italy and Unrra will do their best to fill the gap it would be a bad publicity for us to leave bare borders and territories.

CONFIDENTIAL:
~~CONFIDENTIAL~~

CONFIDENTIAL

Reur cal 1580 not to all, this is NAP 1264. Subject is future maintenance of present AMG territory.

1. After "R" day no Allied machinery or authority will exist for the allocation of food and other disease and unrest supplies now being furnished by the OCS to Udine Province and zone A, Venezia Giulia it is therefore essential that all shipments designated for AMG territory shall arrive in time so that distribution can be completed by "R" day.

2. It is my view that after "R" day I have no responsibility for feeding or otherwise maintaining any civil territory. It is my opinion however that the territory now being maintained by OCS will suffer want unless a substantial supply of essentials remains in the various areas at the time sovereignty passes. This is particularly applicable to TPT. The free state has practically no indigenous supplies, and unless provisioning is arranged for, and actually on hand, at turnover, it will get off to a very bad start. Allied Troops will be stationed in Udine Province for a considerable period after "R" day. While I have every confidence that Italy and Unrra will do their best to fill the gap it would be a bad publicity for us to leave bare larder. AMG territory has lived ¹ ² hand to mouth existence from the beginning. There is now no reserve stock of food. Coal is practically exhausted and industries are closing down for lack thereof.

OVER

CONFIDENTIAL

Sum by C.C.

Copy for 362

2628
2629

INCOMING MESSAGE

HEADQUARTERS ALLIED COMMIS.

Originator's Reference:

Date/Time of Origin:

Message Centre No:

H/ 9059

Date Time Rec'd:

Precedence:

FROM:

TO

PAG 2

CONFIDENTIAL

3. I have already called forward the Jan-March requirements by FX 73824 of 18 December. I recommend that the April-June requirements be forwarded without delay, so that

the 6 months supply shall arrive by 15 March 47. This will permit distribution prior to 1 April 47 which for the purpose at hand I estimate as "R" day.

4. In view of the interest I have in Trieste while UK/US Troops are stationed there and particularly during AMG period prior to assumption of office by Governor I would like assurances that food and other essential supplies including coal to prevent disease and unrest are being provided from some source.

AC DIST

INFO ACTION - EX COMER

INFO - CHIEF COMMISSIONER

FOLAD(A)

FOLAD(B)

ECOM DIV 3

FILE

INFO - ACTION

5171

Declassified E.O. 12356 Section 3.3/NND No. 785017

CONFIDENTIAL

NR

3. I have already called forward the Jan-March requirements by FK 73824 of 18 December.

I recommend that the April-June requirements be forwarded without delay, so that the 6 months supply shall arrive by 15 March 47. This will permit distribution prior to 1 April 47 which for the purpose at hand I estimate as "R" day.

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AC DIST

INFO ACTION - EX COMAR

INFO - CHIEF COMMISSIONER

FOLAD(A)

FOLAD(B)

ECOW DIV 3

FILE

SKELETON

INFO - ACTION

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CONFIDENTIAL

4530 1809 26279 HQ AC JAN Ex Comm
HEADQUARTERS, ALLIED MILITARY GOVERNMENT VENEZIA GIULIA

Office of the Senior Civil Affairs Officer

AGB/hm/jen 57

VB/ANG/72/2

8 January 1947.

SECRET

Memorandum to: Captain Pert

See 4 CC. ME

1. As you were advised orally this morning, I should like you, in addition to your other duties, to prepare an exhaustive report and recommendations based on your local experience, on the subject of the preparation of electoral rolls and the holding of elections.
2. Work on this project should start soon, as you are scheduled for leave in the near future and will presumably go home for release on or about March 1.
3. In addition to expounding carefully but succinctly the work that you have done along the traditional Italian lines, the report should have an additional aspect.
4. Article 8 of the Instrument for the Provisional Regime of the Free Territory requires the Governor to hold elections not later than four months after his assumption of office, unless for technical reasons this is impossible in which case he is required to report that fact to the Security Council.
5. As an able and sincere individual conscious of the responsibility reposed in him, the governor will most certainly desire to avoid "alibis" to higher authority as far as possible and will wish to make every effort to conduct the elections within the basic time limitation.
6. We know from experience just how complicated and difficult the preparation of even the sketchiest electoral rolls can be, and how virtually impossible it seems, at first blush, to proceed not only to prepare these rolls but to hold elections based on them, within such a short period.
7. As the member of my staff who knows these difficulties best, you are presumably in the most favorable position to make recommendations for new methods and procedures which will avoid them as far as possible.

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Exp. K.

PA 15
AK

Memo: Captain Pert

8 Jan 1946

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8. I desire that you do make this a part of your job and include in your report your carefully considered recommendations for procedures recommended to be followed by the Governor.

9. In doing this you should so far as possible divorce your mind from traditional constitutional concepts and suggest a method for the preparation of the rolls which will be as excellent as possible from a practical standpoint. Your plan should be based on general principles rather than precedent, and be calculated to produce the most desirable pragmatic result in a minimum period of time.

10. Please regard this assignment as being of primary importance, and give it your best.

ALB

ALFRED C. BOWMAN
Colonel, J.A.G.D.
Senior Civil Affairs Officer

Copy to:

Chief of Staff, GHQ, CWP.
Assistant Chief of Staff G-5, AFHQ.
Executive Commissioner, Allied Commission.

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0252

Declassified E.O. 12356 Section 3.3/NND No. 785017

2627

JAN 9 1947

4746

Ex Comm 55

SECRET

ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

Confidential

7 January 1947

G-5: 901.10 P

SUBJECT: Permanent Statute for the Free
Territory of Trieste and Instrument
for the Free Port of Trieste.

1. Enclosed Copy No(s) 8 & 9 of the above named
documents are enclosed herewith. Please acknowledge receipt.

2. Related Subject: It is requested that reference
number G-5: 901.10 P be added to the paper of 4 January 1947,
Subject, "Instrument for the Provisional Regime of the Free
Territory of Trieste".

BY COMMAND OF GENERAL MORGAN:

J. G. Clapperton

A. L. HAMBLEY
Colonel, G.S.C.

Assistant Chief of Staff, G-5

DISTRIBUTION:

SACS
O/S MTO
G-3 (MTO)
G-3 (AFHQ)
JAG
P&G G-5, FES G-5
ALCOM
US Polad
Brit Polad
GHQ GEF
AMG, VO.
SS Div.
G-4 (MTO)

Capt K

15
JAN 16 1947
UR

Copy No. 8

C O U N C I L O F F O R E I G N M I N I S T E R S

NEW YORK - 1946

ALCOM.

SECRET
CFM(46)(NY)68(Revised)
December 11, 1946

Confidential

ANNEX

INSTRUMENT FOR THE FREE PORT OF TRIESTE

Article 1

1. In order to ensure that the port and transit facilities of Trieste will be available for use on equal terms by all international trade and by Yugoslavia, Italy and the States of Central Europe, in such manner as is customary in other free ports of the world:

- (a) There shall be a customs free port in the Free Territory of Trieste within the limits provided for by or established in accordance with Article 3 of the present Instrument.
- (b) Goods passing through the Free Port of Trieste shall enjoy freedom of transit as stipulated in Article 16 of the present Instrument.

2. The international regime of the Free Port shall be governed by the provisions of the present Instrument.

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CFM(46)(NY)68(Revised)
December 11, 1946

- 2 **Confidential**

Article 2

1. The Free Port shall be established and administered as a State corporation of the Free Territory, having all the attributes of a juridical person and functioning in accordance with the provisions of this Instrument.

2. All Italian state and para-statal property within the limits of the Free Port which, according to the provisions of the present Treaty, shall pass to the Free Territory shall be transferred without payment to the Free Port.

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CFM(46)(NY)68 (vised)
December 11, 1946

Confidential

- 3 -

Article 3

1. The area of the Free Port shall include the territory and installations of the free zones of the Port of Trieste within the limits of the 1939 boundaries.

2. The establishment of special zones in the Free Port under the exclusive jurisdiction of any State is incompatible with the status of the Free Territory and of the Free Port.

3. In order, however, to meet the special needs of Yugoslav and Italian shipping in the Adriatic, the Director of the Free Port, on the request of the Yugoslav or Italian Government and with the concurring advice of the International Commission, provided for in Article 21, may reserve to merchant vessels flying the flag of either of these two States the exclusive use of berthing spaces within certain parts of the area of the Free Port.

4. In case it shall be necessary to increase the area of the Free Port such increase may be made upon the proposal of the Director of the Free Port by decision of the Council of Government with the approval of the popular Assembly.

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SECRET

CFM(46)(NY)68(Revised)
December 11, 1946

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Article 4

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Unless otherwise provided for by the present Instrument, the laws and regulations in force in the Free Territory shall be applicable to persons and property within the boundaries of the Free Port and the authorities responsible for their application in the Free Territory shall exercise their functions within the limits of the Free Port.

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SECRET

CFM(46)(NY)68(Revised)
December 11, 1946

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Article 5

Confidential

1. Merchant vessels and goods of all countries shall be allowed unrestricted access to the Free Port for loading and discharge both for goods in transit and goods destined for or proceeding from the Free Territory.

2. In connection with importation into or exportation from or transit through the Free Port, the authorities of the Free Territory shall not levy on such goods customs duties or charges other than those levied for services rendered.

3. However, in respect of goods, imported through the Free Port for consumption within the Free Territory or exported from this Territory through the Free Port, appropriate legislation and regulations in force in the Free Territory shall be applied.

Article 6

Warehousing, storing, examining, sorting, packing and repacking and similar activities which have customarily been carried on in the free zones of the Port of Trieste shall be permitted in the Free Port under the general regulations established by the Director of the Free Port.

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SECRET

CFM(48)(NY)68(1 Isod)
December 11, 1946

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Article 7 **Confidential**

1. The Director of the Free Port may also permit the processing of goods in the Free Port.

2. Manufacturing activities in the Free Port shall be permitted to those enterprises which existed in the free zones of the port of Trieste before the entry into force of the present Instrument. Upon the proposal of the Director of the Free Port, the Council of Government may permit the establishment of new manufacturing enterprises within the limits of the Free Port.

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SECRET
CFM(46)(NY)68 (revised)
December 11, 1946

Confidential

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Article 8

Inspection by the authorities of the Free Territory shall be permitted within the Free Port to the extent necessary to enforce the customs or other regulations of the Free Territory for the prevention of smuggling.

Article 9

1. The authorities of the Free Territory will be entitled to fix and levy harbour dues in the Free Port.
2. The Director of the Free Port shall fix all charges for the use of the facilities and services of the Free Port. Such charges shall be reasonable and be related to the cost of operation, administration, maintenance and development of the Free Port.

Article 10

In the fixing and levying in the Free Port of harbour dues and other charges under Article 9, as well as in the provision of the services and facilities of the Free Port, there shall be no discrimination in respect of the nationality of the vessels, the ownership of the goods or on any other grounds.

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Declassified E.O. 12356 Section 3.3/NND No. 785017

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December 11, 1946

- 8 -

Confidential

Article 11

The passage of all persons into and out of the Free Port area shall be subject to such regulations as the authorities of the Free Territory shall establish. These regulations, however, shall be established in such a manner as not unduly to impede the passage into and out of the Free Port of nationals of any State who are engaged in any legitimate pursuit in the Free Port area.

Article 12

The rules and bye-laws operative in the Free Port and likewise the schedules of charges levied in the Free Port must be made public.

Article 13

Coastwise shipping and coastwise trade within the Free Territory shall be carried on in accordance with regulations issued by the authorities of the Free Territory, the provisions of the present Instrument not being deemed to impose upon such authorities any restrictions in this respect.

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~~SECRET~~
CPM(48)(NY)68(Revised)
December 11, 1968

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Confidential

Article 14

Within the boundaries of the Free Port, measures for the protection of health and measures for combating animal and plant diseases in respect of vessels and cargoes shall be applied by the authorities of the Free Territory.

Article 15

It shall be the duty of the authorities of the Free Territory to provide the Free Port with water supplies, gas, electric light and power, communications, drainage facilities and other public services and also to ensure police and fire protection.

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SECRET

CFM(46)(NY)68(ised)
December 11, 1946

Confidential

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Article 16

1. Freedom of transit shall, in accordance with customary international agreements, be assured by the Free Territory and the States whose territories are traversed to goods transported by railroads between the Free Port and the States which it serves, without any discrimination and without customs duties or charges other than those levied for services rendered.
2. The Free Territory and the States assuming the obligations of the present Instrument through whose territory such traffic passes in transit in either direction shall do all in their power to provide the best possible facilities in all respects for the speedy and efficient movement of such traffic at a reasonable cost, and shall not apply with respect to the movement of goods to and from the Free Port any discriminatory measures with respect to rates, services, customs, sanitary, police or any other regulations.
3. The States assuming the obligations of the present Instrument shall take no measures regarding regulations or rates which would artificially divert traffic from the Free Port for the benefit of other seaports. Measures taken by the Government of Yugoslavia to provide for traffic to ports in southern Yugoslavia shall not be considered as measures designed to divert traffic artificially.

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CFM(46)(NY)68(Revised)
December 11, 1946

- 11 -

Article 17

Confidential 64

The Free Territory and the States assuming the obligations of the present Instrument shall, within their respective territories and on non-discriminatory terms, grant in accordance with customary international agreements freedom of postal, telegraphic, and telephonic communications between the Free Port area and any country for such communications as originate in or are destined for the Free Port area.

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Declassified E.O. 12356 Section 3.3/NND No. 785017

SECRET

CFM(46)(NY)68 (revised)
December 11, 1948

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Confidential

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Article 18

1. The administration of the Free Port shall be carried on by the Director of the Free Port who will represent it as a juridical person. The Council of Government shall submit to the Governor a list of qualified candidates for the post of Director of the Free Port. The Governor shall appoint the Director from among the candidates presented to him after consultation with the Council of Government. In case of disagreement the matter shall be referred to the Security Council. The Governor may also dismiss the Director upon the recommendation of the International Commission or the Council of Government.

2. The Director shall not be a citizen of Yugoslavia or Italy.

3. All other employees of the Free Port will be appointed by the Director. In all appointments of employees preference shall be given to citizens of the Free Territory.

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December 11, 1946

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Article 19

Confidential

Subject to the provisions of the present Instrument, the Director of the Free Port shall take all reasonable and necessary measures for the administration, operation, maintenance and development of the Free Port as an efficient port adequate for the prompt handling of all the traffic of that port. In particular, the Director shall be responsible for the execution of all kinds of port works in the Free Port, shall direct the operation of port installations and other port equipment, shall establish, in accordance with legislation of the Free Territory, conditions of labour in the Free Port, and shall also supervise the execution in the Free Port of orders and regulations of the authorities of the Free Territory in respect to navigation.

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CFM(46)(NY)68(vised)
December 11, 1946

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Confidential

Article 20

1. The Director of the Free Port shall issue such rules and bye-laws as he considers necessary in the exercise of his functions as prescribed in the preceding Article.

2. The autonomous budget of the Free Port will be prepared by the Director, and will be approved and applied in accordance with legislation to be established by the popular Assembly of the Free Territory.

3. The Director of the Free Port shall submit an annual report on the operations of the Free Port to the Governor and the Council of Government of the Free Territory. A copy of the report shall be transmitted to the International Commission.

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SECRET

CPM(48)(NY)68(Revised)

December 11, 1946

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Article 21

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Confidential

1. There shall be established an International Commission of the Free Port, hereinafter called "the Commission", consisting of one representative from the Free Territory and from each of the following States: France, United Kingdom of Great Britain and Northern Ireland, Union of Soviet Socialist Republics, United States of America, The Peoples' Federal Republic of Yugoslavia, Italy, Czechoslovakia, Poland, Switzerland, Austria and Hungary, provided that such State has assumed the obligations of the present Instrument.

2. The representative of the Free Territory shall be the permanent Chairman of the Commission. In the event of a tie in voting the vote cast by the Chairman shall be decisive.

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SECRET
CFM(45)(NY)68()ised)
December 11, 1946

- 16 -

Article 22

Confidential

The Commission shall have its seat in the Free Port. Its offices and activities shall be exempt from local jurisdiction. The members and officials of the Commission shall enjoy in the Free Territory such privileges and immunities as are necessary for the independent exercise of their functions. The Commission shall decide upon its own secretariat, procedure and budget. The common expenses of the Commission shall be shared by member States in an equitable manner as agreed by them through the Commission.

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CFM(46)(NY)68 (revised)
December 11, 1946

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Article 23

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The Commission shall have the right to investigate and consider all matters relating to the operation, use, and administration of the Free Port or to the technical aspects of transit between the Free Port and the States which it serves, including unification of handling procedures. The Commission shall act either on its own initiative or when such matters have been brought to its attention by any State or by the Free Territory or by the Director of the Free Port. The Commission shall communicate its views or recommendations on such matters to the State or States concerned, or to the Free Territory, or to the Director of the Free Port. Such recommendations shall be considered and the necessary measures shall be taken. Should the Free Territory or the State or States concerned deem however that such measures would be inconsistent with the provisions of the present Instrument, the matter may at the request of the Free Territory or any interested State be dealt with as provided in Article 24.

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December 11, 1966

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Article 24

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Any dispute relating to the interpretation or execution of the present Instrument, not resolved by direct negotiations, shall, unless the parties mutually agree upon another means of settlement, be referred at the request of either party to the dispute to a Commission composed of one representative of each party and a third member selected by mutual agreement of the two parties from nationals of third countries. Should the two parties fail to agree within a period of one month upon the appointment of the third member, the Secretary General of the United Nations shall be requested to make the appointment. The decision of the majority of the members of the Commission shall be the decision of the Commission, and shall be accepted by the parties as definitive and binding.

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Article 25

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Proposals for amendments to the present Instrument may be submitted to the Security Council by the Council of Government of the Free Territory or by three or more States represented on the International Commission. An amendment approved by the Security Council shall enter into force on the date determined by the Security Council.

Article 26

For the purposes of the present Instrument a State shall be considered as having assumed the obligations of this Instrument if it is a party to the Treaty of Peace with Italy or has notified the Government of the French Republic of its assumption of such obligations.

Waldorf-Astoria Hotel,
New York, N. Y.
December 11, 1946

7145

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COUNCIL OF FOREIGN MINISTERS

NEW YORK - 1946

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CFM (46) (NY) 62 (2nd Revision)
December 13, 1946

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ANNEX.....*

PERMANENT STATUTE FOR THE
FREE TERRITORY OF TRIESTE

ARTICLE 1. AREA OF FREE TERRITORY

The area of the Free Territory of Trieste shall be the territory within the frontiers described in Articles 4 and 16 of the present Treaty as delimited in accordance with Article 5 of the Treaty.

ARTICLE 2. INTEGRITY AND INDEPENDENCE

The integrity and independence of the Free Territory shall be assured by the Security Council of the United Nations Organization. This responsibility implies that the Council shall:

- (a) ensure the observance of the present Statute and in particular the protection of the basic human rights of the inhabitants.
- (b) ensure the maintenance of public order and security in the Free Territory.

*NOTE: The headings of the various Articles are included for convenience and will not necessarily be adopted in the final text of the Treaty.

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ARTICLE 3. DEMILITARIZATION AND NEUTRALITY

1. The Free Territory shall be demilitarized and declared neutral.
2. No armed forces, except upon direction of the Security Council, shall be allowed in the Free Territory.
3. No para-military formations, exercises or activities, shall be permitted within the Free Territory.
4. The Government of the Free Territory shall not make or discuss any military arrangements or undertakings with any State.

ARTICLE 4. HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

The Constitution of the Free Territory shall ensure to all persons under the jurisdiction of the Free Territory, without distinction as to ethnic origin, sex, language or religion, the enjoyment of human rights and of the fundamental freedoms, including freedom of religious worship, language, speech and publication, education, assembly and association. Citizens of the Free Territory shall be assured of equality of eligibility for public offices.

ARTICLE 5. CIVIC AND POLITICAL RIGHTS

No person who has acquired the citizenship of the Free Territory shall be deprived of his civic or political rights except as judicial punishment for the infraction of the penal laws of the Free Territory.

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ARTICLE 6. CITIZENSHIP

1. Italian citizens who were domiciled on June 10, 1940 in the area comprised within the boundaries of the Free Territory, and their children born after that date, shall become original citizens of the Free Territory with full civil and political rights. Upon becoming citizens of the Free Territory they shall lose their Italian citizenship.

2. The Government of the Free Territory shall, however, provide that the persons referred to in paragraph 1 over the age of eighteen years (or married persons whether under or over that age) whose customary language is Italian shall be entitled to opt for Italian citizenship within six months from the coming into force of the Constitution under conditions to be laid down therein. Any person so opting shall be considered to have re-acquired Italian citizenship. The option of the husband shall not constitute an option on the part of the wife. Option on the part of the father, or if the father is not alive, on the part of the mother, shall, however, automatically include all unmarried children under the age of eighteen years.

3. The Free Territory may require those who take advantage of the option to move to Italy within a year from the date on which the option was exercised.

4. The conditions for the acquisition of citizenship by persons not qualifying for original citizenship shall be determined by the Constituent Assembly of the Free Territory and embodied in the Constitution. Such conditions shall, however, exclude the acquisition of citizenship by members of the former Italian Fascist Police (O.V.R....) who have not been exonerated by the authorities, including the Allied Military Authorities who were responsible for the administration of the area.

ARTICLE 7. OFFICIAL LANGUAGES

The official languages of the Free Territory shall be Italian and Slovene. The Constitution shall determine in what circumstances Croatian may be used as a third official language.

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ARTICLE 8 FLAG AND COAT-OF-ARMS

The Free Territory shall have its own flag and coat-of-arms. The flag shall be the traditional flag of the City of Trieste and the arms shall be its historic coat-of-arms.

ARTICLE 9 ORGANS OF GOVERNMENT

For the government of the Free Territory there shall be a Governor, a Council of Government, a popular Assembly elected by the people of the Free Territory and a Judiciary, whose respective powers shall be exercised in accordance with the provisions of the present Statute and of the Constitution of the Free Territory.

ARTICLE 10 CONSTITUTION

1. The Constitution of the Free Territory shall be established in accordance with democratic principles and adopted by a Constituent Assembly with a two-thirds majority of the votes cast. The Constitution shall be made to conform to the provisions of the present Statute and shall not enter into force prior to the coming into force of the Statute.

2. If in the opinion of the Governor any provisions of the Constitution proposed by the Constituent Assembly or any subsequent amendments thereto are in contradiction to the Statute he may prevent their entry into force, subject to reference to the Security Council if the Assembly does not accept his views and recommendations.

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ARTICLE 11. APPOINTMENT OF GOVERNOR

1. The Governor shall be appointed by the Security Council after consultation with the Governments of Yugoslavia and Italy. He shall not be a citizen of Yugoslavia or Italy or of the Free Territory. He shall be appointed for five years and may be reappointed. His salary and allowances shall be borne by the United Nations.

2. The Governor may authorize a person selected by him to act for him in the event of his temporary absence or temporary inability to perform his duties.

3. The Security Council, if it considers that the Governor has failed to carry out his duties, may suspend him and, under appropriate safeguards of investigation and hearing, dismiss him from his office. In the event of his suspension or dismissal or in the event of his death or disability the Security Council may designate or appoint another person to act as Provisional Governor until the Governor recovers from his disability or a new Governor is appointed.

ARTICLE 12. LEGISLATIVE AUTHORITY

The legislative authority shall be exercised by a popular Assembly consisting of a single chamber elected on the basis of proportional representation, by the citizens of both sexes of the Free Territory. The elections for the Assembly shall be conducted on the basis of universal, equal, direct and secret suffrage.

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ARTICLE 13 COUNCIL OF GOVERNMENT

1. Subject to the responsibilities vested in the Governor under the present Statute, executive authority in the Free Territory shall be exercised by a Council of Government which will be formed by the popular Assembly and will be responsible to the Assembly.
2. The Governor shall have the right to be present at all meetings of the Council of Government. He may express his views on all questions affecting his responsibilities.
3. When matters affecting their responsibilities are discussed by the Council of Government, the Director of Public Security and the Director of the Free Port shall be invited to attend meetings of the Council and to express their views.

ARTICLE 14. EXERCISE OF JUDICIAL AUTHORITY

The judicial authority in the Free Territory shall be exercised by tribunals established pursuant to the Constitution and laws of the Free Territory.

ARTICLE 15. FREEDOM AND INDEPENDENCE OF JUDICIARY

The Constitution of the Free Territory shall guarantee the complete freedom and independence of the judiciary and shall provide for appellate jurisdiction.

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ARTICLE 16. APPOINTMENT OF JUDICIARY

1. The Governor shall appoint the judiciary from among candidates proposed by the Council of Government or from among other persons, after consultation with the Council of Government unless the Constitution provides for a different manner for filling judicial posts; And, subject to safeguards to be established by the Constitution, may remove members of the judiciary for conduct incompatible with their judicial office.

2. The popular Assembly, by a two-thirds majority of votes cast may request the Governor to investigate any charge brought against a member of the judiciary which, if proved, would warrant his suspension or removal.

ARTICLE 17. RESPONSIBILITY OF THE GOVERNOR
TO THE SECURITY COUNCIL

1. The Governor, as the representative of the Security Council, shall be responsible for supervising the observance of the present Statute including the protection of the basic human rights of the inhabitants and for ensuring that public order and security are maintained by the Government of the Free Territory in accordance with the present Statute, the Constitution and laws of the Free Territory.

2. The Governor shall present to the Security Council, annual reports concerning the operation of the Statute and the performance of his duties.

ARTICLE 18. RIGHTS OF THE ASSEMBLY

The popular Assembly shall have the right to consider and discuss any matters affecting the interests of the Free Territory.

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ARTICLE 19. ENACTMENT OF LEGISLATION

1. Legislation may be initiated by members of the popular Assembly and by the Council of Government as well as by the Governor in matters which in his view affect the responsibilities of the Security Council as defined in Article 2 of the present Statute.
2. No law shall enter into force until it shall have been promulgated. The promulgation of laws shall take place in accordance with the provisions of the Constitution of the Free Territory.
3. Before being promulgated legislation enacted by the Assembly shall be presented to the Governor.
4. If the Governor considers that such legislation is in contradiction to the present Statute, he may, within ten days following presentation of such legislation to him return it to the Assembly with his comments and recommendations. If the Governor does not return the legislation within such ten days or if he advises the Assembly within such period that it calls for no comments or recommendation on his part, the legislation shall be promulgated forthwith.
5. If the Assembly makes manifest its refusal to withdraw legislation returned to the Assembly by the Governor or to amend it in conformity with his comments or recommendations, the Governor shall, unless he is prepared to withdraw his comments or recommendations, in which case the law shall be promulgated forthwith, immediately report the matter to the Security Council. The Governor shall likewise transmit without delay to the Security Council any communication which the Assembly may wish to make to the Council on the matter.
6. Legislation which forms the subject of a report to the Security Council under the provisions of the preceding paragraph shall only be promulgated by the direction of the Security Council.

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December 12, 1946

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ARTICLE 20. RIGHTS OF GOVERNOR WITH
RESPECT TO ADMINISTRATIVE MEASURES

1. The Governor may require the Council of Government to suspend administrative measures which in his view conflict with his responsibilities as defined in the present Statute (observance of the Statute; maintenance of public order and security; respect for human rights). Should the Council of Government object, the Governor may suspend these administrative measures and the Governor or the Council of Government may refer the whole question to the Security Council for decision.

2. In matters affecting his responsibilities as defined in the Statute the Governor may propose to the Council of Government the adoption of any administrative measures. Should the Council of Government not accept such proposals the Governor may, without prejudice to Article 22 of the present Statute, refer the matter to the Security Council for decision.

ARTICLE 21. BUDGET

1. The Council of Government shall be responsible for the preparation of the budget of the Free Territory, including both revenue and expenditure, and for its submission to the popular Assembly.

2. If the Assembly should fail to vote the budget within the proper time limit, the provisions of the budget for the preceding period shall be applied to the new budgetary period until such time as the new budget shall have been voted.

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ARTICLE 22 SPECIAL POWERS OF GOVERNOR

1. In order that he may carry out his responsibilities to the Security Council under the present Statute, the Governor may, in cases which in his opinion permit of no delay, threatening the independence or integrity of the Free Territory, public order or respect of human rights, directly order and require the execution of appropriate measures subject to an immediate report thereon being made by him to the Security Council. In such circumstances the Governor may himself assume, if he deems it necessary, control of the Security services.

2. The popular Assembly may petition the Security Council concerning any exercise by the Governor of his powers under paragraph 1 of this Article.

ARTICLE 23. POWER OF PARDON AND RETRIEVE

The power of pardon and reprieve shall be vested in the Governor and shall be exercised by him in accordance with provisions to be laid down in the Constitution.

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ARTICLE 24. FOREIGN RELATIONS

1. The Governor shall ensure that the foreign relations of the Free Territory shall be conducted in conformity with the Statute, Constitution, and laws of the Free Territory. To this end the Governor shall have authority to prevent the entry into force of treaties or agreements affecting foreign relations which, in his judgment, conflict with the Statute, Constitution or laws of the Free Territory.
2. Treaties and agreements, as well as exequaturs and consular commissions, shall be signed jointly by the Governor and a representative of the Council of Government.
3. The Free Territory may be or become a party to international conventions or become a member of international organizations provided the aim of such conventions or organizations is to settle economic, technical, cultural, social or health questions.
4. Economic union or associations of an exclusive character with any State, are incompatible with the status of the Free Territory.
5. The Free Territory of Trieste shall recognize the full force of the Treaty of Peace with Italy, and shall give effect to the applicable provisions of that Treaty. The Free Territory shall also recognize the full force of the other agreements or arrangements which have been or will be reached by the Allied and Associated Powers for the restoration of peace.

ARTICLE 25. INDEPENDENCE OF GOVERNOR AND STAFF

In the performance of their duties, the Governor and his staff shall not seek or receive instructions from any Government or from any other authority except the Security Council. They shall refrain from any act which might reflect on their position as international officials responsible only to the Security Council.

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2. Treaties and agreements, as well as exequaturs and consular commissions, shall be signed jointly by the Governor and a representative of the Council of Government.
3. The Free Territory may be or become a party to international conventions or become a member of international organizations provided the aim of such conventions or organizations is to settle economic, technical, cultural, social or health questions.
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December 3, 1946

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ARTICLE 26. APPOINTMENT AND REMOVAL OF ADMINISTRATIVE
OFFICIALS

1. Appointments to public office in the Free Territory shall be made exclusively on the ground of ability, competence and integrity.
2. Administrative officials shall not be removed from office except for incompetence or misconduct and such removal shall be subject to appropriate safeguards of investigation and hearing to be established by law.

ARTICLE 27. DIRECTOR OF PUBLIC SECURITY

1. The Council of Government shall submit to the Governor a list of candidates for the post of Director of Public Security. The Governor shall appoint the Director from among the candidates presented to him, or from among other persons, after consultation with the Council of Government. He may also dismiss the Director of Public Security after consultation with the Council of Government.
2. The Director of Public Security shall not be a citizen of Yugoslavia or Italy.
3. The Director of Public Security shall normally be under the immediate authority of the Council of Government from which he will receive instructions on matters within his competence.
4. The Governor shall:
 - (a) receive regular reports from the Director of Public Security, and consult with him on any matters coming within the competence of the Director.
 - (b) be informed by the Council of Government of its instructions to the Director of Public Security and may express his opinion thereon.

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CPL (46) (NY) 62 (2nd Revision)
December 3, 1946

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ARTICLE 28. POLICE FORCE

1. In order to preserve public order and security in accordance with the Statute, the Constitution and the laws of the Free Territory, the Government of the Free Territory shall be empowered to maintain a police force and security services.

2. Members of the police force and security services shall be recruited by the Director of Public Security and shall be subject to dismissal by him.

ARTICLE 29. LOCAL GOVERNMENT

The Constitution of the Free Territory shall provide for the establishment on the basis of proportional representation of organs of local government on democratic principles, including universal, equal, direct and secret suffrage.

ARTICLE 30. MONETARY SYSTEM

The Free Territory shall have its own monetary system.

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December 13, 1946.

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ARTICLE 31. RAILWAYS

Without prejudice to its proprietary rights over the railways within its boundaries and its control of the railway administration, the Free Territory may negotiate with Yugoslavia and Italy agreements for the purpose of ensuring the efficient and economical operation of its railways. Such agreements would determine where responsibility lies for the operation of the railways in the direction of Yugoslavia or Italy respectively and also for the operation of the railway terminal of Trieste and of that part of the line which is common to all. In the latter case such operation may be affected by a special commission comprised of representatives of the Free Territory, Yugoslavia and Italy under the chairmanship of the representative of the Free Territory.

ARTICLE 32. COMMERCIAL AVIATION

1. Commercial aircraft registered in the territory of any one of the United Nations which grants on its territory the same rights to commercial aircraft registered in the Free Territory, shall be granted international commercial aviation rights, including the right to land for refueling and repairs, to fly over the Free Territory without landing and to use for traffic purposes such airports as may be designated by the competent authorities of the Free Territory.

2. These rights shall not be subject to any restrictions other than those imposed on a basis of non-discrimination by the laws and regulations in force in the Free Territory and in the countries concerned or resulting from the special character of the Free Territory as neutral and demilitarized.

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Declassified E.O. 12356 Section 3.3/NND No. 785017SECRETCFM (46) (NY) 62 (2nd Revision)
December 12, 1946

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ARTICLE 33. REGISTRATION OF VESSELS

1. The Free Territory is entitled to open registers for the registration of ships and vessels owned by the Government of the Free Territory or by persons or organisations domiciled within the Free Territory.
2. The Free Territory shall open special maritime registers for Czechoslovak and Swiss ships and vessels upon request of these Governments as well as for Hungarian and Austrian ships and vessels upon the request of these Governments after the conclusion of the Treaty of Peace with Hungary and the Treaty for the Reestablishment of the Independence of Austria respectively. Ships and vessels entered in these registers shall fly the flags of their respective countries.
3. In giving effect to the foregoing provisions, and subject to any international convention which may be entered into concerning these questions, the Government of the Free Territory shall be entitled to impose such conditions governing the registration, retention on and removal from the registers as shall prevent any abuses arising from the facilities thus granted. In particular as regards ships and vessels registered under paragraph 1 above, registration shall be limited to ships and vessels controlled from the Free Territory and regularly serving the needs or the interests of the Free Territory. In the case of ships and vessels registered under paragraph 2 above, registration shall be limited to ships and vessels based on the Port of Trieste and regularly and permanently serving the needs of their respective countries through the Port of Trieste.

ARTICLE 34. FREE PORT

A free port shall be established in the Free Territory and shall be administered on the basis of the provisions of an international instrument drawn up by the Council of Foreign Ministers, approved by the Security Council, and annexed to the present Treaty. The Government of the Free Territory shall enact all necessary legislation and take all necessary steps to give effect to the provisions of such instrument.

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SECRET

CFM (46) (NY) 62 (2nd Revision)
December 12, 1946

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ARTICLE 35. FREEDOM OF TRANSIT

Freedom of transit shall, in accordance with customary international agreements, be assured by the Free Territory and the States whose territories are traversed to goods transported by railroads between the Free Port and the States which it serves, without any discrimination and without customs duties or charges other than those levied for services rendered.

ARTICLE 36. INTERPRETATION OF STATUTE

Except where any other procedure is specifically provided under any article of the present Statute, any dispute relating to the interpretation or execution of the Statute, not resolved by direct negotiations, shall, unless the parties mutually agree upon another means of settlement, be referred at the request of either party to the dispute to a Commission composed of one representative of each party and a third member selected by mutual agreement of the two parties from nationals of third countries. Should the two parties fail to agree within a period of one month upon the appointment of the third member, the Secretary General of the United Nations shall be requested to make the appointment. The decision of the majority of the members of the Commission shall be the decision of the Commission, and shall be accepted by the parties as definitive and binding.

ARTICLE 37. AMENDMENT OF STATUTE

This Statute shall constitute the permanent Statute of the Free Territory, subject to any amendment which may hereafter be made by the Security Council. Petitions for the amendment of the Statute may be presented to the Security Council by the popular Assembly upon a vote taken by a two-thirds majority of the votes cast.

ARTICLE 38. COMING INTO FORCE OF STATUTE

The present Statute shall come into force on a date which shall be determined by the Security Council of the United Nations.

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Declassified E.O. 12356 Section 3.3/NND No. 785017

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JAN 4 1947

CC 5301

9 January 1947.

SUBJECT: Proposed "Joint Consultative Commission" in the C.R.D.A.
TO : S.C.A.O., HQ. AMG, Venezia Giulia.

1. I have carefully considered Major Scicluna's report on the above subject dated 19 December 1946. I have discussed it at some length with him and arranged for him to discuss it with the Chief Financial Advisor and the Director of the Economic Division of this Commission.

2. It is to be regretted that amelioration of labor conditions in C.R.D.A. were not effected in 1945 or 1946 to the extent now recommended. The appointment now of a Commissario to implement such a plan is considered too drastic a solution in view of the imminent withdrawal of AMG from Venezia Giulia, particularly since the full rights of the diverse shareholder interests must be preserved in order adequately to give effect to paragraphs 10 and 12 of the "Property and Debt Provisions Relating to the Free Territory of Trieste" annex to the "Instrument for the Provisional Regime of the Free Territory of Trieste" dated 14 December 1946 of the Council of Foreign Ministers, copies of which have been forwarded you by G-5, AFHQ.

3. This Commission hopes that improvement can be made in the labor setup within the C.R.D.A. and has no objection to the proposed advisory committee, representing management and workers, but considers that the time has long since passed for the appointment of a Commissario, by and on the initiative of AMG, for this purpose.

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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Copy to:
A.F.A.
C.L.A.
Economic Division
Ex Comm
CC Files

Capt K

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Declassified E.O. 12356 Section 3.3/NND No. 785017

TOP SECRET

ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

CONFIDENTIAL 18
JAN 8 1947
MC

G-5: 321. 01 TS

January 1947

SUBJECT: Post Treaty Liquidation of AMG/AICOM Functions.

TO : Chief Commissioner,
Allied Commission,
APO 794

1. The British Foreign Office is recommending to the U.S. State Department, and Troopers has instructed JSM (Br) that "with regard to the arrangements to be made for the taking over of civil administration by both Yugoslavs and Italians from AMG we consider that in the first place arrangements must be agreed between governments and it will be for SACMED to implement them".
2. It will be assumed for planning purposes that the above will be agreed by the CCS and that SACMED has no responsibilities for making arrangements between governments unless specifically so directed by the CCS.
3. It has been decided that Military Government will continue in Zones (of TFT) at present occupied by the British/American and by the Yugoslavs until the Governor assumes office. All concerned should recognize that the AMG TFT is a separate and distinct body from the present AMG, even though it may consist of many of the present personnel. Effective from "R" day unless sooner ordered AMG Venezia Giulia breaks off from AICOM. Presumably AMG TFT (Br/US element) will report to the Allied Commander (Br/US) of the TFT occupational forces. This is subject however to confirmation. It is probable that there will be no integration of US/UK AMG and Military Command, with Yugoslav Military Government and Military Command.

BY COMMAND OF GENERAL MORGAN:

Copy to: GHO CMF
Copy to: SCAC Venezia Giulia.

A. L. HAMSTAN
Colonel, G.S.C.
Assistant Chief of Staff, G-5

HS. 9/1

cc has copy

Capt K

TOP SECRET

Declassified E.O. 12356 Section 3.3/NND No. 785017

262.7
4667
Ex Compt
SUBJECT: Instrument for the Provisional
Regime of the Free Territory of Trieste

Enclosed copy No (s) 889 of the above named document are
enclosed herewith. **Confidential**

Please acknowledge receipt.

BY COMMAND OF GENERAL MORGAN:

J. G. Clepper Major RS

G-5 : 900.10 P

A. L. HAMBLEN,
Colonel, G.S.C.,
Assistant Chief of Staff, G-5,
4. 1. 47.

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COUNCIL OF FOREIGN MINISTERS

~~SECRET~~
CFM(46) (NY) 43 (3rd Revision)
December 14, 1946

CONFIDENTIAL
NEW YORK 1946

ANNEX.....

INSTRUMENT FOR THE PROVISIONAL REGIME
OF THE FREE TERRITORY OF TRIESTE

The present provisions shall apply to the administration of the Free Territory of Trieste pending the entry into force of the Permanent Statute.

ARTICLE 1

The Governor shall assume office in the Free Territory at the earliest possible moment after the entry into force of the present Peace Treaty. Pending assumption of office by the Governor, the Free Territory shall continue to be administered by the Allied military commands within their respective zones.

ARTICLE 2

On assuming office in the Free Territory of Trieste the Governor shall be empowered to select from among persons domiciled in the Free Territory and after consultation with the Governments of Yugoslavia and Italy a Provisional Council of Government. The Governor shall have the right to make changes in the composition of the Provisional Council of Government whenever he deems it necessary. The Governor and the Provisional Council of Government shall exercise their functions in the manner laid down in the provisions of the Permanent Statute as and when these provisions prove to be applicable and insofar as they are not superseded by the present Instrument. Likewise all other provisions of the Permanent Statute shall be applicable during the period of the Provisional Regime as and these provisions prove to be applicable and insofar as they are not superseded by the present Instrument. The Governor's actions will be guided mainly by the needs of the population and its well being.

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ARTICLE 3

The seat of the Government will be established in Trieste. The Governor will address his reports directly to the Chairman of the Security Council and will, through that channel, supply the Security Council with all necessary information on the administration of the Free Territory.

ARTICLE 4

The first concern of the Governor shall be to ensure the maintenance of public order and security. He shall appoint on a provisional basis a Director of Public Security, who will reorganize and administer the police force and security services.

ARTICLE 5

(a) From the date of the coming into force of the present Treaty, troops stationed in the Free Territory shall not exceed 5,000 men for the United Kingdom, 5,000 men for the United States and 5,000 men for Yugoslavia.

(b) These troops shall be placed at the disposal of the Governor for a period of 90 days after his assumption of office in the Free Territory. As from the end of that period, they will cease to be at the disposal of the Governor and will be withdrawn from the Territory within a further period of 45 days, unless the Governor advises the Security Council that, in the interests of the Territory, some or all of them should not, in his view, be withdrawn. In the latter event, the troops required by the Governor shall remain until not later than 45 days after the Governor has advised the Security Council that the security services can maintain internal order in the Territory without the assistance of foreign troops.

(c) The withdrawal prescribed in paragraph (b) shall be carried out so as to maintain, insofar as possible, the ratio prescribed in paragraph (a) between the troops of the three Powers concerned.

ARTICLE 6

The Governor shall have the right at any time to call upon commanders of such contingents for support and such support shall be given promptly. The Governor shall, whenever possible, consult with the Military Commanders

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concerned before issuing his instructions but shall not interfere with the military handling of the forces in the discharge of his instructions. The Commander has the right to report to his Government the instructions which he has received from the Governor, informing the Governor of the contents of such reports. The Government concerned shall have the right to refuse the participation of its forces in the operation in question, informing the Security Council accordingly.

ARTICLE 7

The necessary arrangements relating to the stationing, administration and supply of the military contingents made available by the United Kingdom, United States of America and Yugoslavia shall be settled by agreement between the Governor and the Commanders of those contingents.

ARTICLE 8

The Governor, in consultation with the Provisional Council of Government, shall be responsible for organizing the elections of Members of the Constituent Assembly in accordance with the conditions provided for in the Statute for elections to the popular Assembly.

The elections shall be held not later than four months after the Governor's assumption of office. In case this is technically impossible the Governor shall report to the Security Council.

ARTICLE 9

The Governor will, in consultation with the Provisional Council of Government, prepare the provisional budget and the provisional export and import programmes and will satisfy himself that appropriate arrangements are made by the Provisional Council of Government for the administration of the finances of the Free Territory.

ARTICLE 10

Existing laws and regulations shall remain valid unless and until revoked or suspended by the Governor. The Governor shall have the right to amend existing laws and regulations and to introduce new laws and regulations

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in agreement with the majority of the Provisional Council of Government. Such amended and new laws and regulations, as well as the acts of the Governor in regard to the revocations or suspensions of laws and regulations shall be valid unless and until they are amended, revoked or superseded by acts of the popular Assembly or the Council of Government within their respective spheres after the entry into force of the Constitution.

ARTICLE 11

Pending the establishment of a separate currency regime for the Free Territory the Italian lira shall continue to be the legal tender within the Free Territory. The Italian Government shall supply the foreign exchange and currency needs of the Free Territory under conditions no less favorable than those applying in Italy.

Italy and the Free Territory shall enter into an agreement to give effect to the above provisions as well as to provide for any settlement between the two Governments which may be required.

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COUNCIL OF FOREIGN MINISTERS

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FRONTIER BETWEEN ITALY AND THE

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Article 4

(Description of Frontier between Italy and the
Free Territory of Trieste)

Reference: UN-GEOS-Series 4164 Map 1:100,000 sheet nos.
40, 26, 14, 14, 25, 30.

The frontier between Italy and the Free Territory of
Trieste shall be fixed as follows:

The line starts from a point on the boundary between the
Italian province of Gorizia and Trieste approximately 2
kilometers northeast of the village of San Giovanni and
approximately 0.5 kilometer northwest of point 200, and
runs so westward to a point adjacent to Highway 514 and
approximately 1 kilometer northwest of the junction between
Highways nos. 55 and 14, respectively running from Gorizia
and Trieste to Trieste;

The line then extends in a southerly direction to a point,
in the Gulf of Panzano, equidistant from Punta Scotti at the
mouth of the Isonzo River and Castello Vecchio at Duino,
about 3.3 kilometers south from the point where it departs
from the coastline approximately 2 kilometers west of the town
of Duino;

The line then reaches the high seas by following a line
placed equidistant from the coastlines of Italy and the Free
Territory of Trieste.

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Article

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Reference: US-OS Series 4164 and 1:100,000 sheet nos. 40A, 26, 14, 15, 25, 40.

The frontier between Yugoslavia and the Free Territory of Trieste shall be fixed as follows:

The frontier starts from a point situated on the administrative boundary separating the Italian provinces of Gorizia and Trieste, approximately 2 kilometers to the northwest of the village of San Giovanni and approximately 0.5 kilometer north east of point 200 and which is the point of junction of the frontier of Yugoslavia, Italy, and the Free Territory of Trieste, and follows this administrative boundary as far as Monte Canaro (540 m.); thence it extends southward as far as Monte Cocuzzo (612) through points 461, 475 (Roducina), 476 (Monte Dei Fini) and 497, crossing road No. 56, from Trieste to Resana, about 3.3 kilometers to the southeast of this town, and leaving the villages of Voilano and Orle to the east, and at approximately 0.4 kilometer to the west, the village of Colli; from Monte Cocuzzo, the line continuing southward leaving the village of Crozzana to the west, reaches Monte Colli (point 621), then turning southward, crosses the road from Trieste to Gorizia at point 455 and the railway at point 458, passes by points 316 and 326, leaving the villages of Rocca and Castel in Yugoslav territory, crosses the road from Gorizia to Capovizza d'Istria about 100 meters to the southeast of it; then crosses the Risano and the road from Villa Ronchi to Risano at a point about 350 meters west of the latter village, the village of Rosario and the road from Risano to San Gerardo being left in Yugoslav territory; from this point the line crosses as far as the cross roads situated about 1 kilometer northward of point 462, marked by points 285 and 354.

Thence, the line runs as far as a point about 0.5 kilometer east of the village of Cernova, crossing the river Gregogna about 1 kilometer north of this village, leaving the villages of Bucciali and Truscolo to the west and the village of Cernova to the east, it then runs southward to the southeast of the road connecting the village of Cernova and Chervoi, leaving this road 0.5 kilometer to the east of the village of Bucciali; it then runs in a general south-southeasterly direction, passing about 0.4 kilometer east of Monte Braico and at

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about 0.4 kilometer west of the village of Sterna Filaria, leaving the road running from this village to Pionto to the east passing about 0.4 kilometer west of the town of Pionto and about 0.5 kilometer east of the town of Castagna and reaching the river Quieto at a point approximately 1.6 kilometer south west of the town of Castagna.

Thence the line follows the main and improved channel of the Quieto to its mouth, passing through Porto del Quieto to the high seas by following a line placed 6 kilometers from the coastlines of the territory of Trieste and Yugoslavia.

Waldorf-Astoria Hotel
 New York, N.Y.
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Article 2

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The exact line of the new frontiers laid down in Articles 2, 3, 4, 16 of the present Treaty shall be determined on the spot by Boundary Commissions composed of the representatives of the two Governments concerned.

The Commissions shall begin their work immediately on the coming into force of the present Treaty, and shall complete it as soon as possible and in any case within a period of six months.

Any questions which the Commissions are unable to settle upon will be referred to the four Ambassadors, acting as provided in Article 75, for final settlement by such means as they may determine, including, where necessary, the appointment of an impartial third Commissioner.

The expenses of the Boundary Commissions will be borne in equal parts by the two Governments concerned.

For the purpose of determining on the spot the exact frontier laid down in Articles 3, 4, and 16, the Commissions shall be allowed to depart by 0.5 kilometer from the line laid down in the present Treaty in order to adjust the boundary to local geographic and economic conditions, provided that no village or town of more than 500 inhabitants, no important railroads or highways, and no major power or water supplies are placed under a sovereignty other than that resulting from the definitions laid down in the present Treaty.

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GENERAL PROVISIONS CONCERNING THE STATUS
OF THE FREE TERRITORY OF TRIESTE

Article _____

1. There is hereby constituted the Free territory of Trieste consisting of the area lying between the Adriatic Sea and the boundaries defined in articles 4 and 16 of the present Treaty. The Free Territory of Trieste is recognized by the Allied and Associated Powers and by Italy, which agree that its integrity and independence shall be assured by the Security Council of the United Nations.

2. Italian sovereignty over the area constituting the Free Territory of Trieste as above defined, shall be terminated upon the coming into force of the present Treaty.

3. On the renunciation of Italian sovereignty, the Free Territory of Trieste shall be governed in accordance with an instrument for a provisional regime to be drafted by the Council of Foreign Ministers and approved by the Security Council. This instrument shall remain in force until such date as the Security Council shall fix for the coming into force of the Permanent Statute which shall have been approved by it. The Free Territory shall thenceforth be governed by the provisions of such Permanent Statute. A draft Permanent Statute and a draft instrument for a provisional regime are contained in Annex _____.

4. The Free Territory of Trieste shall not be considered as ceded territory within the meaning of Article 13 and Annex III of the present Treaty.

5. Italy and Yugoslavia undertake to give to the Free Territory of Trieste the guarantees set out in Annex _____.

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ANNEX

PROPERTY AND DEBT PROVISIONS
RELATING TO THE FREE TERRITORY OF TRIESTE

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1. The Free Territory of Trieste shall receive, without payment, Italian State and para-statal property within the Free Territory. IR 17

The following are considered as State or para-statal property for the purposes of this Annex; movable and immovable property of the Italian State, of local authorities and of public institutions and publicly owned companies and associations, as well as movable and immovable property formerly belonging to the Fascist Party or its auxiliary organizations.

2. All transfers of Italian State and para-statal property as defined in paragraph 1 above after September 3, 1943, shall be deemed null and void. The foregoing provisions shall not, however, extend to lawful acts relating to current operations of State and para-statal agencies in so far as they concern the sale, within normal limits, of goods ordinarily produced by them or sold in the execution of normal commercial arrangements or in the normal course of governmental administrative activities.

3. Submarine cables owned by the Italian State or para-statal organizations shall fall within the provisions of paragraph 1 so far as concerns terminal facilities and the lengths of cables lying within territorial waters of the Free Territory of Trieste. Haleable

4. The Free Territory of Trieste shall receive from Italy all relevant archives and documents of an administrative character or historical value concerning the Free Territory or relating to property transferred under paragraph 1 of this Annex. The Free Territory shall hand over to Yugoslavia all documents of the same character relating to territory ceded to Yugoslavia under the present Treaty and to Italy all documents of the same character which may be in the Free Territory concerning Italian territory.

Yugoslavia declares herself ready to hand over to the Free Territory all archives and documents of an administrative character concerning and required exclusively for the administration of the Free Territory, which are of a kind which were usually held before September 3, 1943 by the local authorities having jurisdiction over what now forms part of the Free Territory of Trieste.

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5. The government of the Free Territory of Trieste shall assume the payment of the Italian public debt; but it will assume the obligations of the Italian Government towards holders who continue to reside in the Free Territory, or who, being juridical persons, retain their siege social or principal place of business there, in so far as these obligations correspond to that portion of the debt which has been issued prior to June 10, 1940, and is attributable to public works and civil administrative services of benefit to the said territory and not attributable directly or indirectly to military purposes.

Full proof of the source of such holdings may be required from the holders.

Italy and the Free Territory shall conclude arrangements to determine the portion of the Italian public debt referred to in this paragraph and the methods for giving effect to these provisions.

6. The future status of external obligations secured by charges upon the property or revenues of Trieste shall be governed by further agreements between the parties concerned.

7. Special arrangements shall be concluded between Italy and the Free Territory of Trieste to govern the conditions under which the obligations of Italian public or private social insurance organizations towards the inhabitants of the Free Territory and a proportionate part of the reserves accumulated by the said organizations shall be transferred to similar organizations of the Free Territory.

Similar arrangements shall also be concluded between the Free Territory and Italy and between the Free Territory and Yugoslavia to govern the obligations of public and private social insurance organizations, whose siege social is in the Free Territory, with regard to policy holders or subscribers residing respectively in Italy or in territory ceded to Yugoslavia under the present Treaty.

Similar arrangements shall also be concluded between the Free Territory and Yugoslavia to govern the obligations of public and private social insurance organizations, whose siege social is in territory ceded to Yugoslavia under the present Treaty, with regard to policy holders or subscribers residing in the Free Territory.

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8. Italy shall continue to be liable for the payment of civil or military pensions earned for service under the Italian State, municipal or other local government authorities as on the date of the coming into force of the present Treaty, by persons who under the Treaty acquire the nationality of the Free Territory of Trieste, including pension rights not yet matured. Arrangements shall be concluded between Italy and the Free Territory providing for the method by which this liability shall be discharged.

9. The property, rights and interests of Italian nationals who became domiciled in the Free Territory of Trieste after June 10, 1940 and of persons who opt for Italian citizenship pursuant to the Statute for the Free Territory of Trieste shall, provided they have been lawfully acquired, be respected in the same measure as the property, rights and interests of nationals of the Free Territory generally for a period of three years from the coming into force of the Treaty.

The property, rights and interests within the Free Territory of other Italian nationals and also of Italian juridical persons, provided they have been lawfully acquired, shall be subject only to such legislation as may be enforced from time to time regarding the property of foreign nationals and juridical persons generally.

10. Persons who opt for Italian nationality and move to Italy shall be permitted, after the settlement of any debts or taxes due from them in the Free Territory of Trieste, to take with them their movable property and transfer their funds, provided such property and funds were lawfully acquired. No export or import duties will be imposed in connection with the moving of such property. Further they shall be permitted to sell their movable and immovable property under the same conditions as nationals of the Free Territory.

The removal of property to Italy will be effected under conditions which will not be in contravention to the Constitution of the Free Territory and in a manner which will be agreed upon between Italy and the Free Territory. The conditions and the time periods of the transfer of the funds, including the proceeds of sales, shall be determined in the same manner.

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11. The property, rights and interests of former Italian nationals, resident in the Free Territory of Trieste, who become nationals of the Free Territory under the present Treaty, which exist in Italy at the time of the coming into force of the present Treaty, shall be respected by Italy in the same measure as the property, rights and interests of Italian nationals generally for a period of three years from the coming into force of the Treaty.

Such persons are authorized to effect the transfer and the liquidation of their property, rights and interests under the same conditions as are provided for under paragraph 10 of this Annex.

12. Companies incorporated under Italian law and having siege social in the Free Territory of Trieste, which wish to remove siege social to Italy or Yugoslavia, shall likewise be dealt with under the provisions of paragraph 10 of this Annex, provided that more than fifty percent of the capital of the company is owned by persons usually resident outside the Free Territory, or by persons who have opted under the present Treaty to move to Italy or Yugoslavia.

13. Debts owed by persons in Italy or in territory ceded to Yugoslavia to persons in the Free Territory of Trieste or by persons in the Free Territory to persons in Italy or in territory ceded to Yugoslavia shall not be affected by the cession. Italy, Yugoslavia and the Free Territory undertake to facilitate the settlement of such obligations. As used in this paragraph, the term "persons" includes juridical persons.

14. The property in the Free Territory of Trieste of the United Nations and their nationals, if not already freed from Italian measures of sequestration or control and returned to its owner, shall be returned in the condition in which it now exists.

15. Italy shall return property unlawfully removed after September 3, 1943 from the Free Territory of Trieste to Italy. Paragraphs 2, 3, 4, 5 and 6 of Article 65 shall govern the application of this obligation except as regards property provided for elsewhere in this Annex.

The provisions of paragraphs 1, 2, 5 and 6 of Article 65 shall apply to the restitution by the Free Territory of Trieste of property removed from United Nations' territories during the war.

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16. Italy shall return to the Free Territory of Trieste in the shortest possible time any ships in Italian possession which were owned on September 8, 1943 by natural persons resident in the Free Territory who acquire the nationality of the Free Territory under the present Treaty or by Italian juridical persons having and retaining siege social in the Free Territory, except any ships which have been the subject of a bona fide sale.

17. Italy and the Free Territory of Trieste, and Yugoslavia and the Free Territory, shall conclude agreements providing for a just and equitable apportionment of the property of any existing local authority whose area is divided by any boundary settlement under the present Treaty, and for a continuance of necessary communal services to the inhabitants not specifically covered in other parts of the Treaty.

Similar agreements shall be concluded for a just and equitable allocation of rolling stock and railway equipment and of dock and harbour craft and equipment, as well as for any other outstanding economic matters not covered by the present Annex.

18. Citizens of the Free Territory of Trieste shall, notwithstanding the transfer and any change of nationality consequent thereon, continue to enjoy in Italy all the rights in industrial, literary and artistic property to which they were entitled under the legislation in force at the time of the transfer.

The Free Territory shall recognize and give effect to rights of industrial, literary and artistic property in force in the Free Territory under Italian law at the time of transfer or to be re-established or restored in accordance with Annex VIA of the present Treaty. These rights shall remain in force in the Free Territory for the same period as that for which they would have remained in force under the law of Italy.

19. Any dispute which may arise in giving effect to this Annex shall be dealt with in the same manner as provided in Article 72.

20. The provisions of paragraphs 1, 3 and 5 of Article 66; Article 67; paragraph 3 of Article 68; Article 70; Annex VI, Part A; Annex VII; and Annex VIII, Part B, shall apply to the Free Territory of Trieste in like manner as to Italy.

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ANNEX IX

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TECHNICAL GUARANTEES

A. Water Supply to Northwestern Istria, within the Free Territory of Trieste.

Yugoslavia shall continue to supply water to the region of northwestern Istria within the boundaries of the Free Territory of Trieste from the spring of San Giovanni de Pinquente through the Quieto water supply system (and from the spring of Santa Maria del Risano through the Risano system). The water so supplied shall be in such amounts, not substantially exceeding those amounts which have been customarily supplied to the region, and at such rates of flow, as the Free Territory of Trieste may request, but within limits imposed by natural conditions. Yugoslavia shall maintain the water conduits, reservoirs, pumps, purifying systems and such other works within Yugoslav territory as may be required to fulfill this obligation. Temporary allowance must be made in respect of the foregoing obligations on Yugoslavia for necessary repair of war damage to water supply installations. The Free Territory of Trieste shall pay a reasonable price for the water thus supplied which price shall represent a proportionate share, based on the quantity of water consumed within the Free Territory, of the total cost of operation and maintenance of the Quieto (and the Risano) water supply system (s). Should in the future, additional supplies of water be required by the Free Territory of Trieste, Yugoslavia undertakes to examine the matter jointly with the authorities of the Free Territory and by agreement to take such measures as are reasonable to meet these requirements.

B. Electricity Supplies under the new Italian-Yugoslav-Free Territory of Trieste frontiers.

1. Yugoslavia and Italy shall maintain the existing supply of electricity to the Free Territory of Trieste, furnishing to the Free Territory such quantities of electricity at such rates of output as the latter may require. The quantities furnished need not at first substantially exceed those which have been customarily supplied to the area comprised in the Free Territory, but Italy and Yugoslavia shall, on request of the Free Territory, furnish increasing amounts as the requirements of the Free Territory grow provided that any increase of more than 20% over the amount normally furnished to the Free Territory from the respective sources shall be the subject of an agreement between the interested governments.

2. The price to be charged by Yugoslavia or by Italy and to be paid by the Free Territory of Trieste for the electricity furnished to it shall be no higher than the price charged in Yugoslavia or in Italy for the supply of similar quantities of hydroelectricity from the same sources in Yugoslavia or Italian territory.

3. Yugoslavia, Italy and the Free Territory of Trieste shall exchange information continuously concerning the flow and storage of water and the output of electricity in respect to stations supplying the former Italian compartment of Venezia Giulia so that each of the three parties will be in a position to determine its requirements.

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4. Yugoslavia, Italy and the Free Territory of Trieste shall maintain in good and substantial condition all of the electrical plants, transmission lines, substations and other installations which are required for the continuing supply of electricity to the former Italian compartimento of Venezia Giulia.

5. Yugoslavia shall ensure that the existing and any future power installations on the Isonzo are operated so as to provide that such supplies of water as Italy may from time to time request may be diverted from the Isonzo for irrigation in the region from Gorizia southwestward to the Adriatic. Italy may not claim the right to the use of water from the Isonzo in greater volume or under more favorable conditions than has been customary in the past.

6. Yugoslavia, Italy and the Free Territory of Trieste shall, through joint negotiations, adopt a mutually agreeable convention in conformity with the foregoing provisions for the continuing operation of the electricity system which serves the former Italian compartimento of Venezia Giulia. A mixed commission with equal representation of the three governments shall be established for supervising the execution of the obligations arising under paragraph 1 to 5 of this section.

7. Upon the expiration of a ten year period after the coming into force of the present Treaty, Yugoslavia, Italy and the Free Territory of Trieste shall re-examine the foregoing provisions in the light of conditions at that time in order to determine which, if any, of the foregoing obligations are no longer required, and shall make such alterations, deletions and additions as may arise as a result of this re-examination shall be submitted for settlement under the procedure outlined in Article 76 of the present Treaty.

C. Provisions to facilitate local trade between the Free Territory of Trieste and Yugoslavia and between the Free Territory of Trieste and Italy.

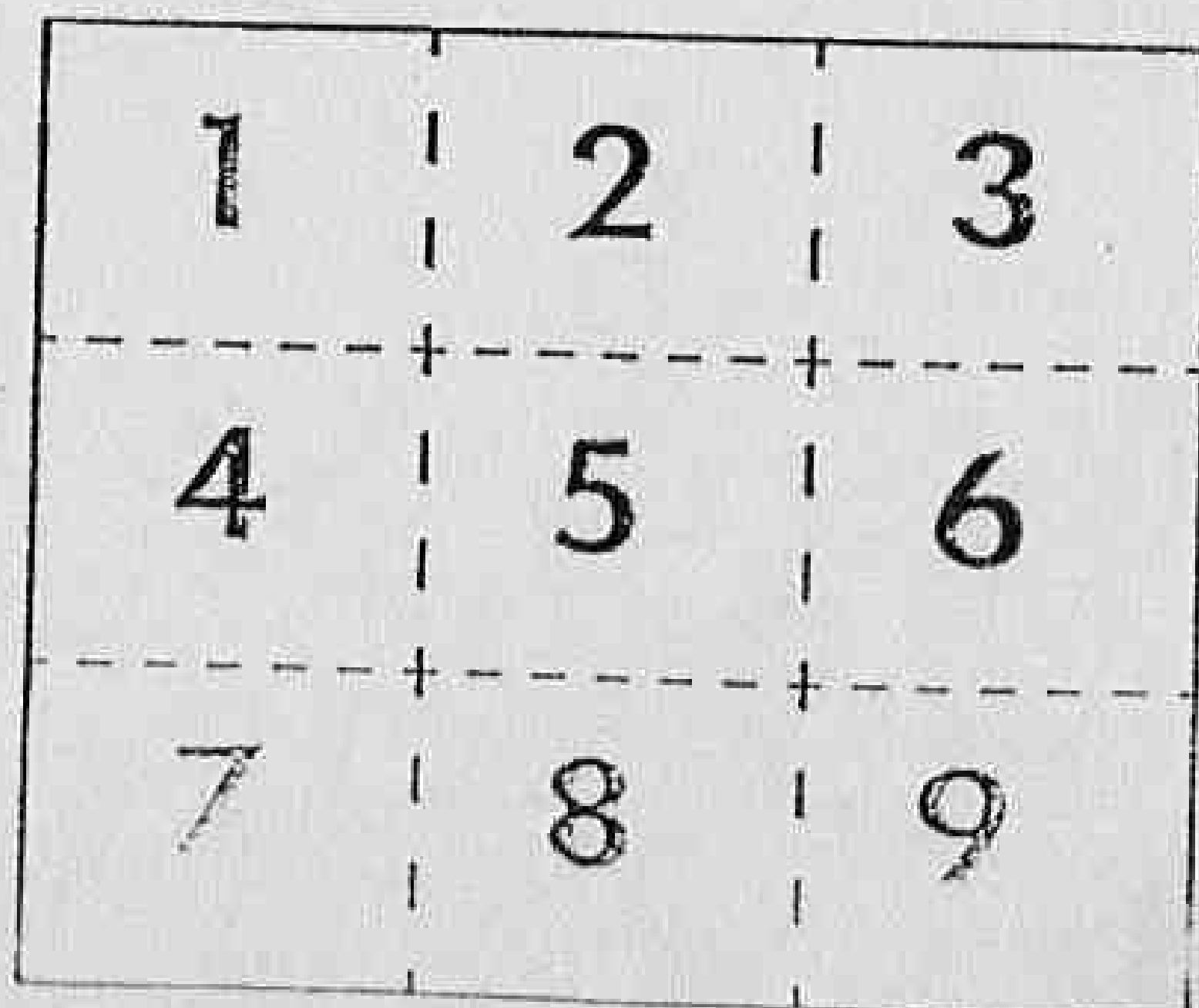
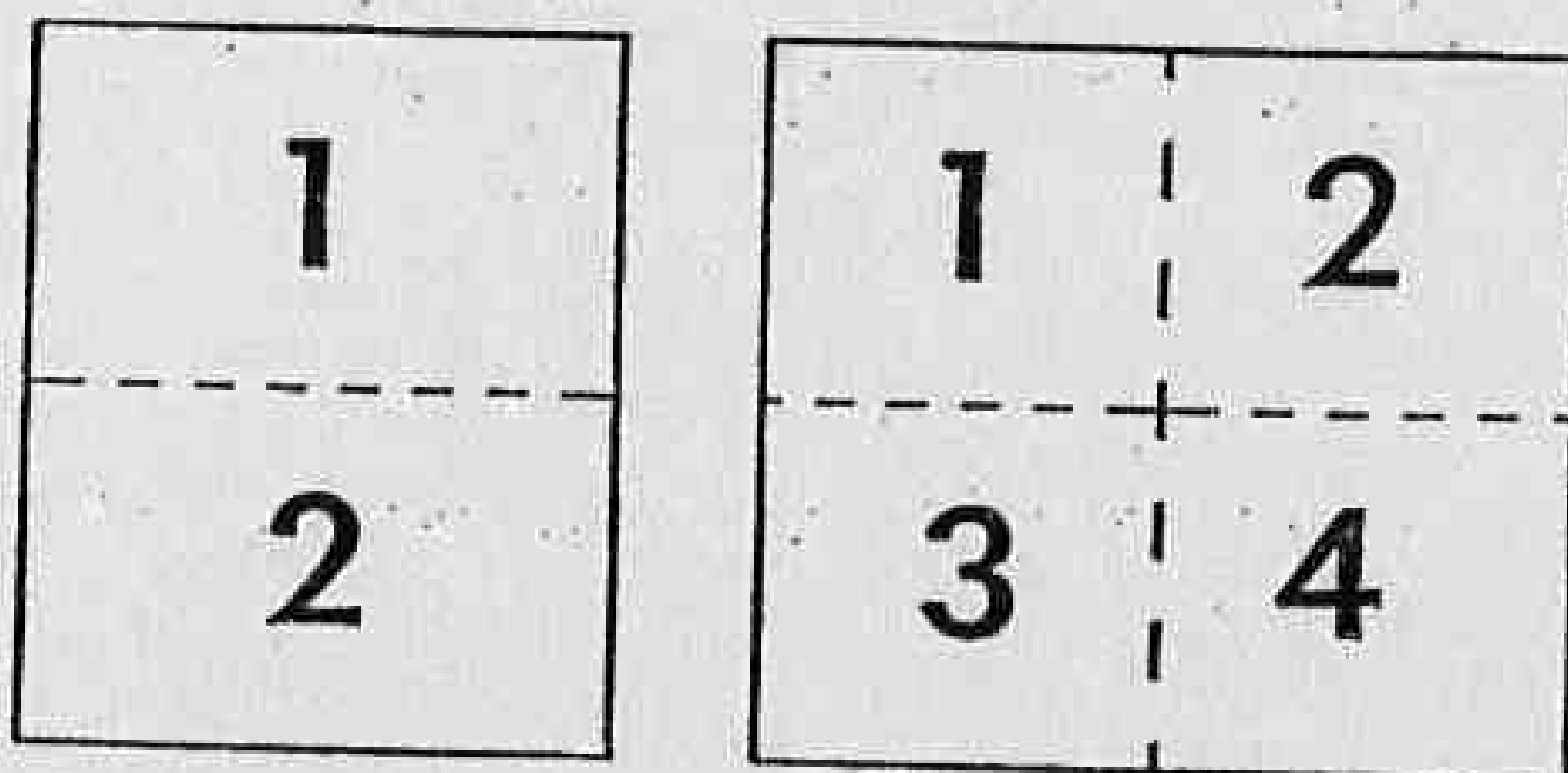
Yugoslavia and the Free Territory of Trieste, and Italy and the Free Territory of Trieste, shall, within one month of the coming into force of the present treaty, undertake negotiations to provide arrangements which shall facilitate the movement across the frontiers between the Free Territory of Trieste and the adjacent areas of Yugoslavia and Italy of foodstuffs and other categories of commodities which have customarily moved between those areas in local trade. This movement may be facilitated by appropriate measures, including the exemption of such commodities, up to agreed quantities or values, from tariffs, customs charges, and export or import taxes of any kind when such commodities are moving in local trade.

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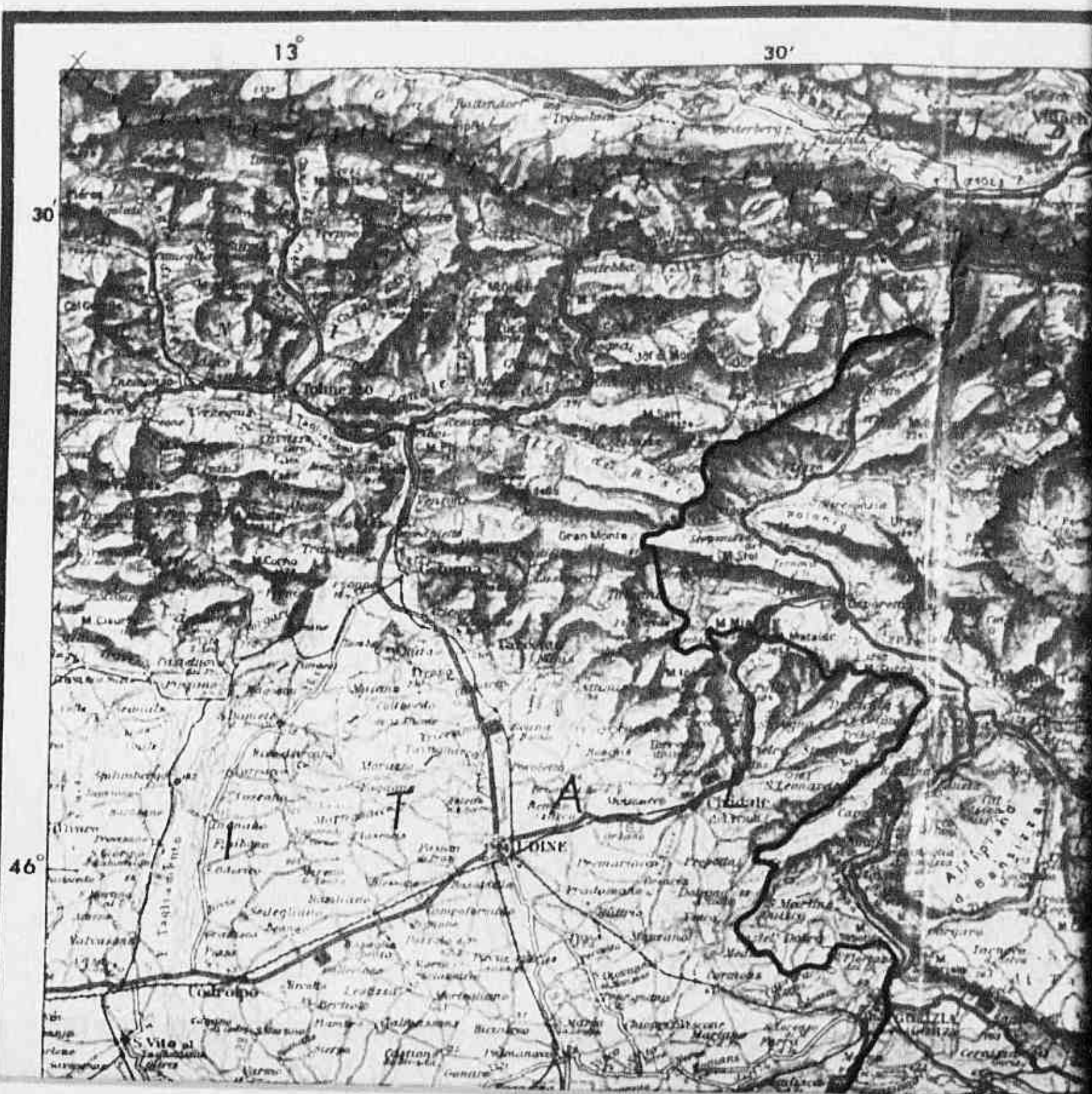
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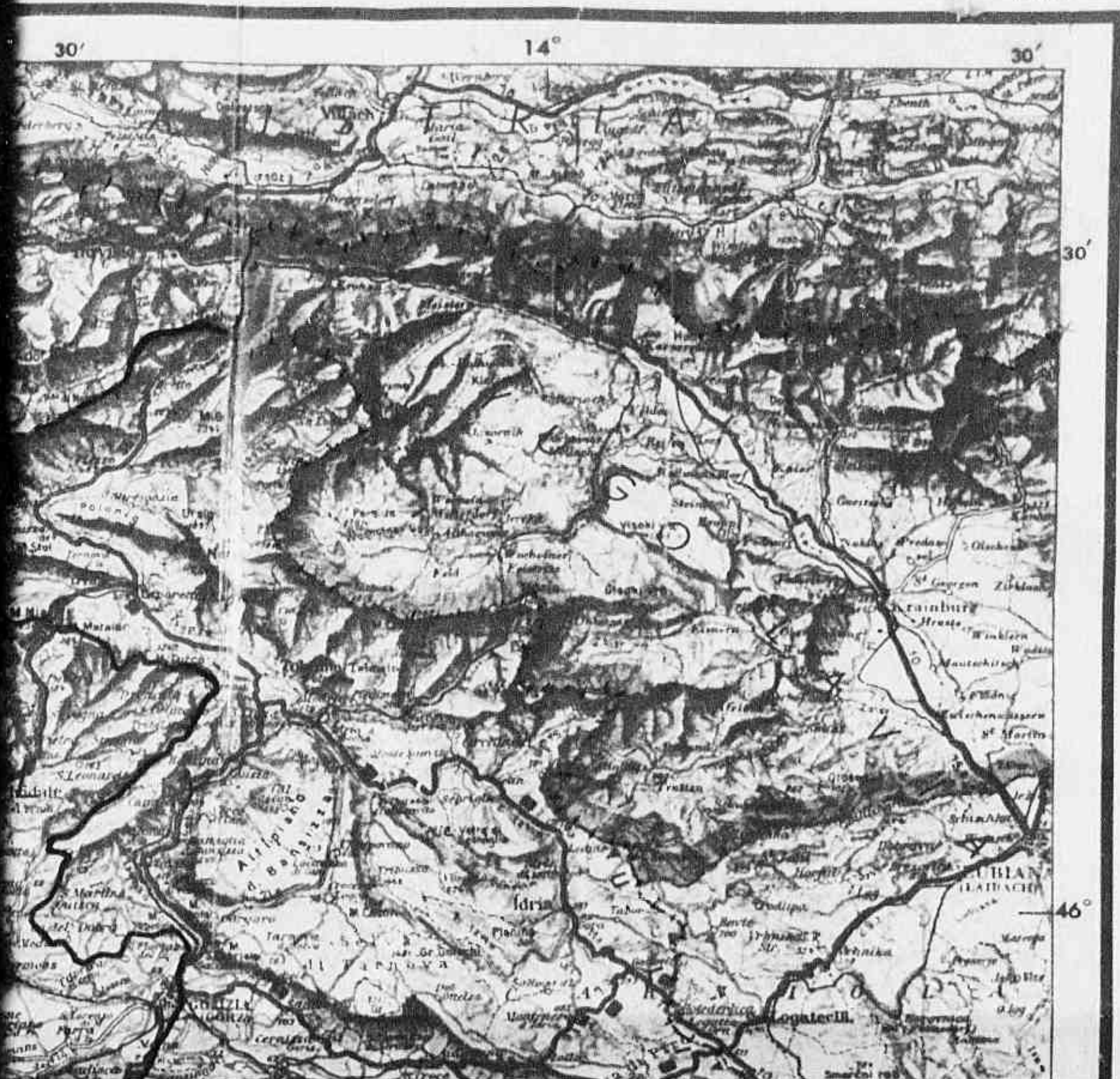
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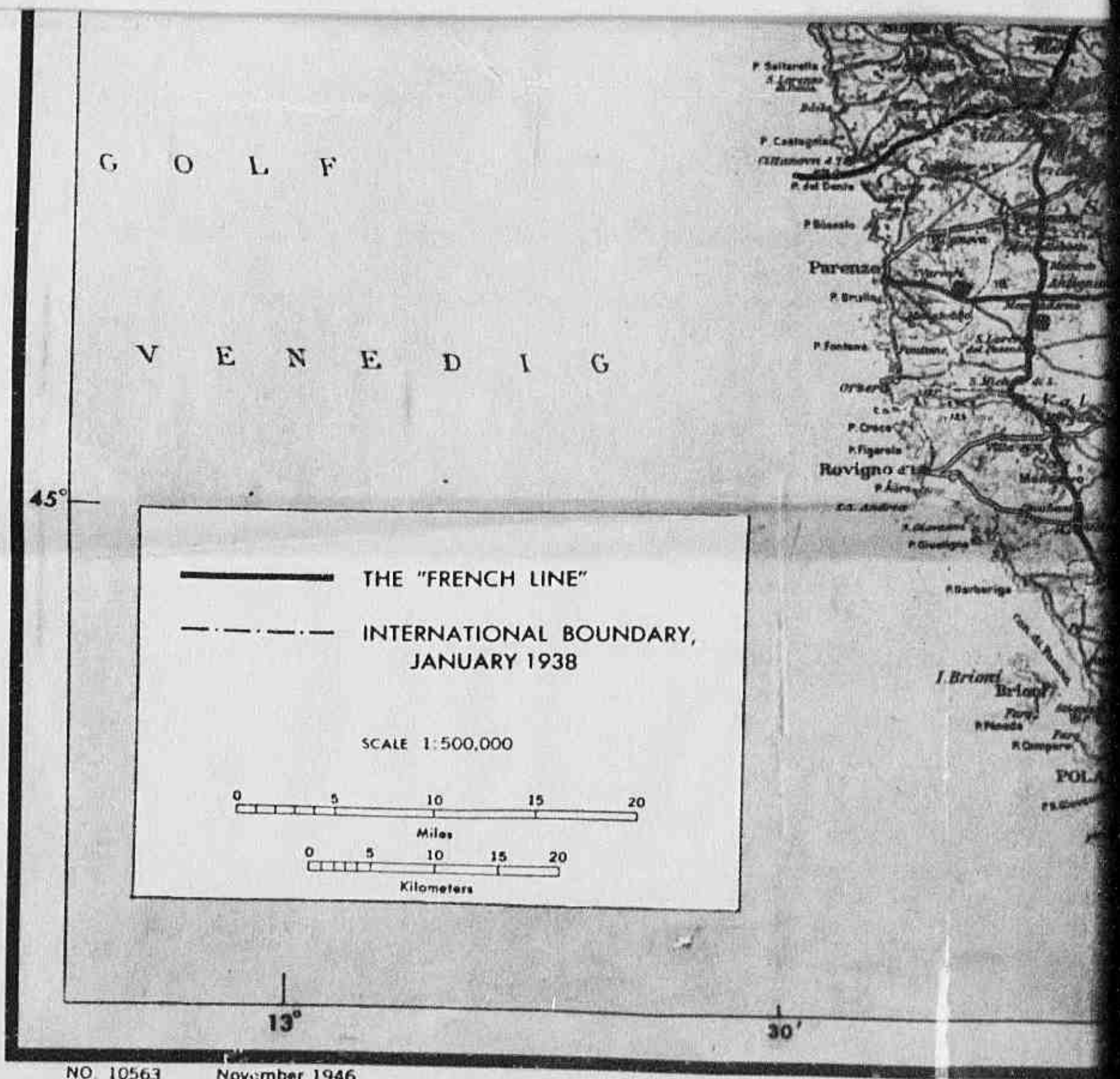
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