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Sanitized - Approved For Release : CIA-RDP61S00527A000100060030-8

THRU : Chief, St/I
Chief, D/S
Chief, 3/TF

18 July 1957

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Targets - Albania.

OBJECTIVE

All targets listed below are sought under objective II d. of DCID 4/6, dated 30 October 1956:

"The strengths and weaknesses of the Soviet (including Satellite) economy, with particular reference to its ability to support a major war; the motivation, character, and magnitude of current economic development programs, their implementation and their effect upon the economic, political, and military strength of the Soviet Bloc; the capabilities and vulnerabilities of the Soviet and Satellite internal communications system."

BACKGROUND

Albania is the smallest and least industrially advanced member of the Soviet Bloc. Foreign trade totals are relatively small and its large import surplus dates back to pre-war times. Attempts to develop the Albanian economy have been concentrated largely on the field of agriculture and the agricultural processing industry as well as on the further development of various mineral resources, e.g., petroleum, chrome ores, copper, coal, bitumen, etc. Since the break with Yugoslavia in 1948, the Albanian economy has been heavily subsidized by Soviet Bloc countries through the extension of grants and long-term loans, and foreign trade has been carried on almost exclusively with the Bloc. This represents a distinct departure from the pre-war situation when most of Albania's trade was with the West, Italy alone having taken about 67% of her exports while supplying about 36% of her import needs in 1938. Probably the most important recent development affecting the Albanian economy occurred as a result of talks held during April of this year. Substantial Soviet concessions included the cancellation of Albanian indebtedness for industrial projects that had been built in Albania with Soviet credits and are valued at 348 million rubles (\$67 million) and credits for other goods and equipment valued at 74 million rubles (\$18.5 million) outstanding as of 1 January 1957. The Soviets also agreed to extend assistance in working out long term plans for the development of the Albanian economy during the next 10-15 years. Necessary technical aid as well as agricultural

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SUBJECT: [REDACTED] Targets - Albania.

credits valued at 31 million rubles (\$7.75 million) were also extended.

BASIC GUIDANCE

Suble values of total exports and imports by year since 1950; geographic distribution of trade by country or by area (Soviet Union, European Satellitas, Communist Far East, Non-Communist World); commodity composition of trade by major grouping; details of trade and payment and credit agreements signed by Albania; economic and financial relations with the West, particularly with Yugoslavia and Italy; evidence of continued Soviet control of economy; total value of long-term indebtedness still outstanding, broken down by creditor nation and terms of repayment; status of short-term commercial indebtedness; methods of payment to foreign countries and gold and foreign exchange holdings of the Albanian State Bank; exchange rates for the lek, for both commercial and non-commercial purposes; relation between internal Albanian prices and foreign trade prices.

<u>Target</u>	<u>Location</u>
1. Classified documents concerning total exports and imports since 1950, by area.	State Enterprise Import-Export (Hdërmëria Shtetërore Import-Export) in the Ministry for Foreign Trade.
2. Classified documents concerning financial aspects of Albanian trade, e.g., amount of indebtedness, and terms of repayment, relation between internal price and foreign trade prices, etc.	Ministry of Finance and/or the Albanian State Bank.

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Distribution:

- Orig. and 1 - Addressee
- 2 - S/TF
- 2 - D/S
- 1 - Originator

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- 2 -

ORR/D/S/ [REDACTED] :evb/8182 (18 July 1957)

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