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VISIT TO TRIESTE: 22 APRIL 1981

1. I paid my first visit to Trieste on 22 April and called on (1) the Commissario del Governo nella Regione Friuli-Venezia Giulia, Avv Dott Mario Marrosu, (2) the President of the Regional Giunta, Avv Antonio Comelli, (3) the Deputy Sindaco, Dott Alfieri Seri, and (4) the President of the Trieste Chamber of Commerce, Dott Marcello Modiano. Major Lister, Hon. British Consul accompanied me.
2. Trieste gives the impression of a well-ordered and active city, though the port area is noticeably in the doldrums. The large number of daily shoppers from Yugoslavia, often buying in substantial quantities, gives the city's retail trade and markets a considerable stimulus. The basic infrastructure is however less bright because of the decline in shipbuilding and port traffic as well as the loss of jobs from the containerisation of cargo handling. Unemployment is, however, said to be negligible and the Commissario del Governo indicated that some 'clandestine' daily employment by border-crossing Yugoslavs was tolerated. The feeling that Trieste felt itself rather neglected by the Central Government was voiced by the Deputy Sindaco. He spoke of disillusionment at the Government's 'broken promises' over a dry-dock project and their current delay in helping to sustain a small shipyard in Muggia employing 400 workers. On the other hand it is acknowledged that progress has been made in the last few years in developing autostrada connexions through the Region.
3. The future development of Trieste is seen to lie mainly in the revival of its activities as an international port serving Austria, Southern Germany and areas of Eastern Europe; and, hopefully, some expansion of its industrial area. I was told that the Sindaco (whom I was due to have met) was discussing in Rome proposals which had been presented to the European Parliament for greater use to be made of the Trieste port on the basis that the short Adriatic sea route from Suez and its onward motorway connexions offered energy-saving advantages in transportation. The President of the Chamber of Commerce, himself a Member of the European Parliament and a Vice-President of Confindustria, was also pursuing this project. Meanwhile the Aquila oil refinery and the pipeline to Germany and Austria operate smoothly.
4. I enquired about local industrial development in the context of the provision of the joint free zone provided for in the 1978 Osimo Treaty. Both the Commissario and the Deputy Sindaco confirmed that this feature of the Treaty was now dormant as far as the Italian side was concerned. The Commissario said that the original proposal and its implications had been inadequately considered and that, apart from ecological considerations, the practical difficulties of developing the cargo area made such a scheme virtually impossible. As the Deputy Sindaco commented, the Trieste List's opposition to the scheme was a main factor in their success at the last communal election. The T.L. had good popular support and the Deputy Sindaco seemed confident that their minority Government would continue without difficulties.

5. The President of the Regional Giunta gave an interesting account of the reconstruction in the Udine area following the Friuli earthquake. A high priority had been given to the establishment of new small industries to supplement the predominantly agricultural base of the area. These diverse industries including electrical goods and furniture manufacture had prospered rapidly and in some respects the area was now in better shape than before the disaster. He told me that British Consultants (he was not absolutely confident of the name but it seems likely to be W.S. Atkins) had recently submitted a proposal for the further development of small and medium industries in the area under an EC-funded scheme.

6. I heard of no Slovene minority problems and the Deputy Mayor spoke of good and easy contacts with Italian nationality groups in Istria. Considerable movement in both directions over the frontier takes place smoothly. There are no special youth problems. The Trieste area has also been free of terrorist activity. The Commissario attributes this largely to the effective way in which the neck of the Italian coast strip leading to Trieste can be controlled. He added however that the police were at the moment looking into some suggestions that the area, with its absence of overt activity, was being used by extremists as a planning base.

23 April 1981

J E Reeve
HM Consul-General

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