

TRIESTE



Free Territory of Trieste in relation to its neighbors. The entire Free Territory has an estimated population of 372,000.



TRIESTE HANDBOOK

The Trieste handbook has been prepared by the Public Information Division of Allied Military Government British/United States Zone, Free Territory of Trieste with the collaboration of the Information Office of the United States Special Mission to Trieste of the Economic Cooperation Administration. Facts and figures contained are based on the most accurate information available as of the 1 June, 1949.

PUBLISHED BY ALLIED MILITARY GOVERNMENT,
BRITISH/UNITED STATES ZONE, FREE TERRITORY OF TRIESTE.

CONTENTS

TRIESTE OF YESTERDAY

History of Venezia Giulia	Page	7
History of the City of Trieste	"	8
Italian Peace Treaty	"	11

TRIESTE OF TODAY

Allied Military Government	Page	15
Local Government	"	16
Politics	"	18
Administration of Justice	"	20
Venezia Giulia Police	"	20
Press and Radio	"	21
Labor	"	22
Geology	"	22
Geography	"	23
Population	"	24
Anglo-American Civilians	"	26

POINTS OF INTEREST

Duino Castle	Page	26
Miramare Castle	"	30
Piazza Unità	"	32
Hill of San Giusto	"	33

ECONOMIC DATA

Shipping	Page	34
Insurance	"	35
Communications	"	36
Production and Commerce	"	37
Employment	"	38

PORT OF TRIESTE

General	Page	38
Buildings	"	38
Area	"	38
Capacity	"	39
Grain Silos	"	39
Refrigerating Stores	"	39
Railway Loadings	"	39
Commercial Traffic	"	39

E. R. P.

E. C. A. Mission	Page 43
------------------------	---------

EUROPEAN RECOVERY PROGRAM

Trieste admitted to O.E.E.C.	Page 46
Allocation	47
Road to Recovery	48
Merchant Marine	48
Shipbuilding Industry	48
Port and Transit Trade	50
Refining Industries	50
Iron and Steel	50
Minor Industries	51
Fishing	52
Agriculture	52
Public Works	53
Future Outlook	54

M A P S

Free Territory of Trieste in relation to its neighbors....	Inside Front Cover
Free Territory of Trieste	Page 28 - 29
Street Map of Trieste City	Page 55
Districts of Trieste City	Inside Back Cover

Photos on cover and pages 8, 10 and 31 by U.S. Army Signal Corps; pages 12, 19, 23, 25, 35, 36, 37, 41, 46, 49, 51, 53 by P.I.O., E.C.A. and pages 14 and 27 by P.I.O., A.M.G. Booklet printed in Trieste by Smolars and Nipote.

TRIESTE OF YESTERDAY

HISTORY OF VENEZIA GIULIA

Since what is at present the Free Territory of Trieste has throughout history shared the fortunes of the larger area known as Venezia Giulia, it may be well to begin with a general history of the latter. The name Venezia Giulia was given to the provinces of Trieste, Gorizia, Pola and Carnaro, ceded to Italy by Austria after the 1914-1918 war. It is derived from the Julian Alps, which border them on the north-east and from the plains to the south-west, which formerly belonged to the Republic of Venice. Physically, the region may be divided into the Istrian Peninsula, the Julian Alps, the Carso Plateau, the valleys of the Isonzo and Vipacco, and the coastal strip.

The largest cities are Trieste, Gorizia, Fiume, Pola and Postumia. The principal economic wealth lies in the Arsa coalfield in southeastern Istria, the bauxite mines of Idria, the forests of the Julian Alps, the shipyards of Trieste and Monfalcone and the harbours of Trieste, Pola and Fiume. Venezia Giulia is populated by Italians, Slovenes and, in Istria, by Croats. The Italians dwell for the most part in the towns and villages along the coast, while the Slavic peoples as a rule cling to the farms and villages of the hinterland.

From its earliest history this area constituted a frontier region over which Romans, Goths, Lombards, Byzantines, Carolingian Franks, Hapsburgs, Venetians, Napoleon's French, Austrians, Italians and Yugoslavs have all in turn tried to establish their rule. It remains an area of unabated tension to this day.

Venezia Giulia became part of the Roman Empire in the time of Augustus and remained Roman until it was incorporated in Theodoric's Gothic realm in the fifth century. It was recovered for the Byzantine Empire by Belisarius in 539, and remained Byzantine until it was conquered by the Lombards in 752. In 774 Charlemagne's Franks wrested it from the Lombards and established the feudal system.



Ancient columns, vestiges of the greatness of the Roman Empire in the First Century, B.C., stand side by side with San Giusto Castle, built 1500 years later by Emperor Frederick III of Austria. The hill of San Giusto with its ancient castle, cathedral, war memorials and Roman ruins stands as a symbol of Trieste down through the ages.

HISTORY OF THE CITY OF TRIESTE

"TERGESTE", the Latin name for the city, was founded by the Romans in 35 B.C. The city shared the vicissitudes of the region for the next eight or nine centuries. The Emperor Lothar II, Charlemagne's great-grandson, granted it independent existence under its own bishops. This status was maintained until 1202, when the bishop swore fealty to Venice. From here on the history of Trieste and Venezia Giulia is associated with conflicts between Venice, Genoa, Austria and the Patriarchs of Aquileia. In 1382 Trieste, too weak to stand alone, placed itself under the protection of Leopold III of Austria. With the inheritance

of the domains of the Count of Gorizia by the Hapsburgs in 1500, Venice felt herself threatened by the Austrians and launched an offensive which first resulted in the capture of Gorizia and Trieste, but was broken when Austria joined the League of Cambray and recovered Venezia Giulia by the Peace of Worms in 1521.

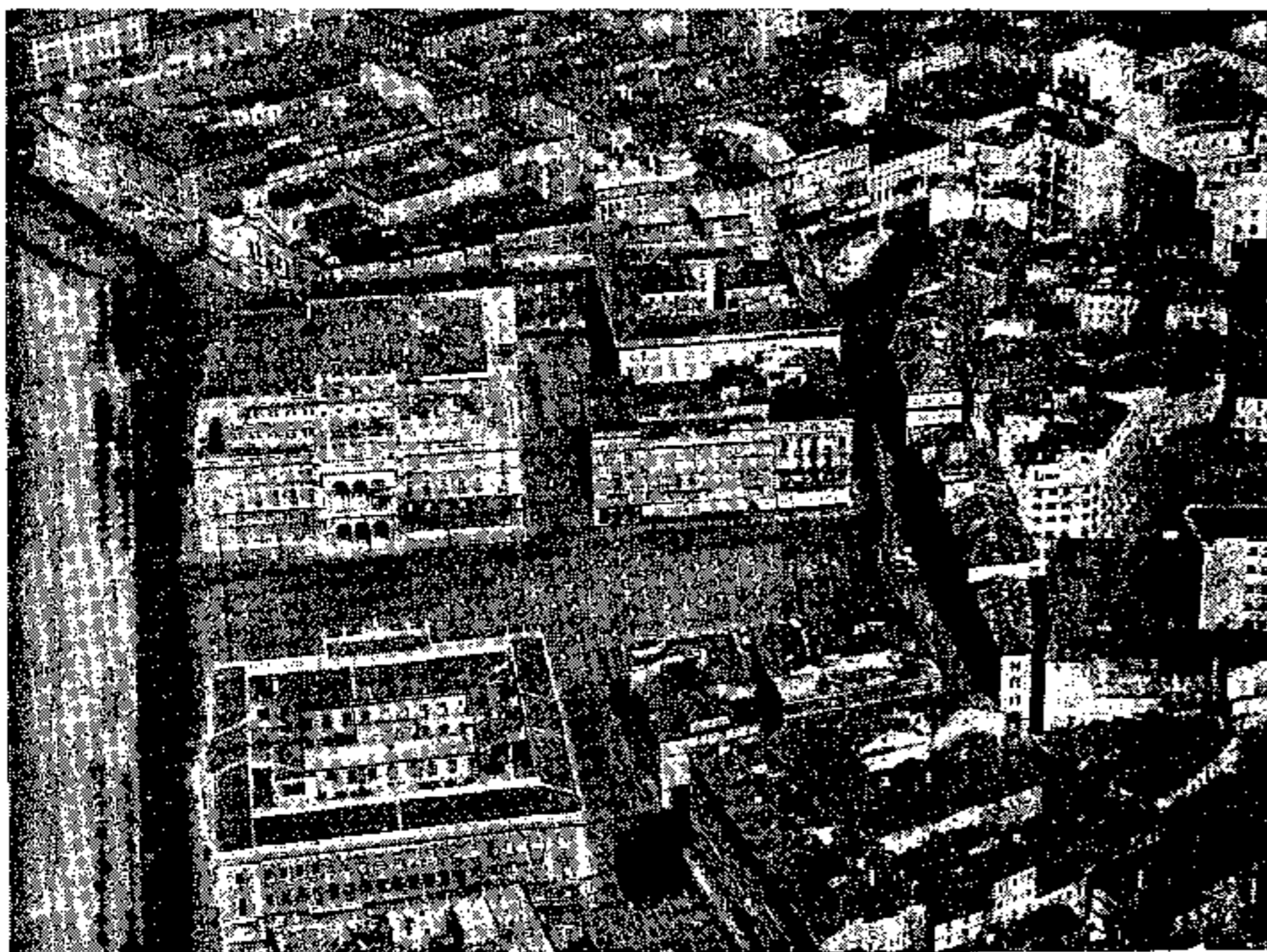
Its growth as a modern city dates from a decision of the Hapsburgs to make it into the port of the Austro-Hungarian Empire. Trieste was proclaimed a free port in 1719. By 1740 the population had grown from 7,000 to 17,000. It remained free of the hampering legislation of that period until 1891, when the harbor alone was declared to be outside the customs limit.

During the Napoleonic period from 1797 to 1805 Trieste came under French rule and again from 1809 to 1813 it formed part of Napoleon's short-lived Kingdom of Illyria.

Trieste was restored to Austria in 1814 after the collapse of the Napoleonic Empire. By 1870 the work of the Risorgimento in uniting all Italian-speaking territories into a single Kingdom of Italy was practically completed except for Trieste, Trento and certain outlying towns and cities such as Fiume and Zara. As a natural consequence Trieste developed into a focus of Italian irredentism until its final occupation by Italian forces in November 1918.

With the break up of the Austro-Hungarian Empire at the end of World War 1, the Italians and the newly formed Kingdom of the Serbs, Croats and Slovenes, or Yugoslavia as it was more commonly known, contested each others' rights to Venezia Giulia and Trieste. By the terms of the Treaties of St. Germain in 1919 and Rapallo in 1920 all Venezia Giulia was ceded to Italy, except Fiume, which finally, after the theatrical coup d'etat of Gabriele D'Annunzio in 1919, followed by prolonged diplomatic negotiations, came under Italian sovereignty in 1924.

After the Italian Armistice of 1943 the Germans took control of Venezia Giulia with plans for incorporating it into the Greater Reich. In the closing days of April 1945 Marshal Tito's Yugoslav IX Corps occupied Trieste, advancing from the Carso, and two days later on 2 May the Second New Zealand Division entered the city from the direction of Monfalcone to negotiate the surrender of pockets of Germans, who were still holding out against the Yugoslavs and Partisans. At the same time the U.S. II Corps. from the U.S. Fifth Army Front joined



Piazza dell'Unità is the most important square in the city. On the far left center is the Prefettura. Facing the Prefettura is the Headquarters of Lloyd Triestino and on the extreme right is the Municipio or City Hall. The piazza was originally built as a parade ground.

the British Eighth Army in the Trieste area. During this period immediately following cessation of hostilities, the Yugoslavs and their Communist Allies ruled Trieste and established their own form of local government. After many conferences, British Lieutenant General W.D. Morgan, now Sir William Morgan, and Yugoslav General Jovanović met at historic Duino Castle and drew up the agreement which divided Venezia Giulia including the city of Trieste into Zone "A" in the North and Zone "B" in the South, with the so-called Morgan Line marking the division. The enclave of Pola constituted a part of Zone "A" and was placed under an Allied administration. Each Zone was to be administered in trust by the respective Military Governments until a final settlement was reached in the peace treaties.

ITALIAN PEACE TREATY

By the terms of the Italian Peace Treaty which came into force on 15 September 1947, the occupied Territory of Venezia Giulia was divided into three portions:

a) Pola, the Isonzo Valley above Gorizia, and the greater part of the Carso region were ceded in full sovereignty to Yugoslavia.

b) The Lower Isonzo, including the towns of Gorizia and Monfalcone, was returned to Italy.

c) The remainder, comprising the coastal region between Duino and Cittanova, was destined to form a Free Territory under a Governor appointed by the United Nations. This latter territory was further subdivided by the Morgan Line into the British/U.S. Zone in the North and the Yugoslav Zone in the South.

Allied Military Government has remained in the Free Territory to fill the gap left by the non-implementation of the Italian Peace Treaty by the United Nations. Annex VII of the Treaty entitled "Instrument for the Provisional Regime of the Free Territory of Trieste," states in Article I.:

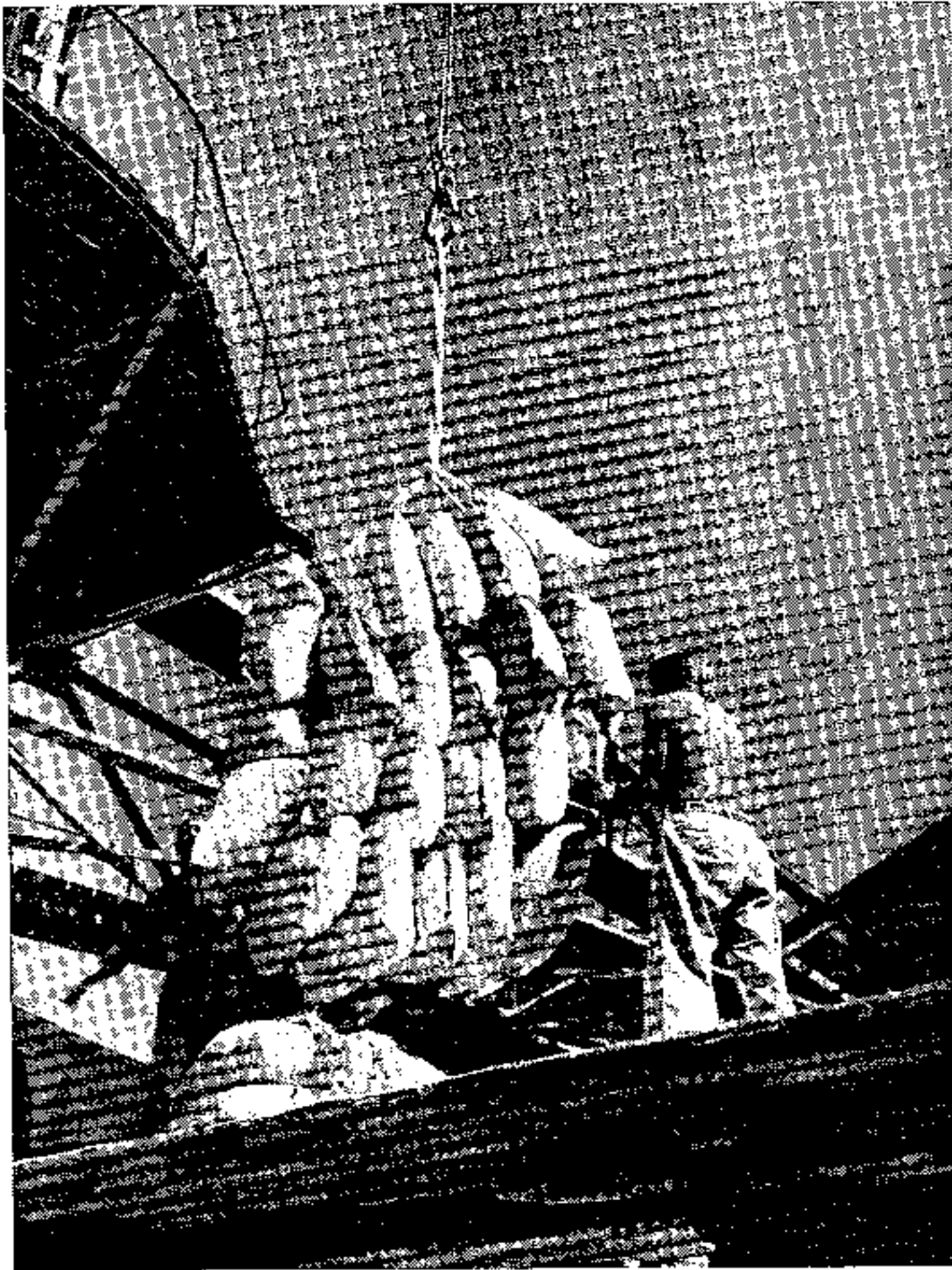
"The Governor shall assume office in the Free Territory of Trieste at the earliest possible moment after coming into force of the present treaty. Pending assumption of office by the Governor, the Free Territory of Trieste shall continue to be administered by the Allied Military Commands within their respective Zones."

The other Article of interest as far as it concerns the presence of Allied Forces in this historically contested area is No. 5 of the same Annex which states:

"a) From 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 of America 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"

The Treaty presumed full cooperation between all powers concerned, and provided that the status quo should be maintained in both Zones until provisions of the Treaty setting up the Free Territory were implemented on the assumption of the early appointment of a governor.



A cargo of flour being unloaded at the port. Besides normal commercial traffic, Trieste is also the port of entry for E.R.P. supplies for Austria as well as the British/United States Zone, Free Territory of Trieste.

However, since the Security Council discussions regarding the appointment of a Governor satisfactory to all parties had reached an impasse, and legal and administrative measures adopted in the Yugoslav Zone had terminated the status quo, on 20 March 1948 the following tripartite proposal was announced:

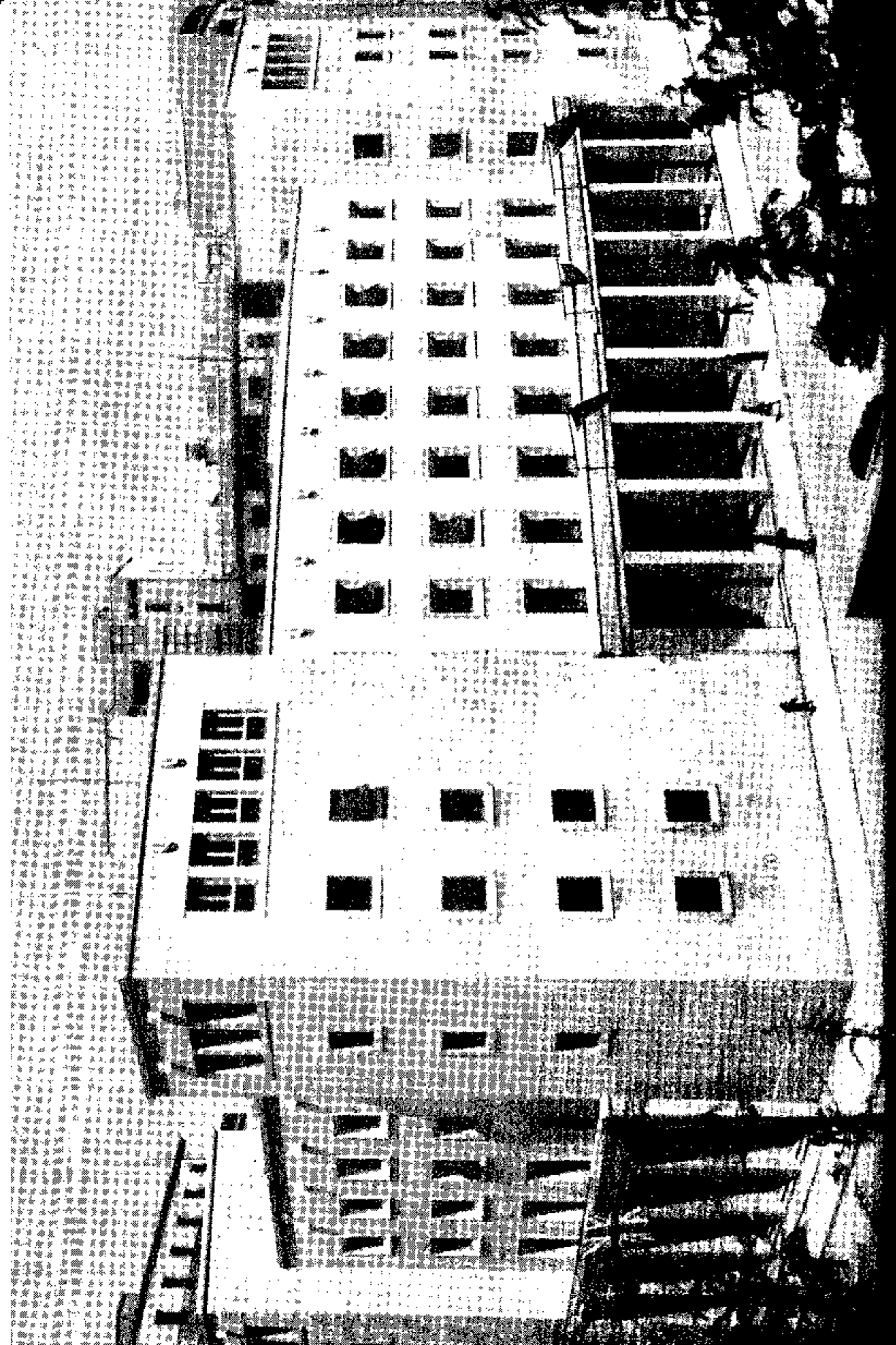
"The Governments of the U.S., U.K. and France have proposed to the Governments of the Soviet Union and of Italy that the latter Governments agree jointly on an additional protocol to the Italian Peace Treaty which would again place Trieste under Italian sovereignty.

"The Governments of the U.S., U.K., and France have arrived at this decision because discussions in the Security Council have demonstrated by now that an agreement on the selection of a Governor is impossible, and because they have accumulated sufficient evidence which demonstrates that the character of the Yugoslav Zone has been completely transformed and that the Zone has virtually been incorporated into Yugoslavia through procedures which do not respect the desires expressed by the Powers to give this Territory a democratic and independent way of life.

"In the course of discussions by the Council of Foreign Ministers concerning the Treaty of Peace with Italy, it was the clear position of the U.S., U.K., and French representatives that Trieste - the great majority of which is Italian - should remain an Italian city. Due to the impossibility of obtaining the adoption of such a solution, the Three Governments agreed that the city and a small hinterland be constituted a Free Territory, under the aegis of the Statute which, it was hoped, would guarantee the independence of the people of the Zone, including the Italian city of Trieste, through the cooperation of all parties concerned.

"Pending a Governor's assumption of his duties, the Free Territory has been administered by the Commander of the combined British-United States Forces in the Northern Zone, and by the Commander of the Yugoslav Forces in Southern Zone. In the British-United States Zone, British and United States Military Authorities have carried out the duties of the vacant Governorship and of democratic organs representing the people under the provisions of the Permanent Statute of the Territory. At the same time, the Yugoslavs have adopted in the Zone under their control certain measures which definitely compromise the possibility of applying the terms of the Statute.

"In view of these circumstances, the three Governments have come to the conclusion that the present situation cannot guarantee the preservation of the fundamental rights and interests of the people of the Free Territory.



"Therefore the Governments of the U.S., U.K., and France have decided to recommend the return of the Free Territory of Trieste to Italian sovereignty as the best solution for the fulfillment of the democratic aspirations of the people, and to make possible the restoration of peace and stability in the Zone.

"In view of the fact that the Security Council has assumed responsibility for the territorial integrity and independence of the Free Territory of Trieste, the Governments of the U.S., U.K. and France will submit to the Security Council for its approval the provisions to be jointly adopted."

In subsequent discussions of the Trieste question at Lake Success, the British, French and American delegates to the Security Council have continued to press the recommendation that the Free Territory be returned to Italy.

TRIESTE OF TODAY

ALLIED MILITARY GOVERNMENT

Under the terms of the Italian Peace Treaty, the British/United States Zone, Free Territory of Trieste is dependent upon the Security Council of the United Nations. The terms of the Treaty grant in effect a mandate to the British/United States Governments to continue a military administration in the area occupied by the British/United States Forces until the provisions of the Treaty creating a new administration come into force. This mandate in turn has been passed on to the Military Commander of the Zone, who fulfills his responsibility to the local population through Allied Military Government.

It is to the Security Council that the British and United States Governments furnish the Zone Commander's periodical reports on the administration of the Zone.

Headquarters of Allied Military Government, British/United States Zone, Free Territory of Trieste. This modern building is flanked by the narrow streets of the old city, a Roman amphitheater and a modern skyscraper.



Following the "Eisenhower Pattern" established in the Mediterranean Theatre of Operations during World War II, Allied Military Government is an integrated organization of British and United States military and civil officials.

Major General T.S. Airey, C.B., C.B.E., is Commander of the British United States Zone, Free Territory of Trieste.

He is also GOC in C BETFOR (British Element Trieste Force).

The Zone Commander is assisted by a British Political Advisor and a United States Political Advisor, who with their staffs energize the British and American Foreign Service Missions in Trieste. There are also Italian and Yugoslav Economic Missions in the British/United States Zone, Free Territory of Trieste.

The Deputy Zone Commander is Major General William M. Hoge, the Commanding General TRUST (Trieste United States Troops).

Brigadier General Ridgely Gaither is Deputy Commander of TRUST and Director General, Civil Affairs, responsible to the Zone Commander. His Deputy is Brigadier H.P.P. Robertson, O.B.E.

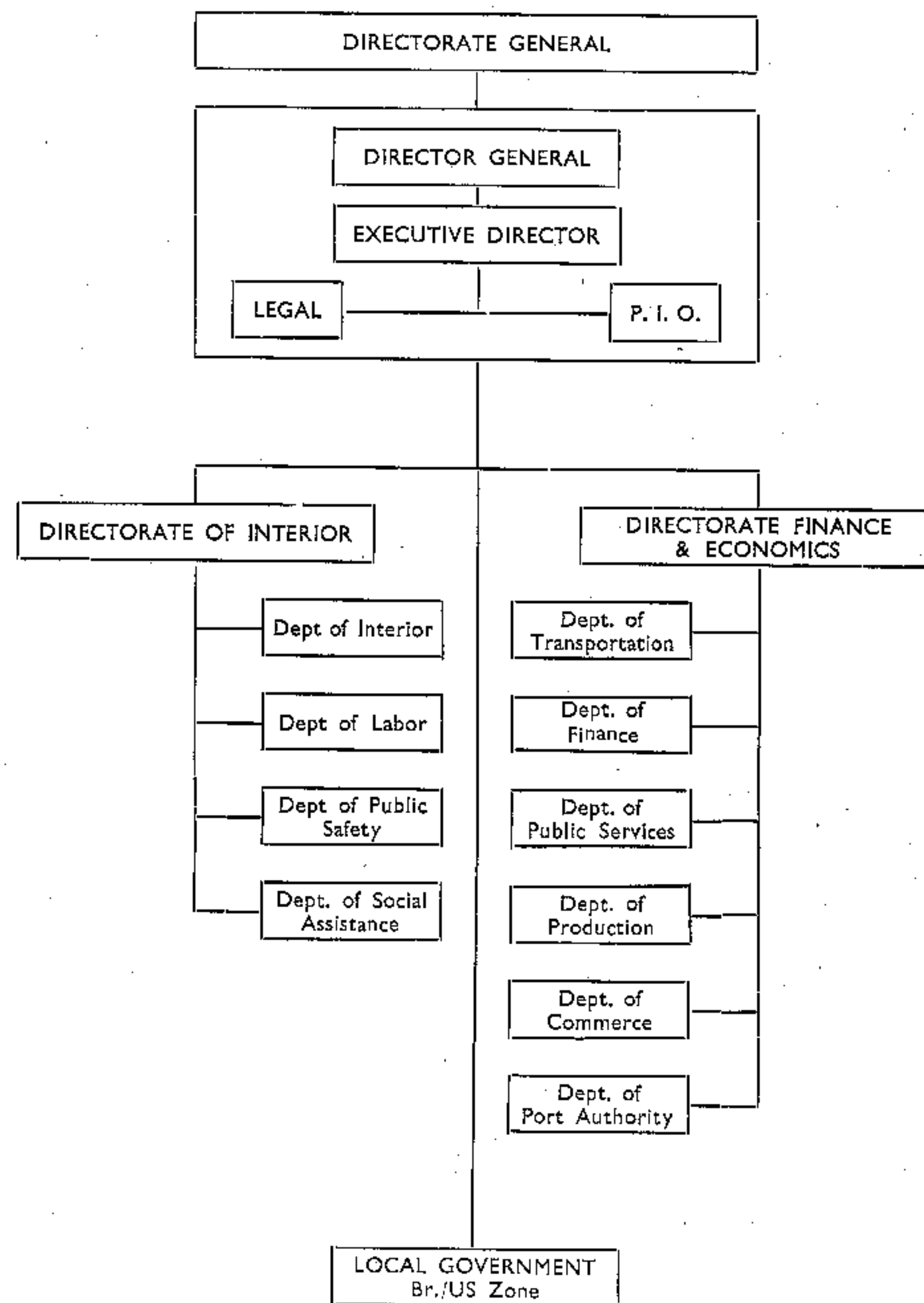
Senior local government official is Dr. Gino Palutan, Zone President. Mr. Michele Miani is President of the Commune of Trieste, the largest single governmental unit in the Free Territory of Trieste. These and other government officials currently hold office by appointment of Allied Military Government. Communal Councillors, however, will be elected by popular vote in June 1949. They in turn will elect new council officials.

LOCAL GOVERNMENT

Local Government functions in accordance with Allied Military Government Order 259 published on 25 June, 1948. It is based on the pattern instituted in Italy shortly after the cessation of hostilities and before administrative elections were held.

Allied Military Government, Directorate of Interior, which corresponds to the Ministry of Interior in Italy, controls local government,

Organization of Allied Military Government, British/United States Zone, Free Territory of Trieste.



through its functionary, the highest civil official in the Government, known as the Zone President. He is appointed and removable by Allied Military Government, and has, with the exception of Public Safety functions, the same powers as those exercised by a Prefect in Italy. The Zone is divided into communes consisting of Trieste and 5 smaller communes. At the head of each Commune is a Mayor (Sindaco), who is appointed and removable by the Central Government. (A. M. G.) Local Government is carried out in each Commune by the Communal Board (Giunta Comunale), whose President is the Mayor.

A central body, the Zone Administrative Board, (Giunta Amministrativa di Zona) under the Zone President coordinates and controls the work of the Communes and effects liaison with the Central Government. (A. M. G.) Certain functions of local government within the Zone such as roads, hospitals and public welfare are carried out by an autonomous body known as the Province of Trieste (Provincia di Trieste) in the form of a President of the Province and his Councillors, known as the Provincial Deputation.

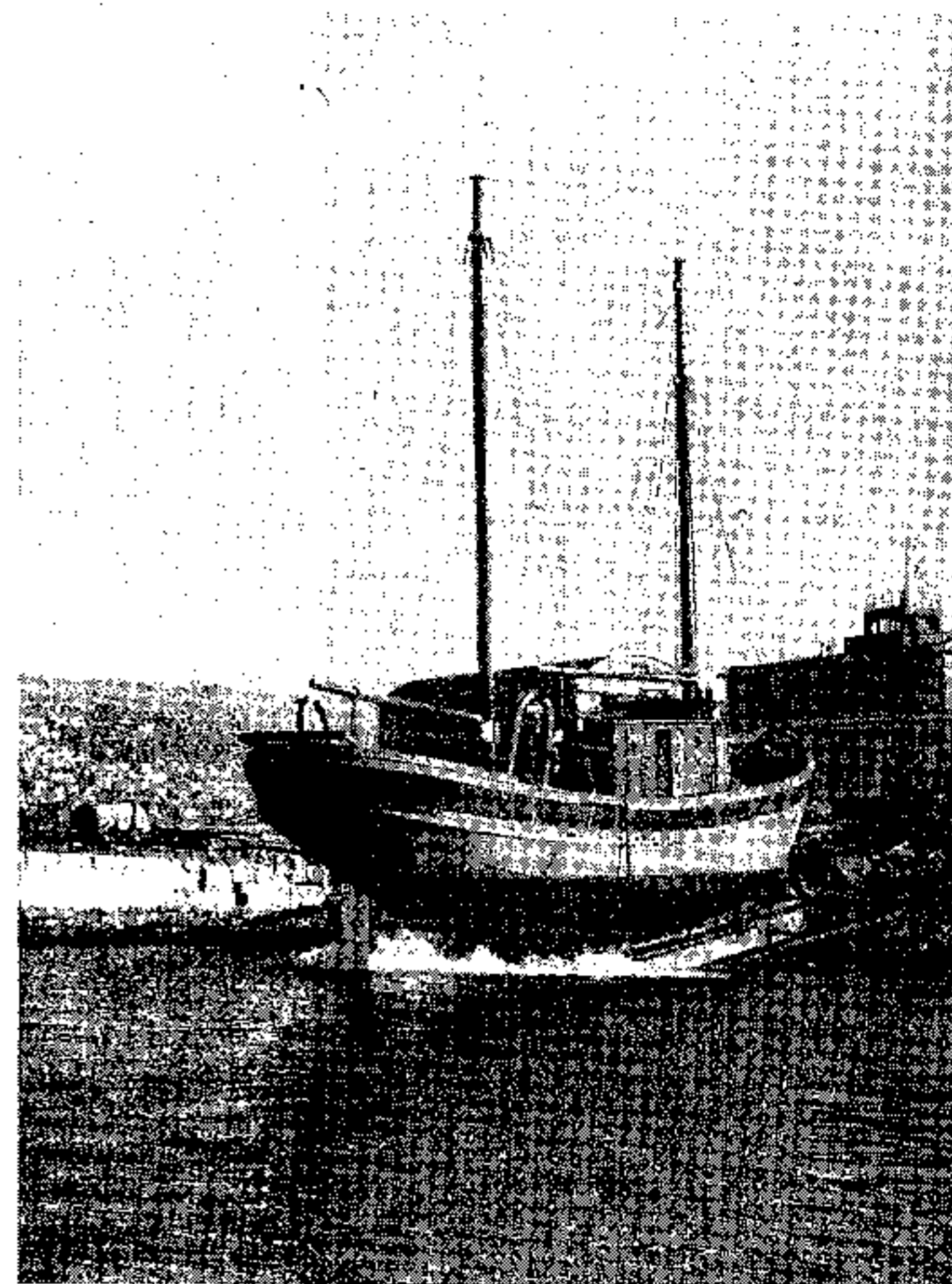
POLITICS

Political parties and affiliated organisations in the British/United States Zone can be divided roughly into two groups, those demanding a return of the Free Territory to Italy and those calling for the establishment of the Free Territory under the terms of the Italian Peace Treaty. Some of the latter were until recently demanding the incorporation of Trieste into Yugoslavia.

The more important parties and organisations which desire a return of Trieste to Italy are:

CLN - Comitato di Liberazione Nazionale della Venezia Giulia; LN - Lega Nazionale; PLI - Partito Liberale Italiano; PDLUQ - Partito Democratico Liberale dell' Uomo Qualunque; PDC - Partito della Democrazia Cristiana; PRI - Partito Repubblicano Italiano; PSVG - Partito Socialista della Venezia Giulia.

Those parties and affiliated organisations, including the Pro-and Anti-Cominform Groups, which want the establishment of the Free Territory of Trieste are;



Launching the fishing boat «Anna» on 31 January 1949. The «Anna» was the first of a dozen boats of between 60 and 80 tons to be built in Trieste in 1949 for high seas fishing.

PCI - Partito Comunista Italiano; PCG - Partito Comunista Giuliano; CLT - Consiglio di Liberazione per la Città di Trieste; UAIS - Unione Anti-Fascista Italo-Slovena; FISLG - Fronte Indipendente per lo Stato Libero Giuliano; API - Associazione Partigiani Italiani; APG - Associazione Partigiani Giuliani; and SDZ - Slovenska Demokratska Zveza.

ADMINISTRATION OF JUSTICE.

Justice is administered in the British/United States Zone, Free Territory of Trieste through local courts which were reestablished in 1945 when Allied Military Government took over administration of the area. The system of courts is similar to that in operation in Italy and the Italian penal and civil codes by virtue of the Peace Treaty are codes of the zone. With the exception of a very small number of temporary magistrates appointed by Allied Military Government all magistrates are seconded for duty by the Ministry of Justice in Rome to the British/United States Zone, Free Territory of Trieste.

Courts operate under the Allied Military Government Department of Legal Affairs, the equivalent in the Zone of the Ministry of Justice. In addition to local courts, there are Allied Military Government Courts for the trial of offenses against the armed forces. The present policy is to cut down the work of the Military Government Courts and allow local courts as far as possible to deal with all offenses committed within the Zone.

The most important A. M. G. publication from the point of view of the local public is the Official Gazette which promulgates all new laws and orders. These laws in general follow the pattern of Italian legislation.

VENEZIA GIULIA POLICE FORCE

Law and order is maintained in the British/United States Zone by a specially created force known as the Venezia Giulia Police with about 6,000 officers and men locally recruited and operating under the supervision of Allied officers with previous police or technical experience associated with police work. The Venezia Giulia Police Force was organized in 1945.

With its radio-equipped boats and motor vehicles as well as modern scientific laboratories and highly trained uniformed and criminal investigation agents it ranks with the most modern police departments in Europe.

PRESS.

No censorship of publication exists. The licensing of publications is, however, controlled by Allied Military Government within the limits imposed by technical facilities available in the city. Laws concerning the press and libel exist in the zone after the Italian pattern. In extreme cases the press may be subject to A.M.G. proclamations.

The 7 daily newspapers printed and circulated in the Zone are:

	TITLE	CIRCULATION	AFFILIATION
1.	Giornale di Trieste	53,000	Independent,
	Sunday Edition	65,000	Right Wing
2.	Il Corriere di Trieste	24,000	Independent,
	Sunday Edition	33,000	Left Wing
3.	La Voce Libera	9,000	Republican
4.	La Voce della Sera	17,000	Socialist
5.	Ultimissime	11,000	Demo-Christian
6.	Primorski Dnevnik	7,500	Pro-Tito, Communist
7.	Il Lavoratore	7,000	Pro-Cominform Communist

Also published in Trieste is a political tri-weekly called Trieste Sera with an estimated circulation of 4,000. In addition there are 21 weekly and 6 monthly publications covering economic, social, political and cultural activities of Trieste life.

A seventh daily newspaper, Messaggero Veneto, is printed in Udine, Italy, and has a Trieste edition of 5,000 copies. It is right wing nationalist.

RADIO.

Allied Military Government through the medium of Allied Information Services, its operational press and public relations division, operates 2 radio broadcasting transmitters; one broadcasting in the Italian language, the other in Slovene. Each of these stations are on the air 10 hours a day. Four daily news broadcasts are given in each language and the balance of the programs are composed of musical and cultural items.

A considerable part of the financial cost of operating these 2 radio stations is borne by Allied Military Government, although the British and the United States Governments supply key personnel.

Allied Military Government does not sponsor or publish any newspaper of its own, but through its Public Relations Office and Radio Trieste official announcements receive wide dissemination.

LABOR.

There are two major Labor unions in the Zone, both organized on a horizontal plan.

The Camera Confederale del Lavoro (CDL) is a non-Communist organization whose direction maintains a parity of the Demo-Christian, Socialist and Republican Parties.

It is included in the trade union organization of Western Europe adhering to the E.R.P. It claims in Trieste approximately 50,000 adherents.

The other major trade union is the Sindacati Unici (S.U.), whose orientation is Cominform-Communist and whose membership is claimed to be 30,000, including Communists adhering both to the Cominform and the Pro-Tito Groups.

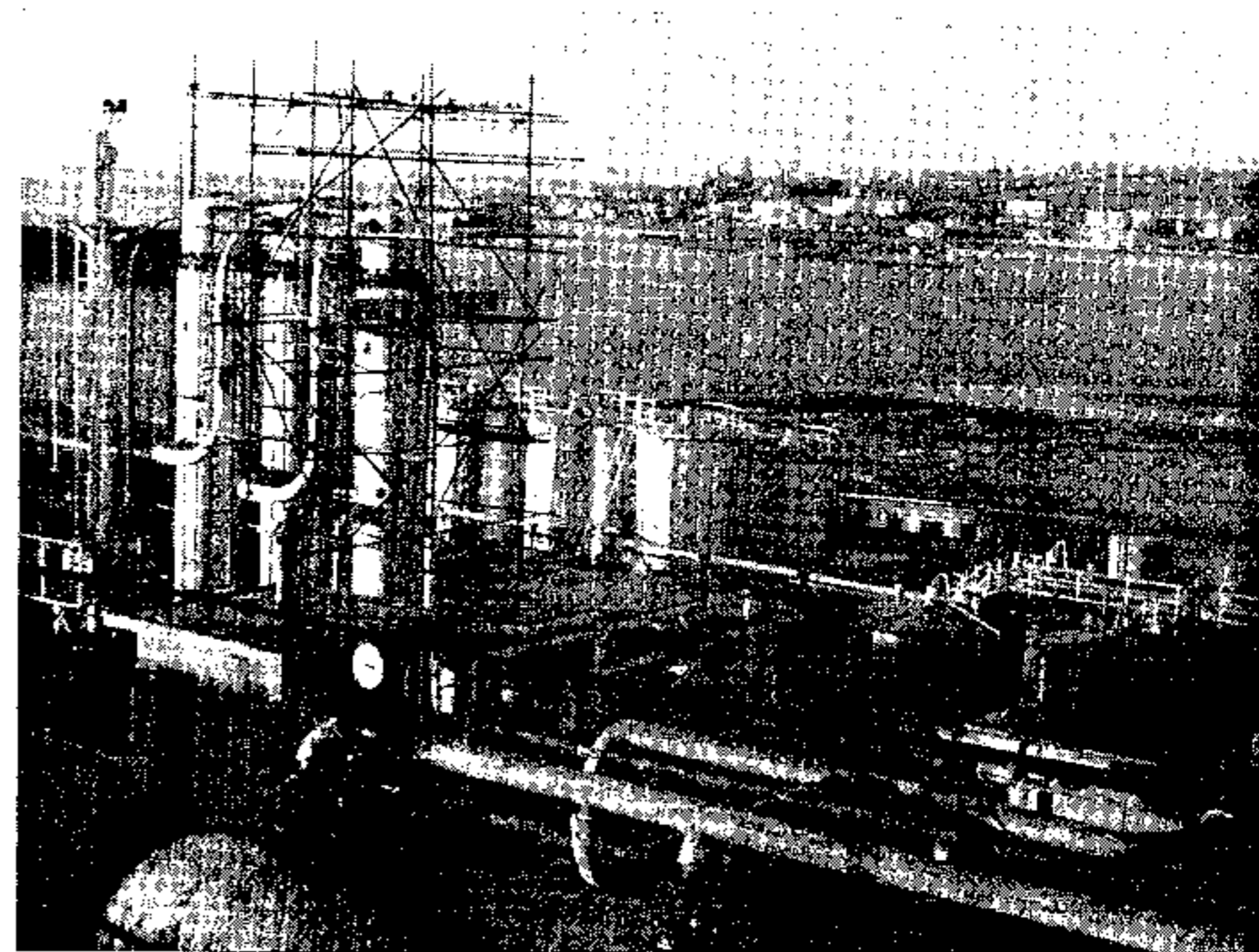
GEOLOGY

Although belonging to the same geological period, the soil types of the Zone have very different texture and structural characteristics.

In the north between the mouth of the Timavo River and as far south as Grignano there is the last Carso-Mesozoic formation. At one time much of this limestone plateau was an oak forest but in the course of time this was largely destroyed by wars, and the need for timber. Today the Carso is largely bare except for scrub.

The other geological region is that of Muggia, San Dorligo della Valle and around Trieste, where the basis is sandstone with a surface covered by layers of marl.

The soil in the first zone, the Carso, is the least productive of any in the entire area. It has a very shallow surface underlain with rock which outcrops on the surface every few feet. The surface soil between the outcrops of rock is constantly being eroded. Of more importance



AQUILA mineral oil refineries, totally destroyed during the war, have been rebuilt and have already surpassed their pre-war production by 40 percent. AQUILA is the only important refinery in this area and is exporting its products to Italy, Yugoslavia, Austria and Palestine.

agriculturally is the marly-sandy loam zone of the hills of Trieste, San Dorligo and Muggia. The deeper soils in this area are productive, and grape culture, which has been carried on for centuries, predominates. Grains and vegetables are also produced in this zone and fruit and nut production are of importance.

GEOGRAPHY

Area	Square kilometers	Square miles
British-United States Zone	222	86
Yugoslav Zone	516	199
Total Free Territory of Trieste	738	285

Coastline:	Kilometers	Miles
British/United States Zone	50	31
Yugoslav Zone	90	56
Total	140	87

The highest point in the British/United States Zone is Monte Cocusso with an altitude of 672 meters on the Yugoslav frontier near the village of Basovizza.

Length of Boundaries of the Trieste Free Territory in kilometers.
 Outside perimeter British/United States Zone 41 + "Morgan Line" 21 = 62
 Outside perimeter Yugoslav Zone 50 "Morgan Line" 21 = 71
 TOTAL..... 91

POPULATION

The estimated population of the British United States Zone Free Territory of Trieste, as of June 1948 is as follows:

Commune	Italian	Slovene	Foreigners	TOTAL
TRIESTE	236,154 86%	21,968 8%	16,476 6%	274,598
MUGGIA	8,974 70%	3,718 29%	128 1%	12,820
DUINO-AURISINA	1,236 26%	3,469 73%	47 1%	4,752
S. DORLIGO	100 2%	4,836 97%	50 1%	4,988
SGONICO	14 1%	1,330 99%	— —	1,344
MONRUPINO	6 1%	596 99%	— —	602
TOTAL	246,484 82%	35,919 12%	16,701 6%	299,104

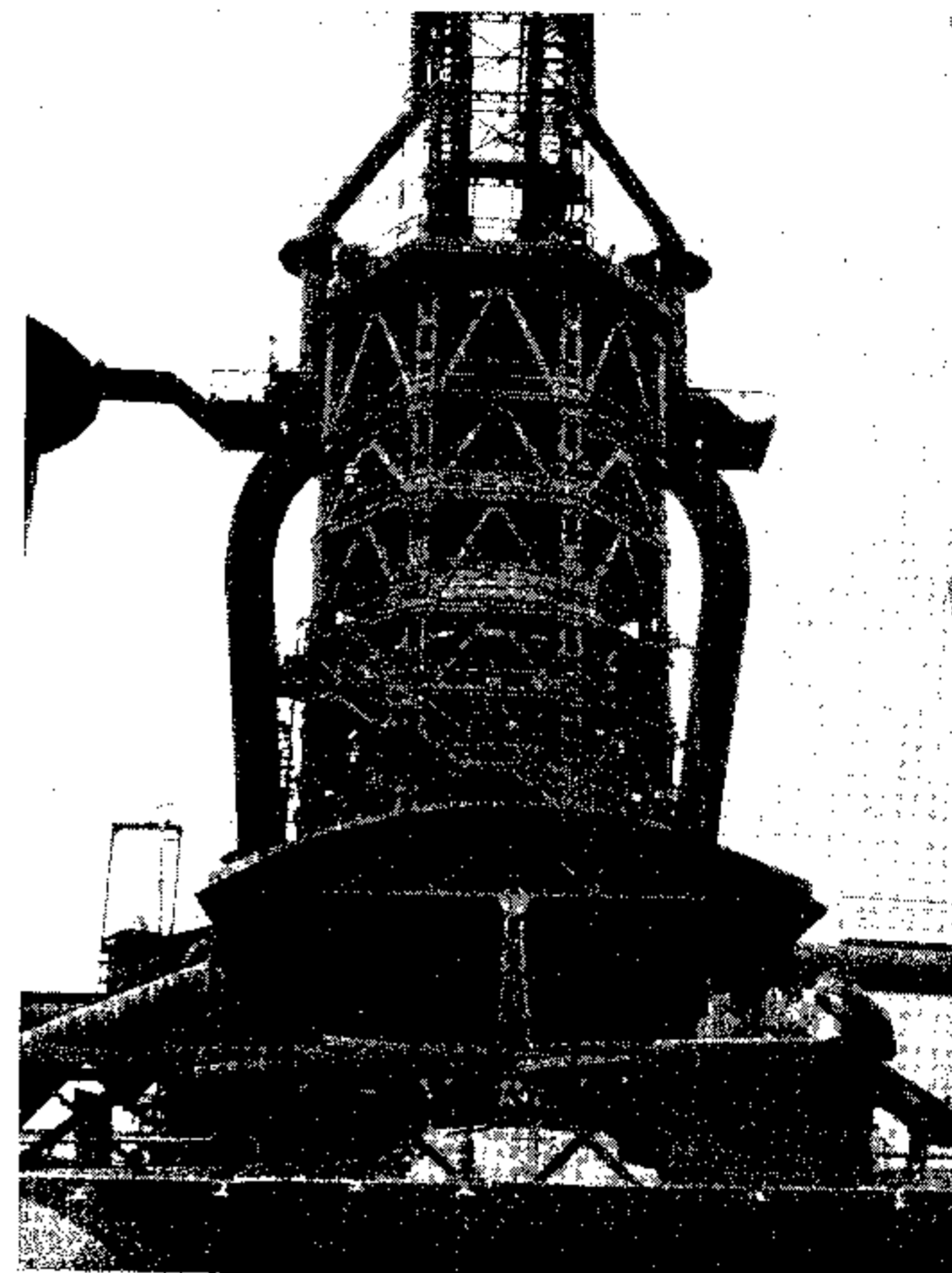
The Yugoslav Zone Free Territory of Trieste 73,500

(Figures for the Yugoslav Zone are as of 1940.

More recent figures are not available).

GRAND TOTAL FREE TERRITORY OF TRIESTE 372,604

The number of persons in the British/United States Zone holding ration cards totalled 285,598 persons on 30 June, 1948. The total registered population living within the boundaries of the British/American



ILVA steel works had been seriously damaged during the war. The plant is being rebuilt with the help of a substantial loan from the lire counterpart fund. By the end of 1949 the plant should reach an annual production of 90,000 tons of pig iron and 30,000 tons of steel. Most of the plant's production goes to the local shipyards for the construction of ships for the Trieste merchant fleet.

Zone on the same date was 299,104 persons. Since the number of self-suppliers of essential food products is only 6,050 persons, Military Government representatives are of the opinion that on account of the

large quantities of food available on the free market approximately 7,000 to 10,000 persons in the higher income groups do not apply for ration cards.

ANGLO - AMERICAN CIVILIANS

In addition to the 10,000 United States and British troops stationed in the zone, there is also a sizeable group of Anglo-Americans representing the families of troops and key civilian personnel.

A total of 1,541 dependents, both American and British, live in the zone. This figure is broken down into 945 American and 596 British dependents.

United States Department of Army and Department of State civilians total 85. The civilian personnel of the British Foreign Office and War Office in the zone total 89.

POINTS OF INTEREST

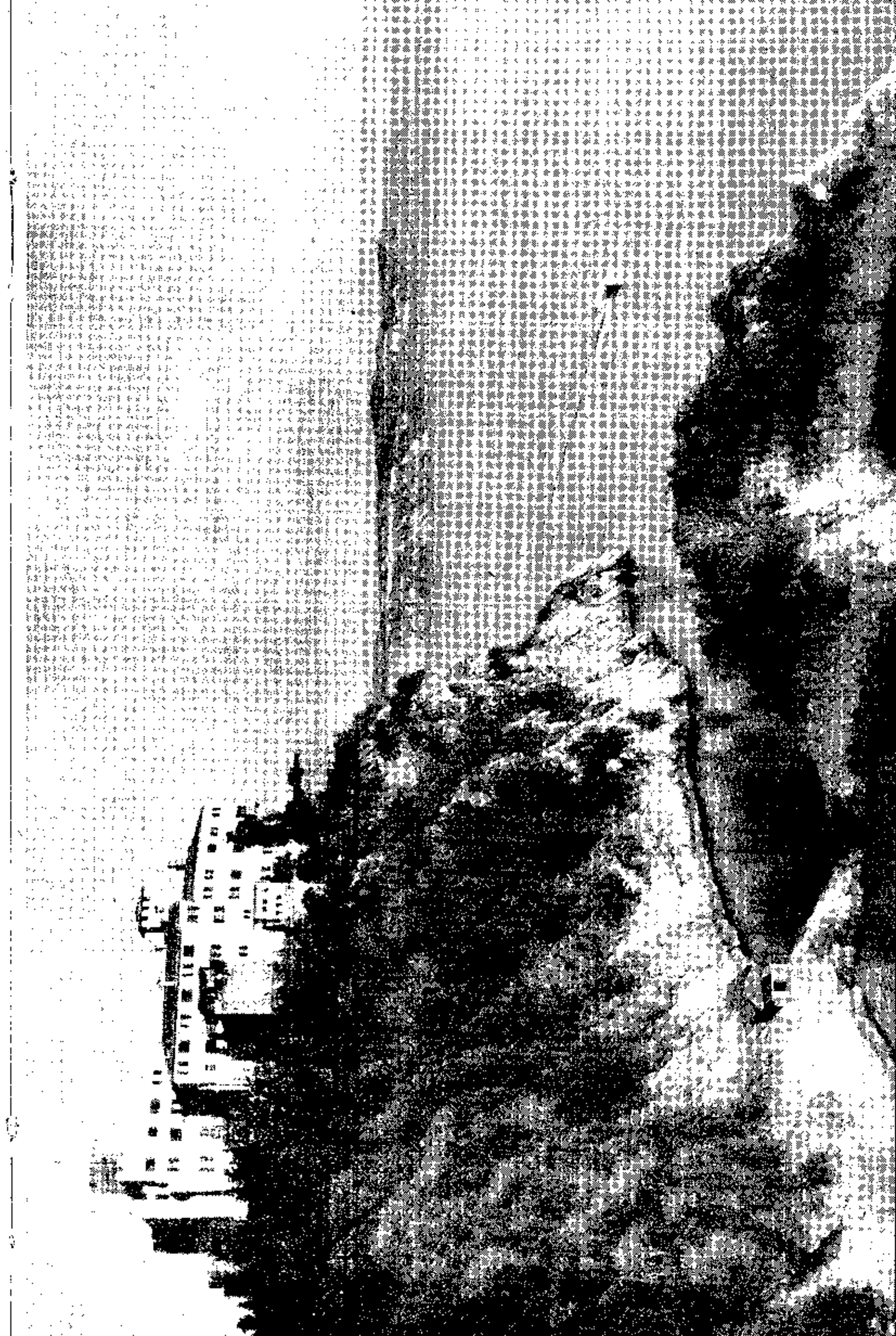
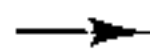
The main points of interest in the Zone vividly trace the history of the region from before the ancient Romans down through the ages. In the city of Trieste, for example, there are side by side with the vestiges of the glory that was Rome, the skyscrapers, office buildings and shopping centers that make this a modern city.

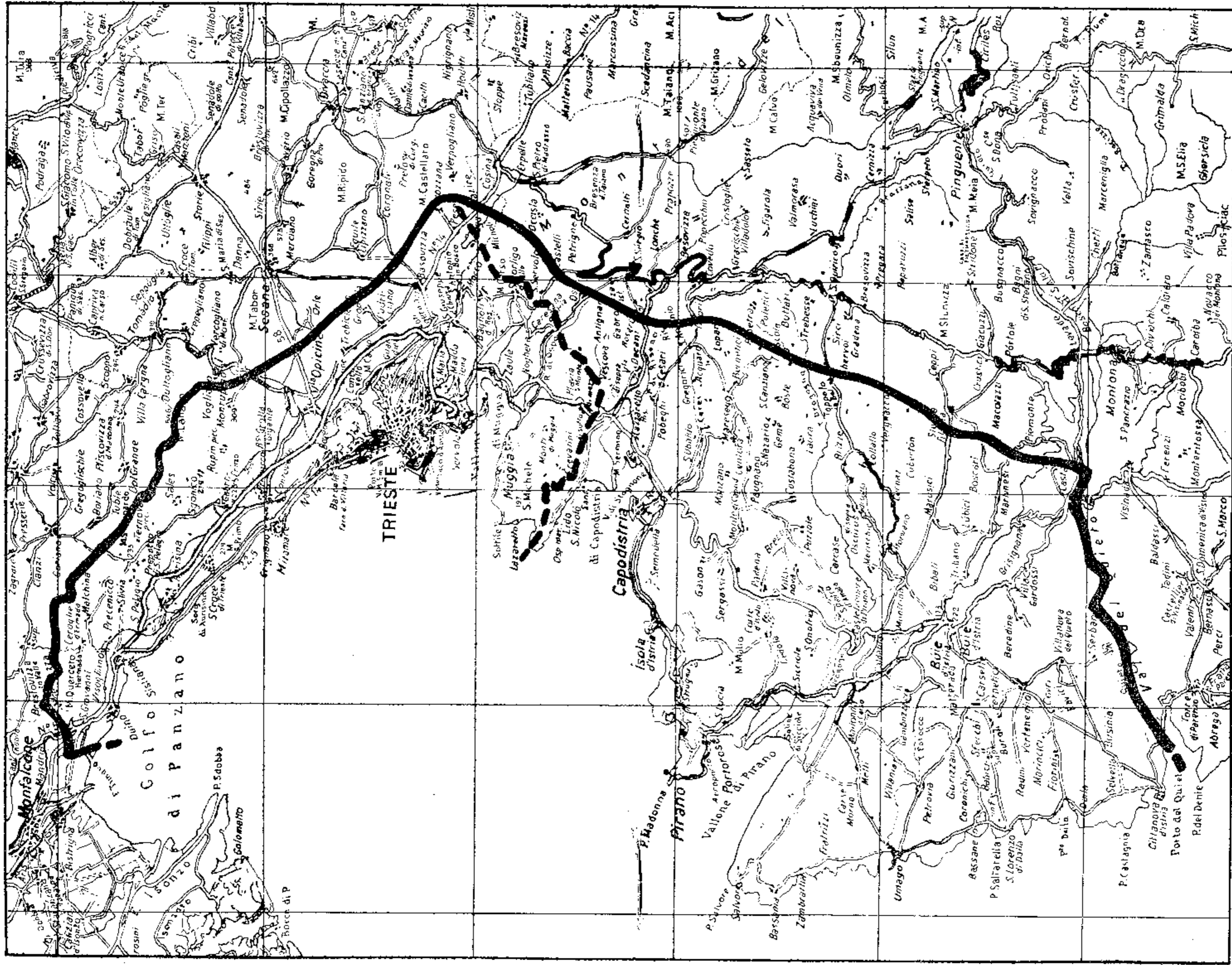
Headquarters of Allied Military Government is located in what was formerly Fascist Party Headquarters. The building is flanked by the narrow streets of the old city, a Roman Amphitheater and a modern skyscraper.

DUINO CASTLE

To give a more detailed picture of the points of interest and beauty in the British / United States Zone, Free Territory of Trieste, it would be best perhaps to start in the north with an imaginary

Historic Duino Castle, the residence of the Zone Commander and General Officer Commanding BETFOR.





The Free Territory of Trieste with the so-called Morgan-Line (dotted) dividing the British United Zone in the north and Yugoslav Zone in the south.

journey from Block Post 1 on the main road linking Trieste with Italy. The block post incidentally is located in what was once the no-man's land separating the Italian and Austro-Hungarian Troops in World War 1. Driving south along the modern road, the first landmark seen is historic Duino Castle, today the residence of Major General T.S. Airey, C.B., C.B.E., Zone Commander, and General Officer Commanding BETFOR.

The original castle, built by the Romans in 384 A. D. and about 200 yards to the north of the present fort, was intended as a link in a chain to protect the Romans from the ravages of marauding tribes from the east and coastal pirates. It was destroyed by the Turks in 1467 and only the ruins now remain.

The Della Torre e Tasso family, which occupied the original castle before its destruction, built the second Duino Castle on the present site about the Tenth Century. During World War 1 the Castle was shelled by Italian artillery. Reconstruction was started in 1926. The Castle was occupied by the Germans during World War II.

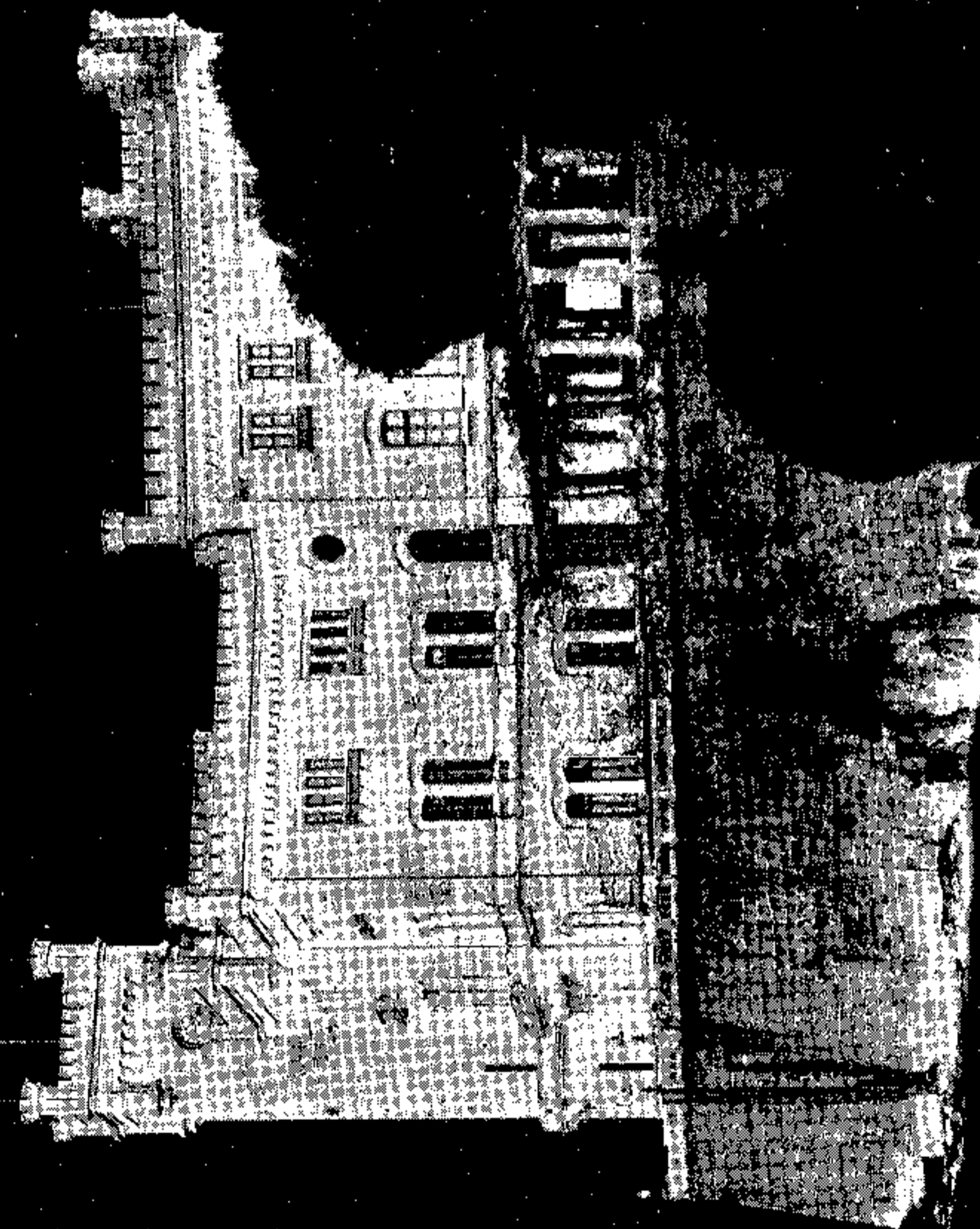
MIRAMARE CASTLE

Eight miles south of Duino is another and a more recent reminder of Trieste's grandeur, Miramare Castle.

Headquarters of TRUST and residence of Major General William M. Hoge, TRUST Commanding General and Deputy Zone Commander, Miramare Castle was built by the ill-fated Archduke Ferdinand Maximilian von Hapsburg, younger brother of Emperor Franz Joseph of Austria-Hungary.

Construction began in 1856 under the direction of Carl Junker, who in the same year had completed the construction of the Vienna - Trieste railroad. In all the plans of Maximilian and Junker, efforts were made to reconstruct something of the architectural beauty of the Romance period of the Middle Ages.

Miramare Castle, a reminder of Trieste's grandeur, is headquarters of TRUST and the residence of the TRUST Commanding General and Deputy Zone Commander.



Tons of topsoil were carted from the Friulian plain and used to cover the rocky hillside which Maximilian had planted with pine and cedar to form the backdrop of evergreen for his "White Castle". The Castle was occupied by Maximilian in 1860 although it was not completed until 10 years later. A harbor was also constructed below the castle. It was from here on 14 April 1864 that he set sail on his ill-fated voyage to Mexico, where after three troubled years as Emperor he was shot.

However, Maximilian's tragedy is only the first in the lives of Austrian and Italian nobility who lived at the Castle.

Empress Elizabeth, wife of Emperor Franz Joseph, each year visited Miramare Castle. The Empress was murdered in Geneva, Switzerland, by an Italian anarchist at the turn of the century.

Stephanie, wife of Crown Prince Rudolf, sought solitude in the quiet halls of Miramare when the tragedy at Mayerling, involving her husband, drove her into seclusion in March 1900. Last of the Hapsburgs to reside in the Castle was Archduke Franz Ferdinand, who was killed at Sarajevo in June 1914.

After the territory was ceded to Italy following World War 1, the Duke d'Aosta lived in the Castle. In 1942 he died in Africa as a prisoner of war.

After leaving Miramare and continuing south to the city of Trieste the next point of interest is the Grand Canal of Trieste dug in 1756 under the reign of Maria Teresa of Austria-Hungary. It once extended to the Church of Saint Anthony which had been built nine years before.

PIAZZA DELL'UNITÀ

Several hundred yards further south on the seafront is Piazza dell'Unità. This, the most important square in the city, is flanked by the Municipio or City Hall, the Prefettura and the Headquarters of the Lloyd Triestino Shipping Company. The Piazza was originally built as a parade ground for the Austrian guards of the government buildings.

The Piazza's two flag poles are in memory of soldiers of the Italian Army Transport Corps, who lost their lives in World War 1.

HILL OF SAN GIUSTO

From Piazza dell'Unità can be seen the hill of San Giusto. Bearing the name of the patron Saint of Trieste, the hill with its ancient castle, cathedral, war memorials and Roman ruins stands as a symbol of Trieste down through the ages. It is also the hub for the cultural, historical and traditional life of Trieste. On the site of the ancient Roman forum, Emperor Frederick III of Austria ordered the construction of a Castle in 1740 to protect Trieste against the Turks and form a part of the Empire's defences in conjunction with the forts at Maribor, Graz and Ljubljana.

In 1926 the Castle was turned over to the City of Trieste by the Italian Army and converted into a museum and recreation center.

The Cathedral of San Giusto, famed for its Byzantine and medieval mosaics, was built on the ruins of a temple of Jupiter Capitolinus, Juno and Minerva.

San Sergio was an early Christian leader of Trieste during the persecution of Diocletian. The halberd coat-at-arms of Trieste originated from San Sergio's death.

Before his departure for war against the Persians, the Roman's learned of his Christian beliefs. He told his followers, however, that if anything should happen to him a message would reach them telling of his ill-fortune. In the course of events San Sergio was killed by the Romans. At this very moment in Trieste a halberd was dropped from the heavens red with the blood of San Sergio. And that, according to legend, is the origin of the flag of Trieste, a silver halberd on a blood red background.

The Hill of San Giusto also contains memorials to the men of Trieste who died in World War 1 and 2, the Invasion of Ethiopia and the Spanish Civil War, and to the men of First Battalion, 349th Infantry, 88th. (U.S.) Division, who died in Italy, during World War II. The latter memorial was erected in 1946 during the Battalion's service in Trieste.

Other points of interest are, Civic Library, Civic Museum, Revoltella Museum and Picture Gallery and the University.

For the information of the curious observer the letters "US" and "I" found on the walls of buildings in the city do not denote the United States or Italy. They were painted during World War 2 as

part of Italy's air raid precaution system. The "US" locates an underground shelter or "uscita di sicurezza" and the "I" a water hydrant or "idraulico".

ECONOMIC

Trieste, one of the world's most modern seaports, has as its main activity shipping, shipbuilding and their allied and subsidiary industries.

SHIPPING.

Registered companies operating from Trieste are: Lloyd Triestino Navigation, Italia Navigation, Adriatic Navigation, Tripovich, Istria Trieste, Armamento Pugliese, Gerolimich General Navigation, G.L. Premuda Shipping.

Shipping agencies are as follows:

Ellerman Wilson (Lykes Mediterranean Line) Adriatic Shipping Co., (American Export Lines, American Pacific Steamship Co., Marittima Italiana) Adriatic Mercantile Ltd., Enrico Sperco & Co. (Svenska Orient Line, Hellenic Line, Linea Reale Olandese, General National Navigation Co. of Egypt) Emanuel Balducci, Audoli Ernesto, Agenzia Marittima Russo, V. Bertoluzzi, F.lli Cosulich, G.U.F. Martinoli, O. Penso, O. Puschel, G. Tarabocchia & Co., S. A.

The recently formed Trieste Free Navigation Company includes a group of small companies formerly located in Fiume and Pola. It owns 2 Victory Ships, the S.S. Billingsley and the S.S. Mills, which are being repaired in Trieste through the assistance of an E.R.P. loan. Main offices of the company are in Venice with a branch in Trieste.

The world-wide shipping shortage, which is particularly acute in its effect on Trieste, will in part be reduced through the construction of 94,200 tons of new ships with E.R.P. aid. A breakdown of this tonnage shows that 6 ships will be built, 1 of 25,000 tons, 3 with a tonnage of 13,000 each, and 2 of 1,000 tons each.



A precision worker putting finishing touches on a large ship's propeller built in the Saint Andrea machine shop, a part of the United Shipyards of the Adriatic. The shipyards are busy building new ships under E.R.P. for Trieste's merchant fleet destroyed during the war.

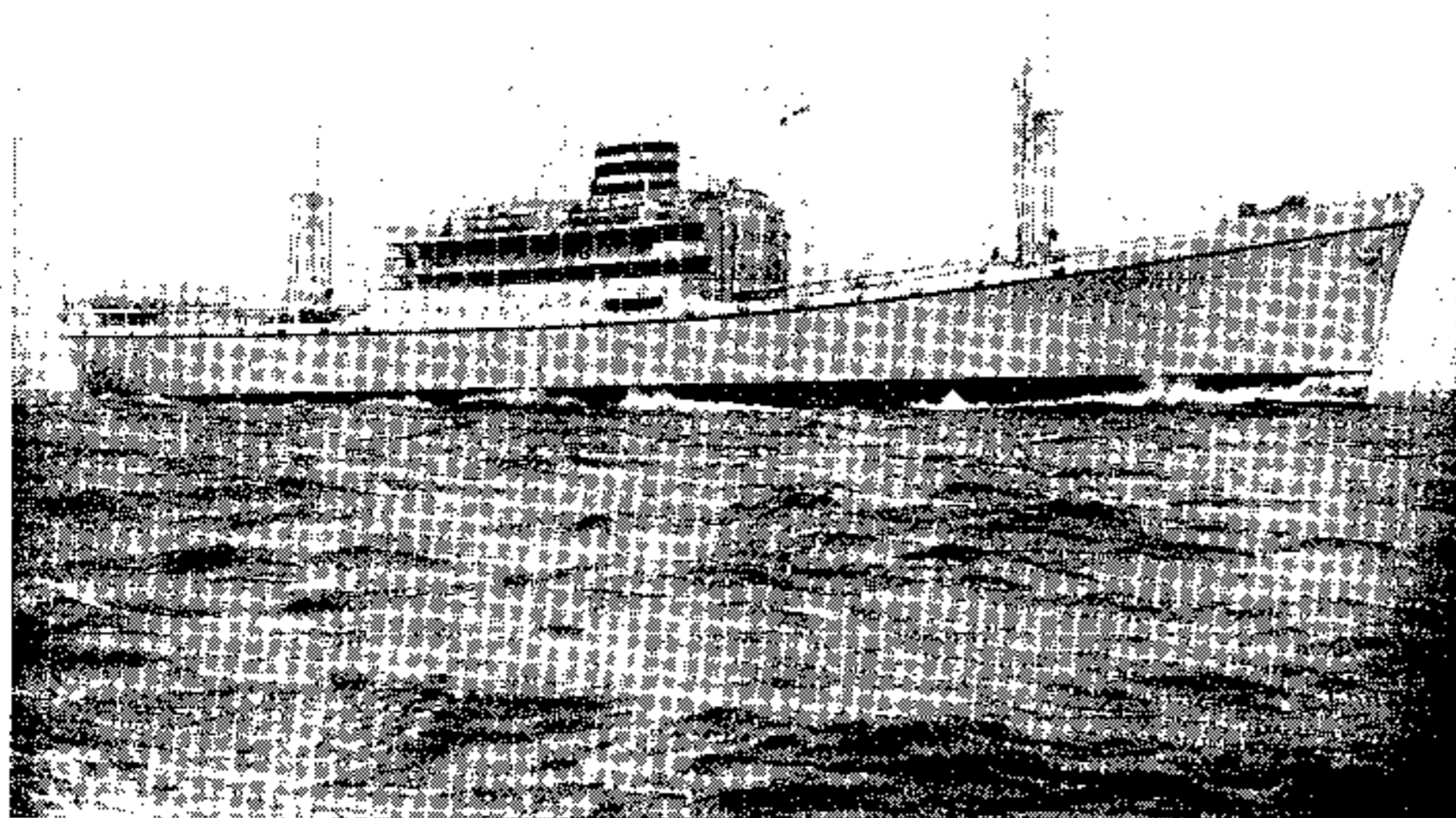
INSURANCE.

Trieste is the seat of two of the world's largest insurance companies, one of them Italy's largest. They are Assicurazioni Generali and Riunione Adriatica di Sicurtà.

The insurance companies got their start in the mid-18th. Century when Queen Maria Theresa of Austria granted concessions to Greek merchants to build up the city as an international port. Many of the old mercantile families in Trieste are still Greek.

COMMUNICATIONS:

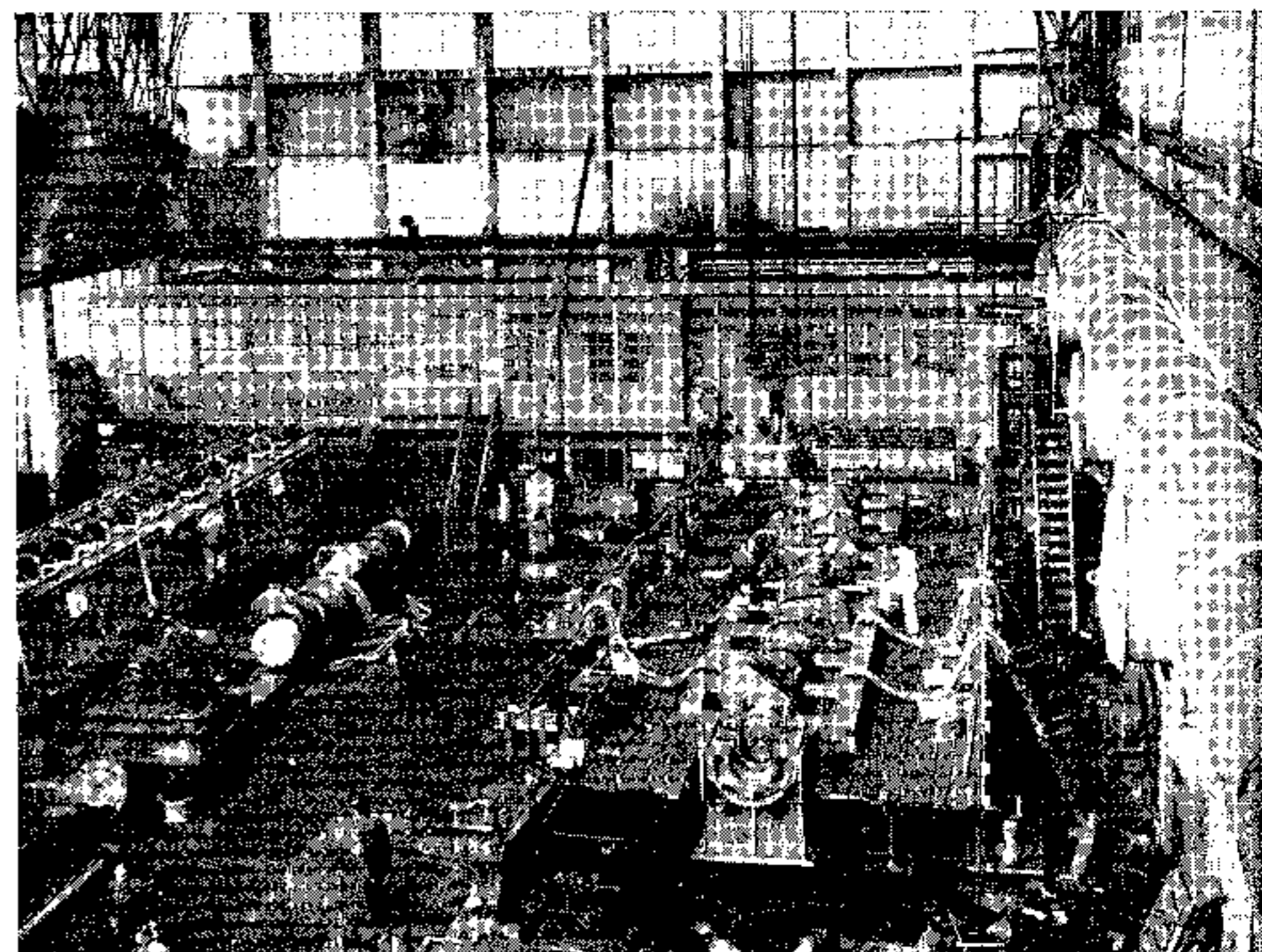
1. **Telephones** - There is one local telephone organization, TELVE, which serves 15, 184 subscribers, with an underground and overhead cable network. In addition there is the long-distance trunk service, AZIENDA DELLO STATO, to whose telephone switchboard are connected 54 international circuits including Prague and Vienna.



The modern Motor Ship "Port Said" is a product of the engineering skill and craftsmanship of Trieste shipbuilders. Built since the war's end for an Egyptian shipping company, the "Port Said" is a 6,240 - gross ton cargo and passenger liner.

2. **Highways** - The British/United States Zone, has a total of 935 kilometers of roads divided as follows: state roads, including super-highways, 90 kilometers; provincial roads, 2nd. class, 45 kilometers; communal roads unclassified, 800 kilometers.

3. **Bus Lines** - Long distance bus lines connect Trieste with the principal cities of Italy, Austria, Yugoslavia and Switzerland. This system is supplemented by local services within the Free Territory.



The Saint Andrea machine shop has a worldwide reputation for constructing ship engines and motors. Above is shown the assembly hall in the machine shop. In the foreground are engines for a new ship being built for the Argentine fleet.

4. **Railroads** - There are a total of 94 kilometers of railway tracks in the British/United States Zone divided as follows: double line track, 42 kilometers; single track, 52 kilometers. Trieste is on the Simplon-Orient Express route.

PRODUCTION AND COMMERCE

Category	Calculation basis.	1938	1948-49	49-50	52-53
				(estimates)	
Industry	Level of production	100	65	90	103
Navigation	Tonnage	100	45.4	49.8	112.1
	Passengers	100	11.1	15.5	38.7

Port Activity	Traffic handled by Port				
	Authority	100	107.4	114.8	127.5
Fisheries	Value of Catch	100*)	83.4	152.2	212.8
Agriculture	Value of Produce	100	100.2	113.6	182.5

EMPLOYMENT

	Year	1938	1948/49	1949/50	1952/53
Industry	100	79	99	109	
Navigation	100	21.5	28.6	51.9	
Port Activity	100	94.1	100.9	116.8	
Fisheries	100	318.8	427.4	484.7	
Agriculture	100	104.3	112.1	115.1	

PORT OF TRIESTE

Modern port facilities permit the para-statal General Warehouse (Magazzini Generali) to load and unload 10,000 tons of ship's cargo and to handle the same quantity by rail daily.

GENERAL

Total Port Area	Square Meters	1,001,980
Area of quays	" "	283,227
Area of basins	" "	533,482
Depth of water at quay	" "	from 6 to 9.50 meters
Quayage for berthing	" "	16,492 meters

BUILDINGS

Transit Sheds	32	
Warehouses	53	
Sundry Buildings	193	
Covered Area	Square Meters	349,764
	" "	126,440

AREA

Transit sheds	Square Meters	211,189
Warehouses	" "	210,412
		421,601

*) Includes Istria

CAPACITY

Transit Sheds	Tons	125,240
Warehouses	Tons	124,760
	Tons	250,000
Extent of railway tracks in Dock area	Meters	48,053
Switches	No.	237

GRAIN SILOS

36 large bins	Capacity	
70 small bins	Tons	20,000
4 Storage floors	Tons	10,000
	TOTAL Tons	30,000
Pneumatic elevators of 125 tons/hour	No.	2

REFRIGERATING STORES

Capacity	Tons	2,500
Number of cells		22

RAILWAY LOADINGS (10 Oct-31 Dec. 1948) in freight cars

	Ex Trieste	Into Trieste
Italy	4,419	4,131
Austria	4,602	4,353
Czechoslovakia	3,168	1,325
Hungary	183	62
Yugoslavia	2,121	3,265
Switzerland	492	29
France	2	17
Total	14,987	13,182

COMMERCIAL TRAFFIC (METRIC TONS)

Year	(IMPORTS)		(EXPORTS)	
	Rail	Sea	Rail	Sea
1919	417,274	1,356,657	961,147	122,271
1920	732,597	1,183,666	899,718	290,846

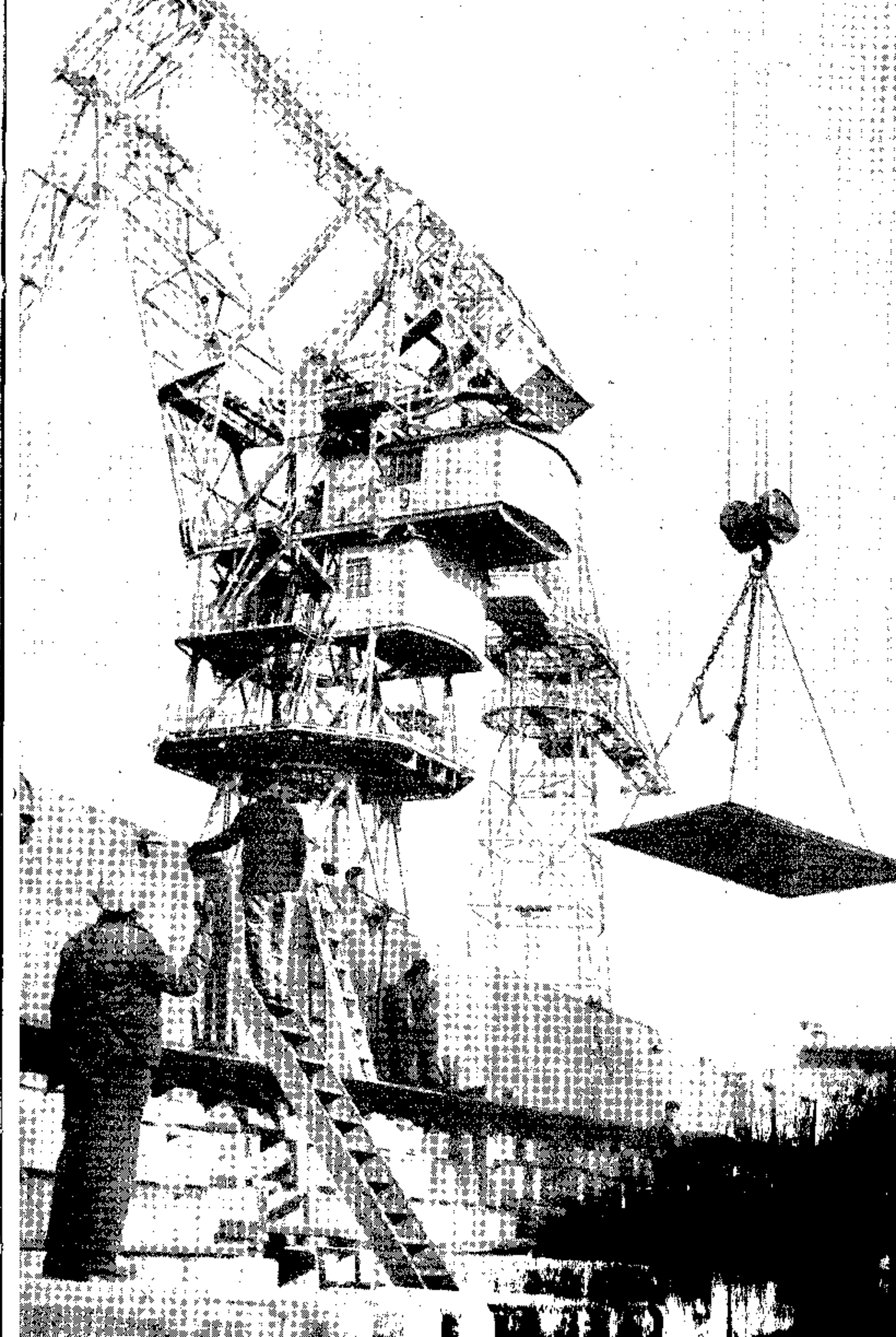
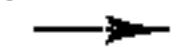
Year	(IMPORTS)		(EXPORTS)	
	Rail	Sea	Rail	Sea
1921	665,070	1,138,653	737,034	352,529
1922	721,867	952,856	697,430	553,270
1923	966,176	1,356,819	1,054,282	694,137
1924	1,405,958	1,870,919	1,578,529	986,024
1925	1,393,243	1,916,883	1,219,193	936,659
1926	1,387,596	1,491,580	951,418	934,482
1927	1,325,363	1,656,835	1,097,365	813,500
1928	1,214,531	1,900,125	1,288,030	796,344
1929	1,220,735	2,062,187	1,316,856	830,178
1930	1,081,774	1,539,855	970,421	737,851
1931	753,845	1,762,641	1,136,060	607,873
1932	513,371	1,583,933	825,148	488,678
1933	538,671	1,322,581	678,774	479,298
1934	616,077	1,816,160	964,339	590,806
1935	766,933	1,761,337	978,403	683,954
1936	791,739	1,402,943	678,182	782,924
1937	1,141,842	2,060,349	1,074,510	1,124,878
1938	864,781	2,408,965	1,133,028	971,901
1939	952,210	2,105,988	1,000,956	1,011,847
1940	1,834,090	1,404,482	1,022,768	1,323,568
1941	1,619,435	600,455	780,050	522,825
1942	1,860,882	519,939	858,637	508,611
1943	1,537,288	321,187	759,046	233,700
1944	667,181	161,117	355,447	42,934
1945	106,737	61,142	555,089	19,777
1946	235,257	553,140	1,607,956	56,350
1947	504,334	1,723,152	1,109,233	319,648
1948	494,739	2,175,961	1,523,7266	588,282

Average for
period 1919-

1948 incl. 944,386 1,405,753 993,759 613,531

Data from statistics of the Trieste "Chamber of Commerce and Industry."

Laying the keel for what will become a 13,000-ton passenger and cargo liner.



EUROPEAN RECOVERY PROGRAM

In the past Trieste was an important entrepot center for trade with Central and Southeastern Europe, and the city's port facilities rate among the most efficient in the world. However, the war-time destruction of Trieste's industries, the deterioration of agricultural facilities and the total loss of its merchant and fishing fleet, have rendered a viable economy without outside help practically impossible. The difficult economic position of the Territory has been further aggravated by the presence here of a least 20,000 refugees, who constitute a heavy drain on local resources.

These difficulties, which faced the Allied administration when it entered the area in June, 1945, were first dealt with under the "Prevention of Unrest and Disease" program of the United States and the British armies.

Contrary to general belief, Trieste was never included in the UNRRA scheme, although the population benefited by the increased port traffic, since much of UNRRA supplies for Austria and Yugoslavia passed through Trieste.

Later an agreement was concluded between Allied Military Government and the United States Government, and for the period of 12 months (1947-1948) the Anglo-American Zone of the Free Territory received 12,000,000 dollars worth of supplies under the United States Foreign Relief Program (AUSA).

With the end of the United States Foreign Relief Program it became obvious that Trieste's future must be integrated within the planned rehabilitation of Western Europe, and that only reconstruction of Trieste's shipping and its industrial and commercial facilities would enable the area to recover its traditional prosperity. However, while most European countries were able to prepare their plans for the first O.E.E.C. meeting in Paris well in advance, Trieste had to wait until it had been admitted as a member, before proper planning could begin. Despite this delay, today Trieste has laid its plans for reconstruction along with the rest of Western Europe.



Orphans greet the arrival of a food truck from the War Relief Services, National Catholic Welfare Conference. The conference is one of several international welfare and relief organizations which have supplemented assistance furnished by Allied Military Government to needy persons in Trieste since the end of World War II.

TRIESTE ADMITTED INTO O.E.E.C.

The "Foreign Assistance Act, 1948" (Public Law 472) passed by the United States Congress foresaw that Trieste might become a "participating country". Under Section 103 (a) it states: "As used in this title, the term "participating country" means:

- (1) Any country, together with dependent areas under its administration, which signed the report of the Committee of European Economic Cooperation at Paris on 22 September 1947; and

- (2) Any other country (including zones of occupation of Germany, any areas under international administration or control, and the FREE TERRITORY OF TRIESTE or either of its zones) wholly or partly in Europe together with dependent areas under its Administration."

When the act was debated in the Congress it had been recommended that should, during the operation of the Act, the Free Territory of Trieste be restored to Italy, as proposed by the tripartite (French, United States, British) proposal of 20 March 1948, the current allocation of E.R.P. aid to Trieste be transferred to the Italian Government.

On 14 October 1948, upon the proposal of Italy and by a unanimous vote of the O.E.E.C. Council in Paris the British-United States Zone of the FREE TERRITORY was admitted as a participating country. On 15 October 1948, the Zone Commander acting for the British/United States Zone, Free Territory of Trieste signed the bilateral agreement with the U.S. Government, thereby qualifying the Zone to receive E.R.P. aid.

In moving the admission of Trieste, Italy pointed out that after the tripartite declaration of 20, March "Italy feels bound to safeguard all interests of Trieste". Subsequently in a joint statement of the Allied Military Government and the Italian Government, both Governments reaffirmed their policy of "close and continual consultation on matters of mutual interest in the economic field".

ALLOCATION.

For the first year of E.R.P., 1 July 1948 - 30 June 1949, the British-United States Zone was allocated 18,000,000, dollars to finance imports of food, industrial raw materials and machinery. Up to 31 March 1949, Trieste received allocations amounting to 12,000,000 dollars, of which 8,800,000 dollars were for food 2,200,000 dollars for ocean freight, 600,000 dollars for raw materials, 300,000 dollars for fuel, 100,000 dollars for miscellaneous industrial commodities. The balance of dollar allocation will be utilised for imports of raw materials and industrial equipment.

The Trieste allocation in dollar aid for 1949-1950 will be about 12,000,000 dollars, and an estimated further 19,000,000 dollars will be programmed for the remaining three years of the Marshall Plan.

ROAD TO RECOVERY

(a) Merchant Marine

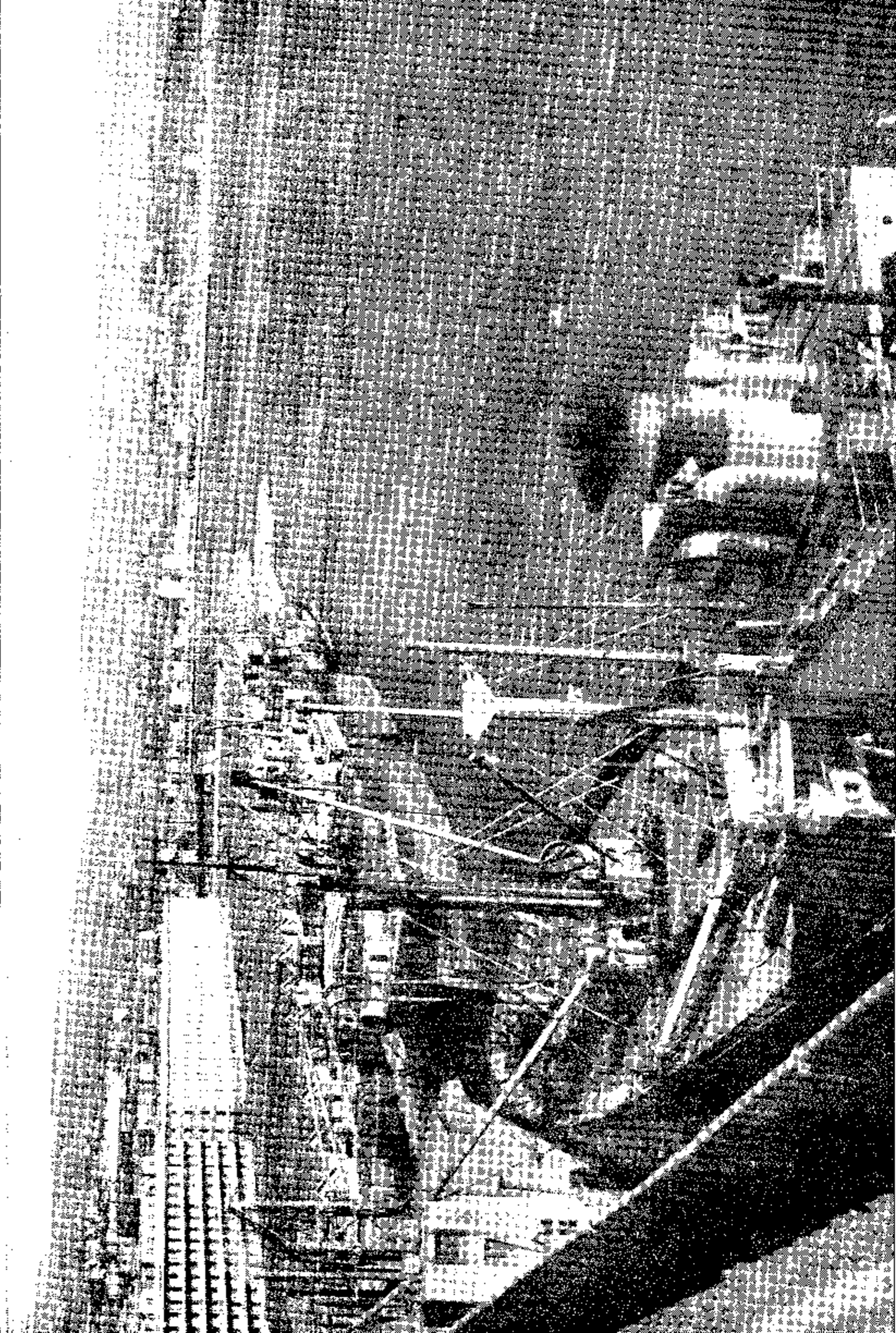
The basis of Trieste's prosperity has always been its merchant marine. Trieste's famous shipping company, the LLOYD TRIESTINO once gave employment, directly and indirectly, to some 40 per cent of the city's working population. When the LLOYD was born in 1836, Trieste was a small fishing center with a population of some 30,000. Fifty years later the Lloyd had 70 ships and Trieste was an important port of more than 300,000 inhabitants. Before the war the company operated 19 lines, mainly to the Middle East and Far East with a fleet of 75 modern ships totalling 621,533 tons. In 1945 the LLOYD fleet had been reduced to four ships totalling only 34,900 tons. With E.R.P. aid under the long-term program the fleet will be built to a gross tonnage of over 403,000 tons. The LLOYD will give work to 7,000 persons compared with 2,900 currently employed.

(b) Shipbuilding Industry

Trieste's shipbuilding yards, developed hand in hand with the Trieste mercant marine, and have a worldwide reputation for the quality of their product. They will construct some 100,000 tons of shipping during the four years of the recovery program, including three liners of 13,000 gross registered tons and a large 25,000 ton luxury passenger liner, the keels of which were laid during the first half of 1949. In the next period (1949-1950) the shipyards will be working to capacity, and by the end of 1950, 62,000 tons of passenger and passenger-cargo tonnage will have been completed or will be nearing completion. By that year it is also expected to complete the rehabilitation of ship repair facilities which should yield annual earnings of at least 2,000,000 dollars.

About 4,000,000,000 Lire has been earmarked from the Lire Counterpart Fund for 1948-1952 for local industries.

Ships tied up at the New Port, which forms a part of the free port area. Trieste is one of the world's most modern seaports with a history dating back to ancient Romans. The Corso Plateau is in the distance.



(c) Port and Transit Trade

Port facilities will be restored to enable the Port Authority to handle 3,800,000 tons of traffic yearly. Naturally, the actual attainment of this traffic target will depend on at least a moderate expansion in the East-West trade.

During the next year the port traffic should be about 10 percent above that of the current year, which amounted to about 2,600,000 tons.

(d) Refining Industries

Trieste's refining plants for both mineral and vegetable oils are among the most important of the area. The mineral oil refinery "AQUILA", capable of processing some 500,000 tons of crude oil yearly, is today one of the most modern plants of its kind in Europe.

About 4,000,000 dollars will be allocated for the modernisation of this refinery and the erection of a lubricating oils plant for the coming year. Work is already in progress on the reclamation from the sea of new building sites. Although the refinery had been reduced to a mass of rubble and twisted steel during the war, today it produces 140 per cent of its pre-war capacity.

The GASLINI vegetable oils refinery should in the coming year reach its full capacity of 70,000 tons yearly, and give employment to 600 workers as compared with 300 at present. The Company received a loan of 500,000 dollars from the Lire Counterpart Fund for the repair of its docking and warehouses, and will process under E.C.A. allotments about 25,000 tons of peanuts, Brazil nuts, Babassu nuts, and mustard seed, producing edible oils and fats distributed in the Free Territory, and in Austria. The plant is now operating at 50% of its capacity.

(e) Iron and Steel

Arrangements have been completed to activate the ILVA Steel works to permit the annual production of 90,000 tons of pig iron and 30,000 tons of steel. The ILVA roll-mill has already surpassed pre-war production, and is turning out 1,200 tons of steel plates a month.



ILVA steel works, reactivated in 1948 is still operating at a reduced capacity, but with the assistance of E.R.P. full production should be reached before the end of 1949.

(f) Minor Industries

Apart from the city's key industries, already mentioned, Trieste's industrial development gave rise to many small plants, most of which represent a valuable asset to Trieste's economy.

The DREHER breweries and the STOCK liquor distilleries are enlarging and improving their plants. Both firms are exporting their products to Italy and abroad. The annual production of beer has risen to 180,000 hectolitres, while STOCK is producing some 1,200 tons of liquors, brandy and syrups yearly. Both figures are above pre-war production.

The marble quarries at AURISINA are still exporting quantities of valuable marble as they have done since Roman times.

The VENEZIANI paint factory and the PASTIFICIO TRIESTINO pasta factory have both been reconstructed and newly equipped.

New industries have also been set up with private capital, including the MOLINO VARIOLA flour mill and the RISIERA ADRIATICA rice mill.

A number of minor shipyards and machine shops, such as CANTIERE GIULIANO and F.O.M.T., are being assisted by E.C.A. and will contribute towards Trieste's industrial development.

(g) Fishing

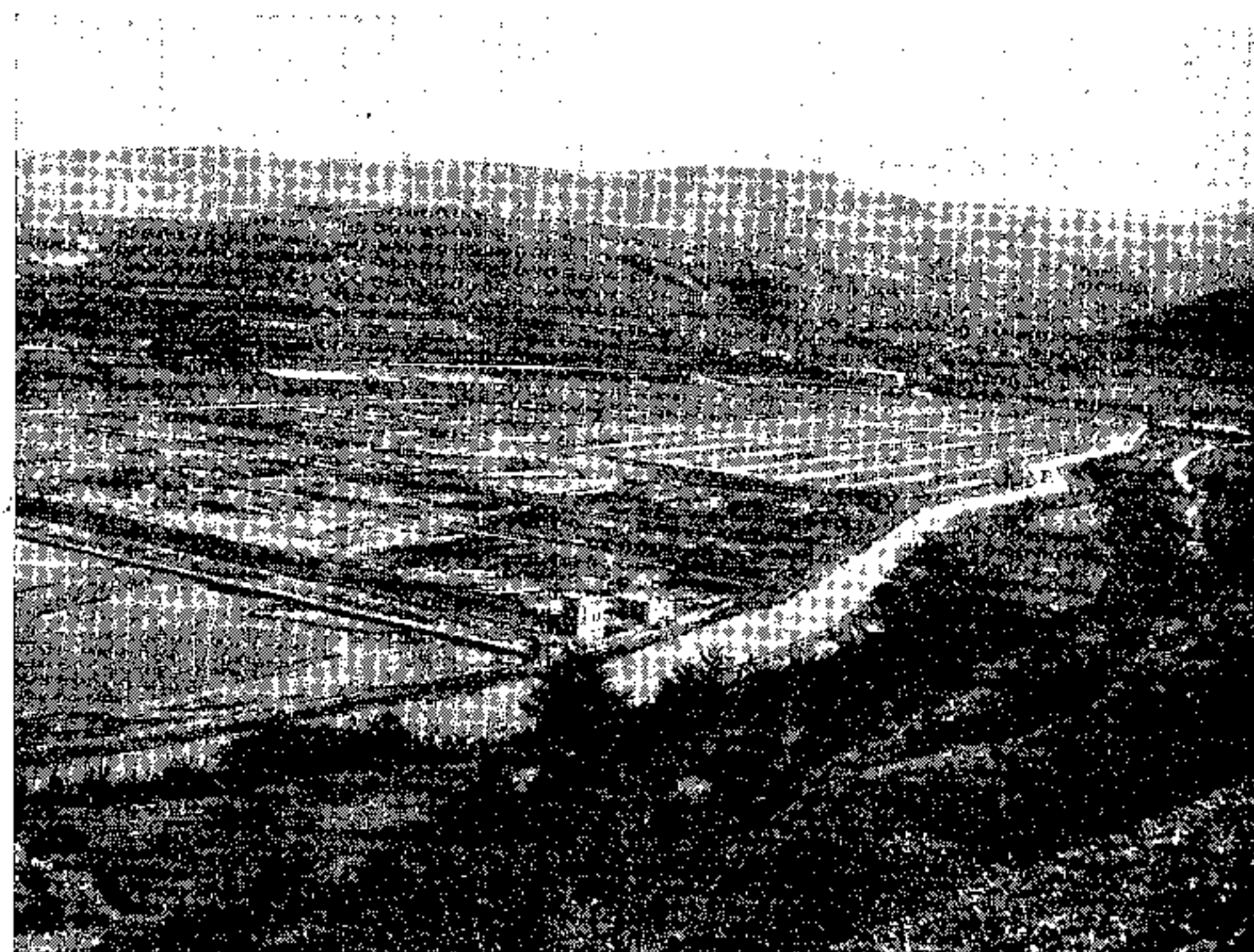
Fish is a staple diet of the Trieste population, and Adriatic fish, considered by many gourmets to be the best in Europe, is a lucrative export item, with markets in Switzerland and Austria.

During the coming year some 38 fishing units will be reconstructed for service in nearby waters, while 12 new vessels will be constructed for high seas fishing. Two of the twelve are already in service. Some 600,000 dollars from the Lire Counterpart Fund have been set aside for the rehabilitation of fishing. It is planned to complete a cannery by 1950.

(h) Agriculture

Trieste's agriculture has never been adequate for the needs of the population, but the vines grown on the rocky slopes of the Carso above Trieste, have in the past been renowned for their quality. Approximately 520,000 dollars have been set aside for the planting of new vineyards and for general farm repairs and improvements. About 600,000 dollars from the Lire Counterpart Fund will be used for the expansion of herds and settlement of reclaimed lands.

The largest single land reclamation project in the British/United States Zone is expected to be finished this fall. The project is located at Noghera between Trieste and Muggia. Here 145 acres of marsh are being drained and turned into rich market garden cropland. Some of the reclaimed land is already under cultivation. Noghera is the site of only one of the several projects sponsored by Allied Military Government to increase local agricultural production.



Noghera, between Trieste and Muggia, is the site of the largest single land reclamation project in the British/United States Zone, Free Territory of Trieste. Here 145 acres of marsh are being drained and turned into rich market garden cropland. Beyond the hills in the distance lies Yugoslavia and the Yugoslav Zone, Free Territory of Trieste.

(i) Public Works

Industrial reconstruction calls for a certain amount of rationalisation, and may require the pruning of manpower in certain industries, involving dismissals of unskilled labor. Such labor will find employment in the large-scale public works program, financed partly by Allied Military Government, partly by grants from Italian Treasury.

The most important project of the new public works program is the 3,500,000 dollars scheme for the construction or repair of between 800 and 900 new apartments and for the building of a new hotel, to ease the housing shortage, and to develop a tourist trade, exploiting to their full extent the natural resources of the territory.

The reclamation of the Zaule area south of the city, the site of a new industrial port, is near completion and work is now in progress on dredging operations of the canal.

FUTURE OUTLOOK

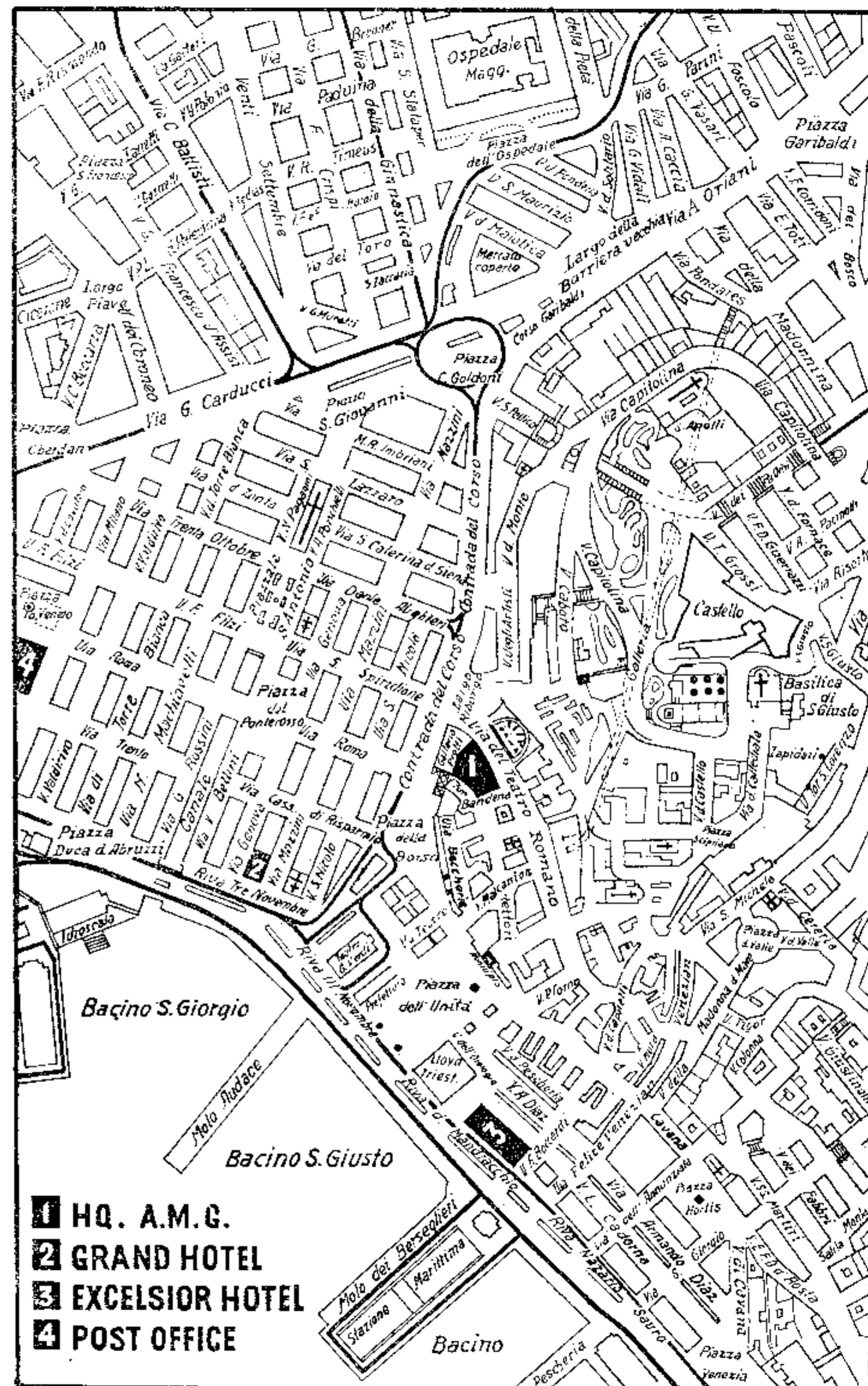
As stage by stage these plans reach completion, Trieste's economy will advance towards the goal of economic self sufficiency.

By 1952, the industrial level of production should reach 103 — taking the peak year of 1938 as 100 —, shipping 112 for transport of cargo, and 39 for transport of passengers, port traffic 127.5, fishery 213, and agriculture 182.5.

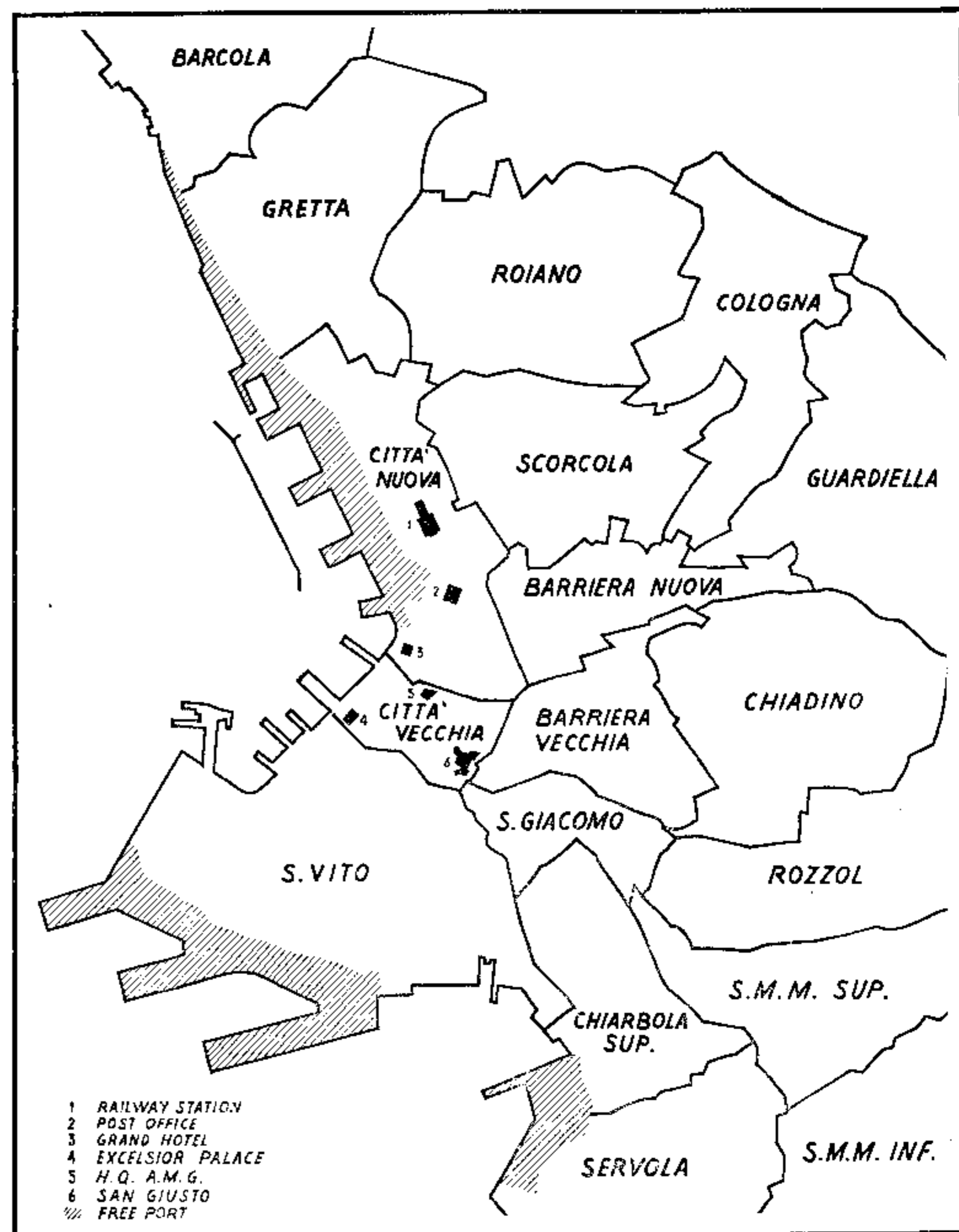
But there will already be a noticeable improvement during the coming year (1949-1950), when industrial output should reach 90 as against 65 in 1948, and employment in industry 99 as against 79 at present. Employment in fishing should rise from the present 318.8 to 427.6 and the value of catch 83.4 to 152.2.

There should also be, during the coming year, a reduction by about one third in Trieste's deficit. This reduction will be brought about by the expected recovery in the different sectors of Trieste's economy.

The routing through Trieste of the entire E.R.P. aid to Austria will no doubt continue to have a favorable influence upon the steadily rising port traffic. Cargo destined for Austria through Trieste's Port, including that which arrived under the United States Foreign Relief Program and the more recent E.R.P., amounted to 901,956 metric tons for the period 26 January 1948 to 31 January 1949.



The center of the City Trieste. The new city is on the left and the old city on the right. Piazza Goldoni, top is the geographical center of the city.



Trieste showing several of the more important points, the Free Port (shaded) and districts of the city.