After the rejection of several amendments, the boundaries of the Free Territory of Trieste as defined in Articles 3, 4, and 16 (1) were adopted by the Commission by 12 votes to 5, with 3 abstentions. Thereupon the Yugoslavs reiterated their determination not to accept a decision with which they did not agree, and went further by declaring that they would never withdraw their troops from that part of northwest Istria which is intended to become part of the Free Territory of Trieste.

Following the consideration of the boundaries, the Commission turned to the Statute of the Free Territory of Trieste. The creation of this Free Territory was an essential part of the proposed settlement. The four sponsoring Powers had not been able to do more than reach agreement on a few imprecise guiding principles for the Statute, and Article 16 merely contained some decisions on this point; even these were not framed in definitive treaty language.

Five separate draft statutes were placed before the Commission, from the delegations of the United States, the United Kingdom, U.S.S.R., France, and Yugoslavia. They all provided for—

- (a) A Governor or, in the case of the Yugoslav draft, a High Commissioner, appointed by and responsible to the Security Council;
- (b) A Council of Government; and
- (c) A Legislative Assembly.

All the drafts agreed in providing that the independence and integrity of the Free Territory should be assured by the Security Council of the United Nations. It was also agreed that the Security Council would be the guardian of the observance of the statute. But this agreement meant nothing so long as the powers of the Governor, the Council, and the Assembly were left undefined.

Important differences manifested themselves between the United Kingdom, United States, and French drafts on the one hand, and the Russian and Yugoslav drafts on the other. The first three contained a proviso regarding demilitarization which would nevertheless preserve the right of Security Council forces to enter Trieste in pursuance of international security action, whereas the Russians and Yugoslavs desired that Trieste should be neutralized. The first three would have given the Governor—a person from outside Trieste nominated by and responsible to the Security Council—sufficient powers to maintain the provisions of the Statute and to assure the integrity, independence, public order, and security of the Free Territory.

The French, Americans, and British felt that it was essential for the Governor to have strong powers to enable him to hold the balance between Italians and Slovenes, since, if all legislative powers should lie with the Popular Assembly, the Slovenes, by means of the electoral machinery, could in all probability control that body, which would naturally incline towards union with Yugoslavia, and thus