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15 August 1947

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SUMMARY

Albania's political influence, economic resources, and military strength are negligible from the point of view of United States security. Its strategic significance resides solely in its location, as a potential base of operations, at the entrance to the Adriatic and on the northwest frontier of Greece. US interest in Albania is therefore a consequence of US interest in Italy, the Adriatic, and Greece.

The 1,000,000 inhabitants of Albania are traditionally hostile toward the Yugoslavs as well as toward the Greeks. Currently the great majority of them are also anti-Communist in sentiment. They are nevertheless firmly controlled by a Communist-dominated government which came into power through leadership of the wartime resistance movement and maintains itself by the usual techniques of the Communist police state. This regime is controlled from Yugoslavia, rather than by the USSR directly, and the country has been annexed by Yugoslavia in all but name.

Albania is, however, no great addition to Yugoslav or Soviet strength. Its natural resources (principally petroleum, iron and chrome ores, and lumber) are limited and largely undeveloped; their development would require a diversion of manpower and machinery which Yugoslavia and the USSR could ill afford in view of the slight prospective gain. Its Army of 65,000 is primarily an internal security force without heavy weapons and without air and naval support. At best it could serve in major operations as only a local auxiliary. Although Albania provides some sites for advanced air and submarine bases, these are limited in number and capacity, their logistical and military support overland would be precarious, and they would prove untenable in the face of superior air and naval power.

The USSR nevertheless derives considerable local and immediate advantage from its indirect control over Albania, primarily through the use of that country as a base of guerrilla operations into northwestern Greece.

No significant change in the status of Albania is to be expected in the foreseeable future. The regime is securely established. Economic and military development under Yugoslav direction will occur, but gradually and without appreciable increase in the Albanian economic and military potential.

In short, Soviet control of Albania is of considerable local and incidental advantage to the USSR, but is not an important factor in the international balance of power.

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SECTION IPOLITICAL SITUATION1. Historical Background

The strategic location of Albania on the Strait of Otranto, commanding both the entrance to the Adriatic and the shortest overland route between the Adriatic and the Aegean,* has made that country from the earliest times a theater in which greater neighboring powers have contended against each other for mastery. Since the days of Alexander the land has been subjected to the domination of first one and then another of these powers. Foreign domination, however, has rarely been effective beyond the coastal area and the main roads. While tides of empire ebbed and flowed around them, the native folk of the alpine heights from which the country takes its name have remained apart, preserving into the 20th Century the speech, the clan system, and many of the folkways of ancient Illyria.

Modern Albanian nationalism derives its inspiration from the epic resistance of Skanderbeg to Turkish domination, 1444-1466, one of the few occasions in history when the Albanian clans were united in a common cause. Previously, however, Skanderbeg had fought for the Turks against the Italians and the Slavs, Albania's traditional enemies, and subsequently the Albanians accepted a nominal Turkish suzerainty as a guarantee of protection from these same neighbors. Brief participation in a common European resistance to a non-European invader is thus far less characteristic of the Albanian people than is the tenacity with which the mountain folk have retained their hostility toward all their more immediate neighbors, Italian, Slav, and Greek.

The revival of Albanian nationalism in modern times was less in resistance to weak Ottoman rule than in opposition to Slavic, Greek, and Italian designs on Albanian territory. The Albanians wanted only autonomy within the Ottoman Empire with continued protection from their neighbors. Their apprehensions were well founded. The Balkan League, formed under Russian inspiration, had agreed upon a complete partition of Albania between Montenegro, Serbia, and Greece, and during the First Balkan War (1912) the country was occupied by Slavic and Greek forces. Thereupon Austria-Hungary and Italy, both unwilling to see Russian satellites established on the Strait of Otranto, intervened. Those Powers were equally determined to prevent each other from controlling so strategic a location. The result, then, was the establishment of an independent Albania, a decision imposed by the concert of the Great Powers upon an angry Russia and her Balkan

* The Roman road over this route ran from Dyrrachium (Durazzo) to Thessalonica (Salonika) by way of the Shkumbin River valley.

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satellites. Thus Albania, as a national state, was an artificial creation of Great Power politics rather than an expression of the national will and power of the Albanian people.

The new state was engulfed in World War I before it had well begun to function. With impartial xenophobia the Albanians expelled the German prince who had been imposed on them and decimated the hated and helpless Serbs driven into their country by the Austro-Bulgarian advance. Thereafter Albania was occupied by Austrian forces in the north and Italian forces in the south. On the collapse of Austria, Italy was left in complete control of the situation. The restored Albanian state depended upon Italy for protection from the continued aggressive designs of its Balkan neighbors, Yugoslavia and Greece.

Albeit under vague Italian protection, Albania enjoyed, between 1920 and 1924, a brief period of striving toward democratic self-government. In 1924, however, Ahmed Bey Zogu (later King Zog I), supported by the landowners and other reactionary elements, seized power and established an authoritarian regime. Zog effectively subdued the clans, established unprecedented order, developed the apparatus of modern administration, improved communications, and promoted the exploitation of Albania's petroleum resources. His neglect of true social and economic reform, however, his denial of civil liberties, and his increasing subservience to Fascist Italy created conditions favorable to subsequent Communist agitation.

On Good Friday, 1939, Mussolini found occasion to discard his Albanian puppet and to install Victor Emmanuel as King of Albania. Although nominally a separate kingdom still, the country was for all practical purposes annexed by Italy. There was no appreciable resistance to this coup, which in fact represented no more than nominal change in the real status of Albania. Moreover, the Albanians took no advantage of the Italian defeat by the Greeks in 1940, since liberation by Greece would certainly have entailed the loss of Albanian territory. Conversely, on the collapse of Yugoslavia and Greece before the German onslaught in 1941, Albania gained certain accessions of territory long claimed, but never before within her grasp.

2. Origins of the Present Regime

It was only after the German invasion of the USSR that significant resistance began to develop in Albania. Although the appeal of this movement was to Albanian patriotism in opposition to Italian occupation, its belated appearance and convenient timing were significant of its Communist leadership. Not all Albanian nationalists were prepared to accept such leadership, however; for a time there was a rival movement supported by landowners, Catholic clergy, and similar conservative elements, and a full-scale civil war between them, parallel to that between the adherents of Tito and Mihailovich in Yugoslavia. As in Yugoslavia, the Communists disguised their ulterior purposes, appealed to the ideal of national unity, promised free elections after liberation, and so won a more general following than did their competitors. By October 1944 their "People's Army" had liberated three-fourths of the

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country. their "National Liberation Councils" were in effective local political control of the liberated areas. and their "National Liberation Front" had been constituted as a national political machine under effective Communist control. In November 1944 their "Democratic Government" moved into Tirana and assumed control of the entire country.

The popular themes of the resistance movement continued to be emphasized through the election of December 1945, in which the National Liberation Front, the only party permitted to participate, succeeded in turning out an impressive vote in favor of its nominees. Only after this vote had been recorded did the regime reveal its specific program, which it proceeded to put into effect as in response to a popular mandate.

3. The Present Regime

The Constituent Assembly elected in December 1945 adopted, in March 1946, a constitution for the "Albanian People's Republic" which ostensibly provides for full civil liberties and a thoroughly democratic government. Actually, however, the Communist inner circle is able to exercise absolute control of the National Liberation Front as a political machine and its control of the Albanian Army as an ultimate sanction.

Colonel General Enver Hoxha is the most powerful man in Albania. Although he takes his orders from the Kremlin via the Yugoslav Communist Party, he exercises extensive power in Albania through his various offices, which include Premier, Minister of Foreign Affairs, Minister of National Defense, Commander-in-Chief of the Army, President of the Democratic Front, and member of the Presidium of the People's Assembly. Along with Hoxha, the small group which formulates high policy and really rules the country includes: Lieutenant General Koci Xoxe, Major General Mehmet Shehu, Kocho Tashko, and Nako Spiru. Several other former influential leaders who were active in organizing the present regime have recently been relegated to positions of insignificance, possibly because of their pro-Western sympathies.

Principal Government agencies used by Hoxha and his associates to control the country include: the Army, the Security Police (DMP), the Ministries of Economy, Finance, and Education, the Directorate of the Press, and the Communist Party. The Army, fairly well armed both with captured German and Italian and with Soviet equipment, has successfully eliminated or driven from the country nearly all organized resistance to the Hoxha regime. The Army's loyalty is unquestioned and it is believed to be capable of suppressing any potential rebellion. In addition, the Government dispenses justice through its military courts. The civil judiciary system has thus far been allowed to handle only such minor cases as petty thefts, cattle rustling, and divorce proceedings. The military courts are staffed by former Partisan officers, usually reliable Communist Party members without legal training. Judicial procedure bears little resemblance to Western practice; one major difference being that the court presupposes the guilt of the accused until proven otherwise.

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The activities of the Security Police (DMP) are but an extension of the role played by the Army. With a complete disregard for all civil liberties, the DMP uses its unlimited powers of search and arrest to silence any dissidents who dare to raise their voices against the Government -- many who opposed the Front candidates in the November elections have since been convicted as "traitors to the people". A former Minister of Education declared that civil liberties can exist in Albania only within the framework of the "new democracy", which is directed by a single political group and which allows the practice of but a single political ideology.

The Government, through the Ministries of Finance and National Economy, further regulates the life of the people by its controls over all domestic and foreign trade, prices, agricultural production, and distribution and taxation. In addition, control of government activity is extended through Control Commissions, each headed by a trusted Communist. These Commissions have sweeping powers of investigation over almost every governmental department and serve effectively to check upon those whose sympathies may not be sufficiently pro-Communist. The Government also owns or controls all media of expression, even to the extent of expropriating privately owned radio receiving sets. Finally, through the Communist Party, the present regime maintains effective control of the People's Councils, the trade unions, all "mass" organizations (youth, women, etc.), and of the National Assembly itself.

4. Opposition Groups

As a result of its terrorist and repressive policy, the Hoxha regime has lost much of the popular support it enjoyed at the time of the 1945 elections. It is estimated that 80% of the people now oppose the Government, the strongest opposition coming from Catholic elements in the population. The Roman Catholic Church, however, has been so persecuted by the Government that it no longer can be considered as an effective resistance factor. The few hundred bandits still operating in the northern mountains would probably resist any Central Government and are not motivated by any ideological opposition to Communism. Although no organized resistance movements remain in the country, two organized opposition groups operate abroad:

(1) Exiled in Egypt, King Zog, with his entourage, is seeking recognition from the great powers as de jure Government-in-Exile (Turkey maintains and Egypt has reaffirmed recognition). It is not believed that Zog has important connections within Albania or that he constitutes a threat to the Hoxha regime, although support for his Legality Party has recently increased.

(2) The Balli Kombetar group, made up of remnants of those who opposed the merger of Nationalist and Partisan resistance groups during the War, is believed to maintain a skeleton organization among refugees in Italy and Greece. Its membership early in 1947 probably did not exceed 300; however, it has recently been gaining strength.

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5. Stability of the Present Administration

The Hoxha regime, despite its unpopularity, is in no danger of collapsing. Its control of the Army and Security Police is absolute and it has effectively crushed all open political opposition. The little subversive armed resistance which still exists in the North is powerless without outside aid. Hoxha is young, ambitious, and sufficiently astute to realize that his position is impregnable as long as he adheres to the Moscow-Belgrade line. Even his fall from favor would have little effect on the present administration, which could carry on with only minor personnel changes. Furthermore, the USSR and Yugoslavia would probably offer assistance should economic deterioration threaten the political stability of the present regime.

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SECTION II

ECONOMIC SITUATION

1. Genesis of the Present Economic Situation

Albania is a backward country with a predominantly agricultural economy. The standard of living is low even by southern European comparisons. It was not until the 1920's that, under the influence of the Italians, an attempt was made to develop Albania's natural resources and to raise the level of economic activity of the country through foreign trade. Italian efforts had produced only a slight improvement in the economic situation by 1939, when the outbreak of war brought these efforts to an end. For six years economic activity was badly dislocated by occupation and guerrilla warfare.

The Hoxha regime is currently attempting to impose on this primitive economy controls similar to those which regulate the economies of the USSR and Yugoslavia. To this end, Albania has signed an economic accord which makes its economy completely dependent upon Yugoslavia, and hence upon the USSR. The rate and course of economic development in Albania, therefore, now depend primarily upon the extent to which Yugoslavia and the USSR will find it profitable to develop Albania's natural resources.

2. Description of the Present Economy

a. Over-all Government Policy

The Hoxha regime's economic philosophy was aptly summarized by an Albanian official: "State economy is the firm foundation of our national economy.....the interest of the people is superior to personal interests..... Only when construction material, machinery, clothing, food and everything else necessary for existence is placed completely under State control will the economic development of the country have a greater impetus and the life of the masses and impoverished workers be lifted to a new standard."

The Government has accordingly imposed strict controls over all economic activities. All former Italian properties have been seized; nationalization of almost all production facilities (including the country's mineral wealth but excluding agricultural land) has been completed; stringent price and wage laws have been passed; independent merchants and middlemen have been virtually eliminated; and extensive land reforms accompanied by rigid controls on agricultural production and marketing have been imposed. In February 1945 the General Council of Workers' Syndicates was established and the majority of workers now belong to its affiliated Communist-dominated local unions. Albania's first comprehensive labor legislation regulates working hours, wages, and management-employee relationships, and provides for social security benefits, vacations with pay, and arbitration of disputes.

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b. Yugoslav Economic Pact

On 27 November 1946 Albania forfeited its economic independence by signing an all-inclusive pact with Yugoslavia. Unable to stand alone economically and prevented by the Kremlin from turning to the West, Albania by this act became an economic satellite of Yugoslavia. The agreement* provides for:

(1) Joint Albanian-Yugoslav monopolies (patterned after the joint companies set up by the USSR in its other Eastern European satellites) to operate Albania's railroad, mining, metallurgical, electric, shipping, and import-export activities. Each country has equal shares in these companies and Albania has an option to purchase the Yugoslav shares in 30 years. Yugoslavia is to provide the working capital and equipment in exchange for a half interest in Albanian enterprises and exploitation rights;

(2) Joint Albanian-Yugoslav bank to be located in Tirana;

(3) Technical training for Albanians in Yugoslavia and provision by Yugoslavia for technical assistance to Albanian agriculture and industry;

(4) Stabilization of the Albanian franc in terms of the Yugoslav dinar;

(5) Yugoslav credits for the purchase of machines and tools;

(6) Early establishment of an Albanian-Yugoslav customs union to be jointly administered.

c. Agriculture

Approximately 80% of the Albanian people earn their living from agriculture. Only 12% of the country's area is cultivated, another 32% is pasture and meadow land suitable for grazing, and approximately 20% is at present non-productive. The remaining 36% is forest land (see Natural Resources). Agricultural methods are primitive and marketing facilities limited. For the most part, farming is on a family or village subsistence basis with each farm producing a fairly diversified crop.

In the past, Albania has been able to attain about 75% self-sufficiency in food products, but only because of a standard of living as low

* For complete text of Economic Agreement, as well as other joint Albanian-Yugoslav pacts, refer to Department of State OIR Report No. 4358, dated 2 July 1947. Evaluation of the effect of the agreement on economic development in Albania will be discussed under the appropriate headings below.

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as any in the Balkans. The principal cereal crop is corn, with lesser amounts of wheat, oats, barley, and rye being raised. Olives, tobacco, and grapes are the chief commercial crops. Small quantities of rice, vetch, alfalfa, potatoes, beans, onions, citrus fruit, cotton, and flax are also grown. Although corn is the largest cereal crop, pre-war imports were substantial. The country is dependent upon imports for sugar and coffee and also must import cotton and wheat. Principal exports include olives and olive oil, tobacco, and beans. Cattle and dairy products, wool, hides, and furs also are important export items.

The Hoxha regime has undertaken an ambitious program to increase agricultural production. One of the regime's first acts was to implement sweeping land reforms which parcelled out the large land-holdings to peasant farmers and set as the national standard a farm of 12½ acres for a family of five persons, with an additional acre for each person above five in a family. Although this redistribution earned initial peasant good-will for the Hoxha regime, its effect will more likely be to reduce total production than to increase it. Restricting farms to this size tends to emphasize subsistence crops, to increase the cost of marketing, and to make more difficult the introduction of farm machinery and modern agricultural practices. In view of the Albanian Government's twin desires to increase production and to spread collectivization of agriculture, the Communists may be hoping that the peasants will be unable to make a living on their small holdings and will be less intransigent in their opposition to later collectivization. The Communists, however, will probably not attempt widespread collectivization until farm equipment is available to make collective farms profitable.

An early substantial increase in Albanian agricultural production is unlikely. In addition to factors already mentioned, Albania will be unable to afford the import of agricultural machinery or fertilizers in quantities that will have any appreciable effect. Despite their desire to see Albania agriculturally self-sufficient, the USSR and Yugoslavia will be able to do little about it as they are themselves short of the products needed by Albania to achieve this goal. Moreover, it will be many years before the backward Albanian peasant is trained to make effective use of modern agricultural techniques. Although the Albanian Government is currently engaged in extensive reclamation, irrigation, and drainage projects, the labor for cultivation of new farm lands will be in short supply as long as Albania maintains an army of 65,000 persons and attempts to develop its natural resources.

d. Natural Resources

Albania is relatively rich in certain natural resources, particularly oil, forests, and some metallic minerals. The extent of these mineral resources has never been accurately determined and their exploitation has been retarded by the lack of communications facilities, capital, skilled labor, and industrial machinery.

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(1) Oil

Albania's pre-war petroleum production (1935) of about 158,000 tons ranked, just after Hungary, third in Eastern Europe and fifth in all of Europe (Rumania, Germany, Poland, Hungary, and Albania), exclusive of the USSR. Reserves are estimated at 12,000,000 tons, although further exploration may reveal new deposits. In 1942, the Italians reported having produced slightly under 300,000 tons.

Although Albanian oil is, therefore, of potential strategic and economic value to the USSR and its Eastern European satellites, numerous factors combine to reduce its immediate importance. Crude oil produced in Albania has a high sulphur content and its conversion into gasoline requires a relatively complicated refining process. Prior to World War II, nearly all of Albania's oil was exported to Italy where it was refined at Bari. Albania's refining capacity is extremely limited, and refineries known to exist in Yugoslavia are not equipped to handle Albania's high-sulphur crude. Moreover, both rail and water facilities for the transport of oil from Albania to Yugoslavia are wholly inadequate. Full exploitation of Albanian oil is further limited by antiquated operating techniques and by the lack of drilling and well equipment and storage facilities. It is unlikely, therefore, that there will be an early substantial increase over current crude production (about 25% of pre-war, or 40,000 tons annually), most of which is locally used in semi-crude form for fuel purposes.

(2) Minerals

Albania has abundant mineral deposits, particularly iron, chrome, copper, coal, and asphalt (bitumen). As in the case of oil, there are no accurate estimates as to the extent of these deposits. The following table represents the best information available:

	<u>Reserves</u>	<u>Quality</u>	<u>Location</u>	<u>Production (Annual)</u>	
				<u>Pre-War</u>	<u>Present</u>
<u>Iron</u>	20,000,000 tons	Excellent	North & East	Unknown	Believed Small
<u>Chrome</u>	500,000 tons	Excellent	East & NE	12,000 tons	Unknown
<u>Copper</u>	5-15,000,000 tons (ore)	Fair	North	6,000 tons (refined)	6,000 tons
<u>Coal</u>	Extensive Deposits	Brown	Central	2,000 tons	8,000 tons
<u>Asphalt</u> (Bitumen)	Unknown	Excellent	Southwest	2,000 tons	Unknown

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In addition to these minerals, smaller quantities of gold and manganese are known to exist, although it is not believed that they are being currently extracted in any appreciable quantities.

Exploitation of these resources to a point where they will become of practical strategic or economic value to Yugoslavia or the USSR is still a goal attainable only in the long-range future. With the exception of asphalt, and coal to a lesser degree, Albania itself cannot use these materials until domestic refining and industrial facilities are developed.

Under present circumstances most of Albania's mineral resources are being used only as items for export. The extent of even such exports, however, is limited by a lack of railroads, machinery, skilled labor, and capital.

Prevented from turning to the West, Albania must rely upon Yugoslavia and the USSR for assistance in extracting these minerals. Since Yugoslavia also has substantial undeveloped deposits of iron, chrome, copper, and coal, it is unlikely to divert its short supply of capital, machinery and technicians to Albania. Yugoslav participation in joint companies established by the Yugoslav-Albanian economic agreement will, therefore, provide little material assistance to Albania, which is in the frustrated position of being unable to tap its major source of wealth-- and without tapping it is in turn unable to afford those facilities (transportation, skilled labor, machinery, etc.) without which these resources cannot in turn be developed. Meanwhile, it is unlikely that Yugoslavia or the USSR will allow Albania to open the door to Western capital. Although not immediately available to them, these countries do not intend that Albania's resources become available to their potential enemies.

(3) Other Resources

An abundance of water power and rather extensive forests constitute Albania's only remaining major resources. The Hoxha regime is making every effort to speed electrification of the country as part of its program to raise the standard of living. At present only one hydroelectric plant (at Korce) is in operation, and the country's limited supply of electricity is generated by steam plants which are a drain upon limited coal and oil supplies.

Development of Albania's timber production from some 2,000,000 acres of good quality coniferous and hard types again has been retarded by the lack of communications facilities, machinery and capital. In fact, these factors forced Albania prior to the war to import wood and wood products. As in the case of other Albanian resources, little help can be expected from Yugoslavia since development of that country's ample timber resources also is retarded by the same factors which obtain in Albania.

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e. Industry

Albania has no heavy industries, no metallurgical, engineering, or chemical plants, or concerns engaged in the production of armaments, ships, or aircraft. Albanian industry, such as it is, owes its development to the Italians, who provided the capital and technical knowledge for the construction of: flour mills adequate for domestic needs; olive oil refineries at Valona and Elbasan which produce enough table oil for small exports; soap factories at Valona, Durazzo, Tirana and Scutari; alcohol distillation plants at Tirana, Durazzo, Korce, Pogradec and Scutari; and cigarette factories at Korce, Tirana, Scutari, Elbasan and Durazzo which supply local needs. A few cheese factories manufacture for export; cement is commercially produced in limited quantities, and tile is manufactured on a small scale by primitive methods.

Although the present Government's grandiose plans for industrialization may achieve some results, particularly in such fields as consumer goods, textiles, paper, and wood products, the country lacks the capital, the technical know-how and the manpower to achieve any significant industrialization. It is estimated that maintenance of even a low standard of agricultural self-sufficiency, partial exploitation of the country's natural resources, and development of the country's transportation and communications facilities, coupled with the preservation of a large army, will leave little manpower or capital for industrial development.

f. Transportation

Albania's transportation system is inadequate to support more than a most primitive economy. Highways for the most part are poor, particularly the east-west routes, and land communication with Yugoslavia and Greece is barely sufficient for current limited needs. Motor transport is estimated to be limited to 1,200 trucks (mostly from UNRRA); 50 buses, 900 private cars and 120 jeeps (all from UNRRA). A shortage of tires and spare parts reduces the effectiveness of these vehicles. There are no railroads in Albania, although construction has begun on a line from Durazzo to Elbasan which is intended eventually to join with the Yugoslav rail system.

g. Finance

After World War II, Albania managed by dint of rigorous controls to avoid inflation, stabilize the franc on a gold basis at 2.77 to the dollar, and to rehabilitate the chaotic post-war condition of state finances. It is improbable, however, that the Government could have weathered the post-war period without the revenues obtained from the sale of UNRRA imports, the confiscation of property (mostly Italian) and the acquisition of Italian and German war supply depots. Without these sources of revenue and with inadequate income from taxes the Government can be expected to incur substantial deficits if it continues its existing activities--particularly the support of a large army. Under the terms of the Yugoslav-Albanian economic pact, the Albanian lek, now the official Albanian unit of currency, will be pegged

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to the Yugoslav dinar, at the rate of one lek to one dinar. Furthermore, the basic inflationary effects of consumer goods shortages coupled with high wages (in comparison to pre-war) still prevail.

h. International Trade

Albania's pre-war imports consistently exceeded its exports to the extent of nearly four million dollars yearly. The difference was made up chiefly by Italian capital investment, tourist trade, and remittances from emigrants (mostly in the US).

Albania's pre-war international trade--the smallest per capita of any nation in Europe--was primarily with Italy, Germany, Yugoslavia and Greece, with some imports from the US. Nearly all Albanian oil exports went to Italy, which received 68% of all exports. Other important exports were wool (14%), hides and furs (13%), dairy products, livestock, asphalt, chromium and iron ores, and agricultural produce. Albania was completely dependent on imports for its textiles (21% of all imports), coffee, sugar, iron and steel, and partially dependent for corn, wheat, woolen goods and luxury items.

Little is known of Albania's post-war international trade. The country has signed no trade agreements other than with Yugoslavia and it is believed that trade even with Yugoslavia has been negligible. Small quantities of grain were received from Yugoslavia in 1946 and in return Albania is believed to have delivered some petroleum, wool, hides, dairy products, and olive oil. Both the Yugoslavs and the Soviets are also believed to have received many of the Italian war-time stocks, including such products as luxury textiles. Unconfirmed reports also indicate that the Soviets may be receiving some copper and chrome ore, possibly in return for arms and equipment supplies to the Albanian Army. Although Albania is not expected to receive desperately needed industrial equipment from Yugoslavia or the USSR in the near future, it is improbable that the Hoxha regime will make overtures to the West. Moreover, under existing conditions, investment of Western capital in Albania would probably not be profitable and any profits would likely find their way into the Government's treasury or to the USSR.

3. Stability of the Economy

The Albanian economy is relatively stable. It has a predominantly agricultural base and the population, largely self-sufficient, is inured to hardship and privation. Moreover, there is no complex financial or industrial structure subject to dislocations adversely affecting the rest of the economy. The Hoxha regime's hold over the country is so strong that, regardless of how slowly economic improvement is achieved and how long the present low standard of living is maintained, there is little danger of critical economic deterioration.

As long as the Hoxha regime is under Communist control, however, and persists in attempting to impose a Soviet pattern of controls on a backward,

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agricultural economy, the rate of economic recovery will be slow. The USSR and/or Yugoslavia will not only continue to take from Albania more than is given in return, but will prevent Albania from obtaining Western capital and equipment, requisites for substantial economic improvement.

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SECTION IIIFOREIGN AFFAIRS1. The Bases of Albanian Foreign Policy

Itself a pawn in the game of power politics since time immemorial,* Albania has never enjoyed a real independence and sovereignty in the conduct of its foreign relations. Only at brief intervals since its creation by the Great Powers in 1913 has the country been actually free of foreign military occupation: in 1913-1914, 1920-1939, and since 1944. During the first period the state had hardly begun to function and its only policy was that of its foreign creators. During the second, for 19 years, it enjoyed membership in the League of Nations and engaged in the normal procedures of diplomatic intercourse, but it was dependent on Italy for protection from Yugoslavia and Greece, the special and privileged position of Italy in relation to it was recognized by other powers and embodied in treaty form, and it could pursue no foreign policy independent of that of Italy. Since 1944 it has been controlled by a puppet regime manipulated by the USSR through Yugoslavia.

Albania's present pro-Soviet foreign policy stems from the emergence of the Albanian Communist Party as the leader of the wartime partisan movement. As a minority group with only two Moscow-trained members, the Albanian Communist Party owes its present dominant position to the substantial assistance received from the Yugoslav Communists. In fact, the Albanian Communist Party was subordinated directly to the Yugoslav Communist Politburo. This dependence upon Yugoslavia has continued since the war and Yugoslavia has in effect become the instrument by which the USSR directs Albanian foreign policy.

The extent to which Albania, nominally an independent state, follows the Soviet foreign policy line was revealed in March 1946 by Premier Hoxha substantially as follows:

Albania can no longer be treated as "a chattel of the diplomacy that was responsible for World War II", but must preserve its independence at all costs. The Albanian people view with bitterness and indignation the postponement of their legitimate request for membership in the UN and hold the US and UK responsible for this. The true friends of Albania are the USSR, "the real defender of the small peoples", and Yugoslavia, which respects the independence and sovereignty of the Albanian state. The Albanian Government will further strengthen the friendship between Albania

* See Section I, pp. 1-2.

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and Yugoslavia through stronger economic, political and cultural ties. Friendly relations will continue to be cultivated with Poland, Czechoslovakia, France and, in particular, with Bulgaria. Improved relations will be sought with "the other Allies", but Albania will resist any territorial encroachments by Greece.

In practical terms this means that: (a) politically, Albania seeks to strengthen its relations with nations having Communist governments (or large Communist representation in the government), and to participate in international conferences on an equal footing with other nations, thereby making its maximum contribution to the Soviet-dominated Balkan bloc; and (b) economically, Albania seeks the integration of the national economy with that of Yugoslavia and Eastern Europe as an alternative to former dependence on Italy.

2. Significant Relations with Other Countries

Albania's emergence as a pawn of Yugoslavia and the USSR has wrought profound changes in the temper of its foreign policy. Aware of the strength of its backing and anxious to pose before the people as a vigorous supporter of Albania's interests in the world, the Hoxha regime has pursued a policy far more bellicose and defiant than the size of the country would justify. Hoxha, in his zeal to please, may even have exceeded his instructions by arousing Western opposition to Albania's bid for membership in the UN. Thus, the Hoxha regime, prompted by the urge to compensate for the relative insignificance of the country, can be expected to play with vigor and determination its role in the USSR's master plan in the Balkans.

Albania's relations with other countries must be viewed in the light of how it can best serve the USSR, both internationally and in Eastern Europe. Paramount short-range Soviet objectives for Albania include (1) cooperation with Yugoslavia, primarily as the most effective and least expensive means of controlling the country; (2) denial to the West of a toe-hold on the Balkans; (3) assistance to the Greek Communists; and (4) membership in the UN in order to increase the voting strength of the Soviet bloc. Albania's ultimate position in the Soviet hegemony depends primarily upon whether and how the USSR implements its plans for a South Slav or Balkan Federation, but the effect will be the same.

a. Balkan Federation

In the event of such a federation, Albania will either be included as a Federated Republic of Yugoslavia or as a separate member on a par with Yugoslavia, Bulgaria, and possibly Macedonia. A decisive factor will be the USSR's attitude toward the UN when such a federation is brought into being--Albania's chances of maintaining nominal independence being in direct ratio to Soviet intentions and capabilities to increase the voting strength of the USSR in the UN. In any case, formation of a Balkan Federation will only create a substitute instrument for continuing Soviet domination of Albania.

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b. Yugoslavia

Before the Communist-directed rapprochement between the two countries, Albania and Yugoslavia were not on friendly terms, the chief bone of contention being the Kosovo plain area of Yugoslavia, north and north-east of Albania. The Turks settled this district with Albanians following the Turkish defeat of Serbian forces there at the end of the fourteenth century, and an estimated half million Albanians still remain. Albania, however, has now abandoned its claim to the area in return for Tito's friendship and aid.

Albania and Yugoslavia have signed the following agreements:* (1) an all-inclusive economic pact (see Section II); (2) a protocol on the resumption of border traffic between Yugoslavia and Albania; (3) a treaty of friendship and mutual assistance; (4) a civil aviation agreement; and (5) a maritime agreement. Secret military agreements also appear to have been concluded between the two countries.

Despite the Hoxha regime's insistent protestations of Albanian independence, these agreements (particularly the economic accord) would make the incorporation of Albania as a Federated Republic of Yugoslavia little more than a formality. The exact nature of future Yugoslav-Albanian relations will depend upon the formation of a Balkan Federation. Until that time, however, Albania will be allowed to preserve an appearance and even a measure of independence in the hope that it can obtain membership in the UN.

c. Greece

Factors in Greek-Albanian relations are: Greek claims to northern Epirus (southern Albania); alleged Greek treatment of Chams; alleged Albanian help to Italians in Greek war; Greece's harboring of Albanian dissidents; and Albanian aid to Greek Communist guerrillas. An additional irritant is Albanian resentment over Greek ownership of the island of Corfu. Greece is still "at war" with Albania.

(1) Epirus

The disputed territory of northern Epirus lies south of a line drawn from Valona on the Adriatic to Pogradec on Lake Ohrid. Its total population is about 290,000. The Greeks, citing ethnic, historical and strategic factors, have asked for this area as "a matter of simple justice" based on Greece's role in World War II. Ethnically, their claim does not appear justified, as it is based on the erroneous assumption that all Orthodox Christians in the area (variously estimated to number from 120,000 to 130,000) are Greeks. The League of Nations inquiry commission, which visited the area in 1921-23, produced

* See footnote, p. II-2.

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what are probably the most impartial data available, giving the Greek minority figure as 16,000. The 1945 Albanian census raises this to 35,000, or 12% of the area's total population (or 3% of the total population of the country).

The historical claims of both Albania and Greece to the area are obscure. They are based on opposite interpretations of events in the Middle Ages when the area was part of the Byzantine Empire. Impartial authorities agree that it would be impossible to untangle the origin of the majority of the area's inhabitants, whose race, culture, religion and language have through the centuries become so intermingled. Moreover, no evidence supports Greece's charge that its minority in southern Albania is persecuted by the Hoxha regime; in fact, the Greek minority has more than its proportion of representation in the Cabinet and other responsible civil and military positions.

(2) Guerrilla Support

Albania's part in training, supplying and giving refuge to Greek guerrillas has paralleled the Yugoslav and Bulgarian practice. Border incidents resulting from this activity are frequent and usually explained in the Albanian press as Greek provocations designed to regain control of northern Epirus, but a UN Inquiry Commission found Greek charges substantiated.

(3) Corfu

Albania has recently evinced a greater interest in the Greek-held Island of Corfu, which is strategically located opposite the southern tip of Albania and commands the entrance to the Straits of Otranto. Because of Corfu's potential military value, the Hoxha regime may pursue a steady propaganda campaign in an attempt to lay the groundwork for eventual separation of Corfu from Greek control. The damage to two British warships by mines in the Corfu channel indicates the importance Albania attaches to the area. Although the Channel has for some years been recognized as an international waterway, Albania risked world censure in an attempt to exercise sole sovereignty over it.

d. Western Powers

Albania's hostility toward the West has largely been caused by normal Communist antipathy toward the capitalist West, and by fear that the presence of US and UK representatives in Albania would strengthen opposition to the Hoxha regime. It has been aggravated by Western opposition to Albania's membership in the UN.

(1) United States

The US has had an interest in and supported the cause of Albanian independence since World War I. US-Albanian relations, however, have

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deteriorated steadily since the end of World War II, eventually culminating in the withdrawal of the US Mission from Tirana in November 1946. Chief irritant between the two countries was Albania's refusal to confirm the validity of all pre-war treaties and agreements to which both countries were signatories. Although Hoxha finally agreed to accept the continued validity of all multilateral treaties, he steadfastly refused to accept the US condition that bilateral treaties also be accepted prior to recognition, despite US agreement to re-examine the treaties once diplomatic relations had been resumed.

Since the US Mission's withdrawal, the Albanian Government has intensified its propaganda attacks against the US. Former staff members of the Mission have been falsely accused of sabotage against Government economic projects and of organizing the people against the Government. Albanians accused of receiving directives and money from the US have been tried and executed. Meanwhile, claimants to US citizenship are encountering increased obstacles in their efforts to leave the country.

Generally speaking, Albanians residing in the US support the Hoxha regime.

(2) United Kingdom

After World War I, the UK actively supported Albania's efforts to regain her independence and join the League of Nations. The UK participated in the training of the pre-war gendarmerie and actively supported Albanian Partisans during World War II. Relations between the two countries remained cordial until the advent of the present regime, which has consistently treated the UK with reserve and even outright hostility. The UK withdrew its Military Mission in April 1946 and subsequently informed the Albanian Government that, in view of Albania's increasingly hostile attitude, diplomatic relations would not be renewed. UK-Albanian relations reached their nadir in October 1946 when two British warships struck mines in Corfu Channel. The British submitted their claim arising from this incident to the UN, which passed the case on to the World Court. Should Hoxha fail to comply with the World Court decision--which is expected to support the British claim--the matter would again be referred to the Security Council. It is unlikely that the USSR would use this issue as a test of the UN's power to enforce its decisions, and would therefore force Hoxha to comply with the World Court decision.

(3) Italy

The Hoxha regime has made no attempt to resume relations with Italy. Despite the country's pre-war dependence, both economic and political, upon Italy, the Hoxha regime by its post-war actions has definitely renounced the possibility of reestablishing the traditional ties between the two countries. All former Italian property has been expropriated by the Government and many Italian nationals in Albania have been forcibly repatriated.

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SECTION IVMILITARY SITUATION1. Genesis of Present Military Policies

Throughout its short history, the Albanian Army has been considered primarily as an instrument for maintaining internal order and only secondarily as a defense against foreign aggression. King Zog laid the groundwork for Albania's first national army and, under the terms of the Tirana Pact (1926), the Italians undertook to assist in its organization. Compulsory military training was adopted and Italian influence in the Army's development was paramount. The Italian General Staff hoped that the Albanian Army could hold off a possible Yugoslav invasion until the arrival of Italian reinforcements. During the Italian occupation, however, the personnel of the Albanian Army was absorbed into the Italian Army. Although Albanian units fought on the Italian side in the war against Greece, widespread desertions reduced their effectiveness.

Albania's present armed forces evolved from the guerrilla bands of the war-time resistance movement. Originally organized with Allied assistance, the Albanian Army is now being reorganized on the Soviet pattern and undergoing training under Soviet and Yugoslav supervision. Albania has no navy, and only the nucleus of an air force, consisting of 40 Yak-3 fighter planes.

2. Characteristics of the Armya. Strength and Disposition

The Albanian Army has maintained its war-time strength and, as of May 1947, numbered an estimated 65,000 men, including security troops. (In order to attain the same ratio of armed forces to total population, the US would have to maintain a peace-time Army of approximately 9,000,000.) The Army consists of three or four infantry divisions, one DMP division (Division for the Protection of the People), and a coastal defense group. The infantry divisions each number from 10,000 to 15,000, divided into three infantry regiments, one artillery regiment, and supporting troops. The majority of the troops are stationed in the southern half of the country, particularly along the Greek border, and along the Adriatic Coast.

The DMP Division is an elite formation corresponding to KNOJ in Yugoslavia or to the former SS troops in Germany. The DMP's organizational status is confused. Although nominally under the Ministry of Interior, in practice it operates as a branch of the Army. This is facilitated by the overlapping functions of its Chief, Lt. General Koci Xoxe, who, in addition to being Minister of Interior, is Deputy Premier, Secretary-General of the Communist Party, Military Commander of Tirana, and also wields considerable influence in the Army. Thus the DMP is called upon to perform the duties of

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frontier military police, secret police, espionage and normal civil police. An estimated 60% of the DMP personnel are Communists of known loyalty to the Government. Special DMP units wearing civilian clothes handle espionage and counterespionage matters; regular DMP troops patrol the towns, control movement within the country, and arrest and execute criminals and political enemies of the regime.

b. Organization and Training

Colonel General Enver Hoxha, as Minister of National Defense and Commander-in-Chief of the Army, is the supreme military authority. Below him, command officers share authority with political commissars whose chain of responsibility is believed to be through the Communist Party. Chief of Staff is Moscow-trained General Mehmet Shehu.

The Albanian soldier's background and experience in tribal and guerilla warfare, while developing the basic qualities of individual bravery, endurance and resourcefulness, have not fitted him for modern warfare in large, mechanized units. Illiteracy is high and there is little knowledge of modern weapons. Consequently, since the country's liberation, the Army has turned to the USSR and Yugoslavia for assistance in conducting an extensive training program. By the fall of 1946, from 100-150 Soviet instructors had been assigned to the Soviet Military Mission in order to train as rapidly as possible a corps of officers familiar with Soviet equipment and tactics. Since then, the Yugoslavs are gradually replacing the Soviets. Meanwhile, selected officers and non-commissioned officers have been sent for training to the USSR and Yugoslavia. Although it may be possible to develop an efficient officer corps within the next year or two, it will take many years to develop an enlisted reserve capable of mastering the complexities of modern warfare.

c. Equipment

The Army's equipment is inadequate and heterogeneous. Albania relies on Yugoslavia and the USSR for all its weapons and ammunition. Yugoslavia--itself in desperate need of modern equipment--will probably in the near future pass on to Albania only enough equipment to man defense positions on the coast and the Greek border and to provide for an adequate training program. Thus far, probably owing to the country's rugged terrain and the inadequacy of roads and railroads, the primary emphasis in the re-equipment of the Albanian Army has been on artillery and small arms to the exclusion of mobile armored equipment. The current status of the Army's equipment is:

(1) Fair quantities of new and standard Soviet models of light artillery and mortars, light and heavy machine guns, and rifles, although reserve supplies of these weapons or of ammunition are probably insufficient for a protracted engagement;

(2) Miscellaneous equipment from Yugoslavia, including a few light anti-aircraft and anti-tank guns and consisting mostly of

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Axis or US stocks obtained during the war; ammunition for this equipment is believed to be in short supply;

(3) Practically no motorized or mechanized equipment;

(4) Inadequate defense against chemical warfare or aerial attack.

Although there is little concrete information concerning the location or extent of Albanian defensive fortifications, it is known that during 1946 there was intensive activity on defense constructions along the coast and the Greek frontier. Coastal guns reportedly cover the harbors at Valona and Sarande (near the Greek frontier) and possibly Durazzo. Construction activity has also been reported on Saseno Island under the supervision of Soviet and Yugoslav advisers. Moreover, Albanian coastal waters are fairly extensively mined. Many of these mines were probably laid during the war, but evidence resulting from the mining of two British warships in Corfu Channel indicates that some of them have been laid more recently, possibly by Yugoslavia.

3. War Potential

In the event of war, Albania could mobilize an estimated 100,000 men from its pool of 312,000 males between the ages of 15 and 50, but, for at least another five and probably ten years, such an Army would be inadequately trained and equipped. Albania is entirely dependent on outside assistance for all its military requirements with the possible exception of food. Under normal conditions, it is highly improbable that the Albanian economy could afford imports of munitions and equipment in sufficient quantities to equip effectively a fighting force, even considerably smaller than that now being half-heartedly supplied by Yugoslavia and the USSR.

In its natural resources, Albania does have potential value as a war-time ally to the other Soviet satellites. Exploitation of its supplies of oil, chrome, copper, iron, and wood, however, will require extensive investments of machinery and capital equipment, at present unavailable except from the West. The backwardness of the country's communications system also detracts from its war potential. Roads are inadequate for the movement of heavy military supplies and construction has only recently begun on the country's only standard gauge railroad from Durazzo to Elbasan. Linking this line with the Yugoslav network, in view of the rugged terrain and the lack of capital, is still only a plan on paper.

Albanian ports of naval significance are limited to Durazzo, the only harbor which can accommodate ocean-going vessels, and Vlone (Valona), a good natural harbor with potential significance as a submarine base.

Airfield sites are few in number and limited to the southwestern part of the country. However, when completed, the Lake Maliq drainage project will create additional sites in southeastern Albania.

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SECTION VSTRATEGIC CONSIDERATIONS AFFECTING US SECURITY

Albania's political influence, economic resources, and military strength are negligible from the point of view of US security. Its strategic significance resides solely in its location, as a potential base of operations, at the entrance to the Adriatic and on the northwest frontier of Greece. US interest in Albania is therefore a consequence of US interest in Italy, the Adriatic and Greece.

Soviet denial of US access to Albania deprives the US of no important advantage. Access to the economic resources of the country would be of only limited, incidental, and local benefit. Access to its terrain, as a strategic beachhead in the Balkans in the event of a major conflict, would also be of little consequence, in view of the inadequacy of port facilities, airfield sites, and overland communications to support a major advance into Yugoslavia.

Similarly, Soviet control of Albania confers only slight advantages to the USSR in terms of a major conflict. The economic resources of the country are relatively inaccessible by land. Their development would require an investment of manpower and machinery which would be disproportionate to the prospective gain and which the USSR and Yugoslavia could ill afford. Although access to advanced air and submarine bases in Albania would be of some initial advantage in time of war, the potential sites are limited in number and capacity, their logistical and military support overland would be extremely precarious, and they would prove unusable in the face of superior air and naval power.

The USSR nevertheless derives considerable local and immediate advantage from its control over Albania, primarily through the use of that country as a base for guerrilla operations into Greece. Just as such operations from Yugoslavia are facilitated by the existence of a genuine Macedonian problem, so operations from Albania are facilitated by the similar problem of Epirus.

Moreover, the nominal independence of Albania is exploitable in terms of a potential vote in the United Nations and in terms of incidents such as that in the Corfu Channel by means of which the USSR can harass other powers without itself incurring responsibility.

In short, the Soviet control over Albania is of considerable local and incidental advantage to the USSR, but is not an important factor in the international balance of power.

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Thus, Albania's immediate war potential is limited to a manpower pool of approximately 100,000 inadequately trained men, limited natural resources as yet largely undeveloped, airfield sites, two harbors of secondary importance, and extremely limited communications facilities.

4. Military Intentions and Capabilities

Albania at this time has no independent military intentions and will continue to follow orders from Yugoslavia or the USSR. It is improbable that the latter contemplate using the Albanian Army at this time other than as a vehicle for waging the war of nerves against Greece and for giving clandestine support to the Greek Communists. Although the Army is incapable of defending the country against either land or sea attack by a modern, mechanized force with air support, the Albanian Army, by virtue of its guerilla experience and the natural fighting ability of its soldiers, could probably offer strong resistance to an attack by Greece. The major military effort during the next decade will probably be devoted to improving the nation's defenses, particularly along the coast, and to training the Army for modern warfare. Albanian Army personnel may be used increasingly as labor battalions in an attempt to improve the country's communications and to exploit its natural resources, but this will depend on a reduction of Albanian forces now assigned to the Greek frontier.

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SECTION VIPROBABLE FUTURE DEVELOPMENTS AFFECTING US SECURITY

No significant change in the status of Albania is in prospect. In the long run the traditional antagonism of the Albanians toward the Yugoslavs will tend to undermine existing arrangements, but for the foreseeable future the Hoxha regime, with Yugoslav and Soviet support, is secure against internal overthrow.

Since all the practical benefits of an annexation of Albania by Yugoslavia have already been obtained, no motive exists for the formal consummation of such a union, while the use which can be made of Albania's nominal independence is a reason for deferring it. The USSR and Yugoslavia will continue to press for the admittance of Albania to the United Nations in order to obtain international recognition for the puppet regime and an additional vote in international councils.

Yugoslavia and the USSR will continue to guide and support the economic and military development of Albania, but probably will invest no more in this undertaking than is necessary to insure the stability of the regime. Thus a gradual increase in the productivity of Albanian extractive industries may occur, but not on a scale to render them strategically important. The organization, equipment, and training of the Army will likewise be improved along Soviet lines, but not in such degree as to render it effective as other than an internal security and local auxiliary force.

Until the political situation in Greece is stabilized in one way or another, Albania will continue to be used as a base of guerrilla operations across the frontier. The Epirus dispute will be kept alive as long as mutually hostile governments exist in Athens and Tirana.

The principal danger to peace inherent in the Albanian situation is that the Hoxha government, by miscalculation, may inadvertently precipitate a situation from which there is no retreat (as Serbia dragged Russia into war in 1914).

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APPENDIX ATOPOGRAPHY

Albania, with an area of 10,629 square miles, is one of the smallest countries in Europe. Situated on the west coast of the Balkan peninsula, it is bounded on the west by the Adriatic Sea and the Strait of Otranto, on the south and east by Greece and on the north and east by Yugoslavia.

Albania's location and the rugged nature of its terrain explain in part how the Albanian people have maintained their national characteristics and their ethnic unity despite nearly continuous occupation by foreign powers. These same factors have also contributed to the backwardness of the Albanian people and to the country's slow rate of economic development.

Albania is essentially a region of rugged hills and mountains and as a consequence agricultural development has been slow and never rewarding. Only one-fourth of the country is arable, the remainder being forest land, marshland or high pasture. With the exception of the narrow marshy coastal plain, the average altitude is 3000 feet above sea level, with the Albanian Alps rising to heights of 6500-8000 feet. This complex mountainous hinterland--which contains Albania's wealth of lumber, iron, chrome, copper, etc.--is difficult of access, and its small fertile basins and occasional valleys are effectively separated from one another by intervening mountains.

There are no navigable rivers in Albania, although the Bojana (the outlet of Lake Scutari) and the Drin are open to small coastal and fishing vessels for a few miles. Of the four ports in Albania, only Durres (Durazzo) can accommodate ocean-going vessels. Vlone (Valona) is a good natural harbor with potential significance as a submarine base. Shengin (San Giovanni di Medua) and Sarande (Porto Edda) are of minor significance.

Wide variations occur in temperature and climate within short distances, ranging from the Mediterranean climate of the southern coast to the winds and frost of winter in the mountainous interior. The annual rainfall is about 60 inches, and mean monthly temperatures in Tirana are 41.5 F. in January and 75.6 F. in July. In general, weather conditions permit regularly scheduled air operations throughout the year, although sites for large airfields are few in number.

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APPENDIX BCHARACTERISTICS OF THE PEOPLE

The population of Albania is 1,138,000 (1 January 1947 estimate), giving a density of about 107 per square mile. (US density: 47.) The population is increasing, with a birthrate of 28 per thousand and a death rate of 17 (relatively rapid for Europe).

More Albanians live outside their country than in it: about 440,000 in Yugoslavia, mostly in the Kossovo district; a large number, variously estimated at from 218,000 to 380,000 in Greek Epirus and the Macedonian areas of Greece and Yugoslavia; about 400,000 in southern Italy and Sicily, their forebears having fled from Turkish rule in the 15th and 16th centuries (the majority of these, like Albanian settlers in Greece and Greek islands, have now been assimilated); and 50,000 in the US who emigrated from the poverty-stricken region of Northern Epirus.

Although recent population increases and the Communist emphasis on industrialization have made Albania's urban centers more influential, the rural areas are still of paramount importance. The country's three largest cities--Tirana, 80,000 (capital); Scutari, 35,000 (northern trading center); and Korce, 30,000 (farming center)--contain less than 15% of the total population.

Albania has no outstanding minority problem, most of its inhabitants being of Albanian stock. An estimated 3% (35,000) are Greeks; there are some Vlachs, especially in the Epirus region, and a very few Serbs and Bulgars. Albanians within the country proper divide into two important groups: the Ghegs, who live north of the Shkumbi River, and the more advanced Tosks, to the south of it.

By type there are three natural divisions:

a. Mountaineers of North and Center: Primitive mountain folk where the customs of tribal days still linger. They are of good appearance and physique, can move quickly and do long marches, but undernourishment has in some cases sapped their endurance. Although deprived of education, they show no lack of intelligence.

b. Plainsmen: Dwelling along the coast, they are much like those of other Balkan countries. As an effect of their environment, they are of a more indolent disposition than the highlanders. Physically, they are a poor people, mainly because the low-lying plains are infested with malaria. For centuries they have been successful traders and merchants along the Adriatic coast.

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c. Hillmen of Southern Albania: An industrious people, more advanced than the mountaineers of the north.

As a result of Turkish rule, some 70% of the population is Moslem. However, they are non-polygamous, and the status of women is higher than in most Moslem countries. The remaining 30% is Christian; 20% Greek Orthodox--mainly among the Tosks; and 10% Roman Catholic--mainly among the Ghegs.

Traditionally the Albanians are extremely tolerant in religious matters, though the present government is conducting a ruthless campaign to suppress the Catholic Church. The government has refrained from direct attacks on the Moslem faith, but it is probable that the traditional antipathy of Mohammedans to Communism contributes to public opposition to the present regime.

The Albanians have retained their original language, the only surviving remnant of the Thraco-Illyrian group of languages once spoken in the Balkan peninsula. (It does not belong to any major European group: Slavonic, Latin, Germanic, Greek.) The language was only recently reduced to writing in the Latin alphabet. (Previously the Greek alphabet was used.) Dialects occur, but the differences are not so marked as to make mutual comprehension impossible.

Under Turkish rule the Turkish language was made the official tongue and the population kept in ignorance. Subsequent governments increasingly have taken more progressive measures to improve the level of literacy. Although the present law provides for compulsory education, its application is more strictly enforced in the cities and the richer rural areas than in the mountain districts where schools are still scarce. The Hoxha regime has launched an intensive campaign to increase the number of schools as well as to make schooling available in the more remote districts. A drive has also been initiated to reduce adult illiteracy by means of night schools and day classes. As a result of these measures, early increases in school attendance and a reduction of illiteracy can be expected; present estimates indicate that 25% of those eligible are attending school and that 45% of the adult population is illiterate. Concurrently, the publication and circulation of newspapers and periodicals has increased. There is, however, no opposition or independent press; radio, theater, cinema, and all other media of expression are either government-owned or government-controlled.

Nearly 80% of the population is dependent on the land, carrying on a combination of agriculture, animal husbandry and dairying. Valley tribes are almost self-supporting, with each household attempting to produce its needs: cornbread, sour milk, and mutton for the common diet; flax, wool, and leather for clothing; and materials for the characteristic small farm houses of grey stone.

Because the country has always been undeveloped and poor, the incidence of illness, particularly malaria, is high. Medical care has improved

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in the cities, but generally speaking, adequate facilities are still lacking and the majority can ill afford what few facilities are available.

The Albanians have psychological traits common to those of most isolated mountain folk. Strongly bound by tribal law, they are ready to avenge in blood the honor of their family. Their supreme law is the bessa or pledge; such a bessa united the various guerrilla bands in the patriotic resistance movement against the Italians and Germans. A breach of the bessa or a violation of the duties of hospitality cuts a man off from his family group. In the population centers where modern influence is gaining, these traits have largely disappeared.

People are courageous, resourceful, and extremely hardy, particularly in the mountain areas. The picturesque Albanian history is marked by exploits of courage. Skanderbeg, Albania's "Lion of Christendom", was the hero of Christian resistance against the Turks. The so-called "Sons of the Eagle", led in the 18th century by the celebrated Ali Pasha, successfully resisted the Ottoman Empire for a short period. More recently, Albanians waged determined guerrilla warfare against the Italians and Germans. Although many individual Albanians have shown considerable ability in public affairs in the service of the Turks, as citizens of neighboring countries, and even in Albania, they are comparatively inexperienced in the technique of modern government.

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APPENDIX CCHRONOLOGY

- 1913 The Great Powers, over the protests of Russia, compel Montenegro, Serbia, and Greece to evacuate the Albanian territory which they had intended to annex, and establish Albania as an independent national state under a selected German prince.
- 1914 The Powers, at war with each other, are unable to prevent the Albanians from expelling their Prince.
- 1915 The secret Treaty of London provides for the partition of Albania among Italy, Serbia, and Greece after the war. Serbians driven into Albania are decimated by the natives. Pursuing Austrian forces occupy northern Albania, Italian forces the south.
- 1917 Italy, repudiating the partition of Albania, proclaims the independence of the country as a whole under Italian protection.
- 1918 A provisional Albanian government established under Italian protection.
- 1920 Italian troops withdrawn; Albania admitted to the League of Nations.
- 1921 The Council of Ambassadors rejects Yugoslav and Greek claims to Albanian territory, charges Italy with responsibility for protecting the independence and territorial integrity of the country.
- 1924 Ahmed Bey Zogu seizes power in Albania.
- 1926 In return for concessions, Italy guarantees the Zogu regime against internal as well as external enemies.
- 1927 Italy and Albania conclude a military alliance.
- 1928 Zogu becomes King Zog I.
- 1939 Italy occupies Albania, expelling Zog and making Victor Emmanuel king.
- 1940 Italy invades Greece from Albania, suffers defeat and counterinvasion.

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- 1941 Greek front in Albania collapses as Germans overrun Greece.
- 1942 Partisan activity develops in Albania.
- 1943 Germans occupy Albania on surrender of Italy.
- 1944 Communist-led National Liberation Front in complete control of Albania.

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APPENDIX DBIOGRAPHICAL DATA1. Colonel General ENVER HOXHA

As Premier, Commander of the Armed Forces, Minister of War and Foreign Affairs, Enver Hoxha is the undisputed dictator of Albania. Although his youth and personal charm would make him an ideal figurehead for the Communist dictatorship, Hoxha also possesses qualities of leadership which make it unlikely that any of his subordinates will soon replace him. Lacking the Comintern training of Tito and Dimitrov, he has relied heavily upon the former for advice and direction in establishing his regime, and received his orders directly from the Secretary-General of the Yugoslav Communist Party. In any projected Balkan Federation, Hoxha would be far outranked by Tito and Dimitrov, but would probably have sufficient control over his people to persuade them to give up a measure of their sovereignty. Hoxha is bitterly anti-US, anti-British, and anti-Italian.

- a. Born 1908, in Argyrocastro, Albania, of Bektashi Moslem parents; recently married.
- b. Education: Excellent; studied in France.
- c. Positions: 1933 French teacher at Koritza High School.
?-1936 Secretary at Albanian Consulate, Brussels.
193?-42 Operated cigarette store in Tirana and active in anti-Zog and anti-Italian underground.
1942 Chief of National Liberation guerrilla bands.
1944 President of Anti-Fascists National Liberation Committee (AAFNLC).
1945 Premier of Provisional Government.
1946 Premier; Minister of War; Minister of Foreign Affairs; Commander-in-Chief of Army.
- d. Party Affiliation: Albanian Communist Party.
- e. Physical Appearance: Tall; handsome, athletic.
- f. Personal Characteristics: Good public speaker, ostentatious, determined and aggressive, ambitious, cunning, insincere, and lacking in any fundamental ideals. Is a Communist for pragmatic rather than ideological reasons.

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2. General KOCI XOXE

A strong runner-up to Hoxha, Xoxe is Secretary-General of the Communist Party, holds the second spot in most of Hoxha's offices, and would be his logical successor. He is not as picturesque as Hoxha, but his powerful hold on the country reaches into every phase of its control agencies. He is Director of the DMP (Security Police), Personnel Director of the Army General Staff, Military Commander of Tirana, and President of the Economic Control Commission. Moreover, he enjoys popularity with the workers and organized the first trade union in Albania. He organized the Communist Party in 1941 after years of clandestine work in its behalf.

- a. Born 1 May 1911 in Negovan, near the Greek border, of Greek Orthodox parents; married; two children.
- b. Education: Five years of elementary school.
- c. Positions:

1931	Worked as tinsmith and plumber; organized "Puna", the first workers' society in Korce.
1935	Arrested for instigating strikes.
1936	Organized anti-Zog bread demonstration.
1937	Member of Korce General Council, head of Cultural and Dramatic Section of "Youth of Korce" (former "Puna").
1938	Interned at Peshkopia because of anti-Zog speech.
1939-42	Intermittently arrested for anti-Fascist activities.
1941	Organized the Albanian Communist Party.
1942	Joined the National Liberation Movement.
1943	Condemned to death after an escape from prison.
1944	Elected to Presidium of AAFNLC and as its Vice-President at Permet Congress; member of the War Crimes Commission.
1945	Personnel Director of General Staff; Director of Public Security (DMP); Tirana Military Commander; Deputy in Constituent Assembly; visited Moscow and Belgrade.
1946	Deputy Premier; Vice-President of the Presidium; President of Economic Control Commission; Vice-President of Democratic Front; member of committees on Administration and Drafting Constitution.
- d. Party Affiliation: Secretary General of the Albanian Communist Party.
- e. Personal Characteristics: Smug, vindictive, sadistic, unscrupulous.

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3. Major General MEHMET SHEHU

Chief of Staff of the Army, Shehu as well as Xoxe has been mentioned as Moscow's choice to succeed Hoxha. He is young (36), served the Communist cause in Spain and is Moscow trained. Moreover, his brilliant war record has made him popular with the people. Prior to his year in Moscow (1945-46), he was staunchly nationalistic with no particular liking for Yugoslavia, Russia, the US, or the UK, but since that time he adheres closely to the regime's attitude.

- a. Born 1911, valley of the Vojussa River; married.
- b. Education: Military Academy in Modena, Italy.
- c. Positions:

1936	Fought with International Brigade in Spain as a Battalion Commander; interned in France after Loyalist collapse.
1942	After returning to Albania he joined resistance; was Communist Party representative at Peza Conference.
1943	Guerrilla leader in Malokastro area; Chief of Valona area in Liberation Movement.
1944	Commander of 1st Partisan Brigade; second in command of 1st Division of National Liberation Army. Promoted to Major General
1945	Deputy Chief of General Staff in charge of training troops. Member of military delegation to Yugoslavia.
1945-46	Attended Military Training School, Moscow.
1946	Chief of Staff of Albanian Army; Member of General Council of Democratic Front.
- d. Party Affiliation: Albanian Communist Party.
- e. Personal Characteristics: Brave, vigorous and aggressive. Speaks English, French, Italian and Spanish.

4. NAKO SPIRU

One of the most powerful men behind the present regime, he is President of the Planning Commission and the Communist Party's Anti-Fascist Youth Organization, BRASH, through whose members he steadily augments the party's ranks. He takes groups of them on pilgrimages to Moscow. Strongly pro-Russian, he believes US capitalism and British imperialism are deadly enemies of all "people's movements".

- a. Born 1916, in Durazzo, of Greek Orthodox parents; son of a former Stamles Tobacco Company president who is said to give him money still, "but not to respect him".

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- b. Education: Good; attended Italian schools in Albania and Turin.
- c. Positions: 1939 Went to France, where he worked with Italian and Albanian anti-fascist emigrés and wrote for their newspapers.
- 1940 Returned to Albania to continue this work; was arrested.
- 1942 Arrested in Durazzo for writing propaganda.
- 1943 Active in Communist propaganda work in Tirana.
- 1944 Became Commissar in 3rd Brigade of AAFNLC forces; member of AAFNLC Presidium; President of BRASH.
- 1945 Member of Central War Crimes Commission.
- 1946 Secretary of the Constituent Assembly Presidium; Minister of Economy; President of the Planning Commission; member of committees to draft constitution and for economic plans and finance in Assembly. Negotiated economic agreement with Yugoslavia.
- d. Party Affiliation: Albanian Communist Party.
- e. Personal Characteristics: Versatile, good organizer, intelligent, hardworking; can be very unpleasant.

5. KOCO TASHKO

Although Tashko holds no top positions in the Albanian Government, he wields much influence as Deputy Minister of Foreign Affairs and as a member of the Economic Control Commission. He was the intellectual leader in planning the Liberation Movement and was responsible for indoctrinating several of the present leaders with the Communist philosophy. Though he has spent several years in the United States and graduated from Harvard, Tashko also lived for six years in Moscow and is decidedly pro-Soviet. He is an intelligent man and may share responsibility with Koci Xoxe for interpreting the Kremlin and Yugoslav directives for Hoxha.

- a. Born 1900 in Egypt of Albanian immigrants who had been active in the Independence Movement.
- b. Education: Preparatory school at the American University at Beirut, after which he migrated to America. Entered Heidelberg University at Tiffin, Ohio, and finally graduated with BS from Harvard in 1921.
- c. Positions: 1921 Returned to Europe as Bishop Fan Noli's secretary at the League of Nations and in Tirana.
- 1922 Appointed Vice Consul in New York.
- 1923 Assistant editor of DIELLI, Albanian paper of Boston.

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- 1924 Made Consul General at New York. Resigned 6 months later when Zog returned to power.
- 1925 Returned to Europe to be active in Noli's political exile groups in Austria, France, Germany, and Switzerland.
- 1926 Returned to US, founded and edited IDEALISTI to oppose DIELLI which had become pro-Zog.
- 1927 Sentenced to death in absentia by Zog Government.
- 1928 Returned to Europe, wrote for anti-Zog papers, taught English in Berlin.
- 1930 Went to Moscow, taught English, studied in institution of foreign publications.
- 1936 Left Moscow during purge trials to settle in France and organize radicals among Albanians studying in French universities.
- 1937 Returned to Albania where he immediately contacted clandestine Communist Party. Became the intellectual leader of liberation movement which was transplanted from France. Opened dry goods store near Hoxha's tobacco store which became an underground headquarters.
- 1942 A key figure in creating the AAFNLC; traveled organizing local councils.
- 1945 Member of the Committee to Draft Constitution.
- 1946 Appointed Minister to the USSR; member of Economic Control Commission.
- 1947 Appointed Assistant Minister of Foreign Affairs.

d. Party Affiliation: Albanian Communist Party.

e. Personal Characteristics: Mild-mannered, unassuming, he is franker than most Albanian Communists with foreigners. Intelligent and scholarly, he speaks English, French, German, Italian, Russian and Greek well, and knows Serbo-Croat. His brother holds posts such as Minister of Agriculture and Director of the Tirana Lycee. One of them, Arthur, a Boston artist, worked for OWI. His sister, Tefta, is a talented opera soprano.

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