

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 per cent. 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 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 hydro-electricity from the same sources in Yugoslav or Italian territory.

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

4. Yugoslavia, Italy and the Free Territory shall maintain in good and substantial condition all of the electrical plants, transmission lines, substations and other installations which are required for the continued 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 (Soca) 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 (Soca) 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 (Soca) in greater volume or under more favourable conditions than has been customary in the past.

6. Yugoslavia, Italy and the Free Territory 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 paragraphs 1 to 5 above.

7. Upon the expiration of a ten-year period from the coming into force of the present Treaty, Yugoslavia, Italy and the Free Territory 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 be agreed upon by the parties concerned. Any disputes which may arise as a result of this re-examination shall be submitted for settlement under the procedure outlined in Article 87 of the present Treaty.

### *C. Facilities for Local Frontier Trade*

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 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, provided these commodities are grown, produced or manufactured in the respective territories. 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.