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THE UNITED STATES AND THE ITALIAN INFLUENCE IN ALBANIA

SIX DIPLOMATIC DOCUMENTS

1928-1939

Selection of Documents

It is difficult to discuss Albanian history in the period of 1919-39 without referring to the Italians. After all, among the various European powers, it was the Italian kingdom which exerted the foremost influence on the foreign and domestic affairs of this small, mountainous state. Even with the history of diplomatic relations between the United States and Albania, this important factor must not be neglected. Therefore, in reference to these particular diplomatic relations, it was decided to select those unpublished documents which best described this external influence.

Of course, among the numerous documents on American-Albanian diplomacy that are reposited in the National Archives (Washington, D.C.), there are many unpublished accounts that describe this Italian influence. However,


4. The Albanian archives are closed to American researchers, and unpublished materials were selected from the National Archives as the published materials are inadequate. Cf. United States of America, Department of State, Foreign Relations of the United States (100vols; Washington, D.C.: Government Printing Office, 1866-), Vols. for 1922-39.

many of these particular documents are lengthy and repetitious⁶. Therefore, in regards to publication, those documents which discussed this situation in concise terms were chosen, thus the final selection contains six individual documents⁷. Overall, those chosen documents best relate the American diplomatic observations of the Italian penetration of Albania⁸.

Since the earliest document in this presentation begins with the year 1928, it is necessary to provide a brief review of American-Albanian relations in the period 1918-28⁹. Although this basic history is easily understandable, it loses some significance without the additional factor of Italian influence¹⁰. After all, it was the Italians, not the Americans, who exhibited the most interest in the future of Albania¹¹. Therefore, a brief review is presented¹².

**Brief Review**

In the immediate aftermath of the first World War, the United States would not accept the Italian claims to Albania¹³. Although the secret Treaty of London (1915) and the long military occupation (1914-18) would substantiate these particular claims, the American president, Woodrow Wilson, did not initially

6. Several individual documents number over sixty pages! Cf. NA, DS, 875.00/520.
7. These particular documents are: NA, DS, 875.00/267; and (1930-39), 875.00/294, 498; 875.51/83; 701.6575/13, 16.
approve of this situation. According to Article IX of the ‘Fourteen Points’, the frontiers of the Italian kingdom would be readjusted along nationalistic lines, thus the eastern Adriatic regions would be reserved for the emerging Balkan states. Naturally, the Prime Minister, Vittorio E. Orlando, strongly disagreed as he and his nationalist contemporaries considered Albania to be the essential key to the control of the Adriatic Sea.

Unfortunately, in spite of his resistance to these claims, President Wilson would not support any Albanian demands. Initially, this situation originated with the Department of State and Vatra, the Boston-based expatriate league, as both organizations had not exerted enough pressure to resolve this matter. Therefore, it was the responsibility of the Albanian delegation at Versailles to either assure complete independence or obtain an American mandate. Surprisingly enough, this task was entrusted to Charles Telford Erickson, an American missionary, who was a member of both this delegation and of Vatra. However, Reverend Erickson failed to accomplish either goal as the American representatives, now occupied with the Italian claims to the northern Adriatic regions, had no time for this particular issue. Of course, President


17. NA, DS, 875.00/36.


19. The Albanian delegation also included: Turkham Premeti Pasha (Provisional President), Mehmet Konitza (Foreign Minister), Monsignor Louis Bumchi (Bishop of Alessio), Midhat Frasheri Bey & Michael Tourtoulis (Ministers without Portfolio). Cf. Fusonie, 44; and Swire, Albania, 285.

20. Cf. Fusonie, 44f; Swire, Albania, 286; and Charles Telford Erickson, I Appeal! (Paris: L. Descignes, 1919), 7. Reverend Erickson was misled by Sidney Sonnino, Italian foreign minister, who claimed to be a friend of the Albanians.

21. In spite of Wilson’s intentions, “...the President is committed to an Italian mandate over Albania...” NA, DS, 875.00/195; 875.01/109. This mandate was designed to exclude any
Wilson, in spite of the recommendations from his advisors, did not understand the entire situation and, after prolonged Allied discussions, refused even to review such matters\textsuperscript{22}. As a result, the Albanians, confronted with armed threats from the Italians, Serbians and Greeks, were left without any assistance from the United States\textsuperscript{23}.

This particular lack of support for Albania continued for the next two years\textsuperscript{24}. In fact, it was not until 28 July 1922 that the first American legation was opened in the capital city of Tirana\textsuperscript{25}. Of course, there were several important reasons for this initial exchange of diplomatic representatives\textsuperscript{26}. First, an Italian army, which had occupied the port of Valona in October 1914, was finally expelled in April 1920\textsuperscript{27}. In addition, the isle of Saseno, the 'Italian Gibraltar', was later evacuated with the assistance of the American Red Cross\textsuperscript{28}. Second, the Albanian state, now a member of the League of Nations, was politically stabilized, thus it was able to resist new threats from the Greek and Serbian governments\textsuperscript{29}. And third, this political stability had

\textit{Italian economic and military gains}. Cf. Fusonie, 45f, 54-62; Albrecht-Carrie, \textit{Italy}, 68, 168, 252f; and Zivojinović, 282, 287.


\textsuperscript{23} NA, DS, 875.00/71. American indifférence allowed Count Tomasso Tittoni (Italian foreign minister) and Eleutherios Venizelos (Greek prime minister) to conclude a secret pact of partition for Albania (29 July 1919). Cf. Swire, 302f; and Albrecht-Carrie, \textit{Italy}, 242f, 279, 281.

\textsuperscript{24} NA, DS, 875.00/74; 875.01/29. Cf. Fusonie, 57f. Wilson was content to permit the League of Nations to solve Albania's outstanding problems, especially the delineation of its frontiers. Cf. Edith Pierpont Strickney, \textit{Southern Albania or Northern Epirus in European International Affairs, 1912-1923} (Stanford: University Press, 1926), 129-57; and Henry Philip Bernard Baerlein, \textit{Southern Albania under the Aerocerarian Mountains} (Chicago: Argonaut, 1922, 1968), 128-48.

\textsuperscript{25} NA, DS, 875.00/77; 875.01/223A.

\textsuperscript{26} NA, DS, 857.01/85, 106.

\textsuperscript{27} NA, DS, 875.00/54. The Italians were now forced to compete with Serbian influence, thus the Treaty of Rapallo (November 1920) excluded all Albanian issues. This situation pleased Count Carlo Sforza. Cf. Lederer, 289f, 307; Pastorelli, \textit{L'Albania}, 1914, 121f, 372-407; Albrecht-Carrie, \textit{Italy}, 296f; Lowe & Marzari, 262f; and Jan Myrdal & Gun Kessle, \textit{Albania Defiant}, trans. by Paul Britten Austin (London: Monthly Review Press, 1976), 95.

\textsuperscript{28} Cf. Caniglia, 97-99; and Zamboni, xxxvii.

\textsuperscript{29} Cf. George Moore Self, "Foreign Relations of Albania", (unpublished Ph. D. dissertation, University of Chicago, 1943), 83-99; Vassili Kondi, "Greece and Albania, 1908-
motivated several European states, including Italy, to extend formal diplomatic recognition. Naturally, the United States copied these diplomatic moves.

Of course, the most immediate reason for this diplomatic recognition concerned the competition for economic concessions. The Albanian government, alternately led by Ahmed Zogu Bey and Fan Noli, welcomed all foreign investors and it was willing to award some petroleum concessions. In this light, the United States feared that Great Britain would receive the best concessions. Therefore, the United States, with Italian assistance, sponsored an 'Open Door' policy on these particular concessions. As a result, the Standard Oil Company received the largest concession, amounting to 127,000 acres. However, despite this particular award, the Americans derived no profits from their investment as they possessed no understanding of the business methods of the Near East. Furthermore, the Department of State failed to adequately support these particular business ventures. In the end, the Italian firm, Agenzia Generale Italiana Petrolio, absorbed all petroleum concessions in Albania.

Unfortunately for the United States, from an economic standpoint, the
Italian influence would continue to increase. This situation was facilitated with the temporary deterioration of Albania's political stability during the winter of 1924-25. With Serbian assistance, the former Prime Minister, Ahmed Zogu Bey, initiated a successful rebellion against the government of his successor, Fan Noli. Although this rebellion was a harmless event for the existing American interests, it proved to be equally profitable for the Italians who were assisting Zogu with the modernization of his homeland. Soon afterward, the Italians established the Banka Kombetare e Shqipis (National Bank of Albania) and obtained new coal and timber concessions. Strangely enough, the United States, having received the 'most-favored' status in 1925, did not openly criticize these events. In fact, this economic success was preferred by the Americans who were determined to preclude any potential gains which the British might have achieved in Albania.

Of course, this particular determination would, after several years, benefit the Italians. Furthermore, these benefits would eventually materialize, not only in terms of capitalistic profits, but also in terms of political hegemony.

42. NA, DS, 875.00/167. Mussolini initially thought that Zogu was pro-Serbian, but the Italian dictator later judged correctly that the Albanian war-lord could be economically persuaded to change his sympathies. Furthermore, Zogu and Noli had served together as Interior and Foreign Ministers respectively in the 1921 Cabinet of Djafer Ypi. Cf. Alan Cassels, Mussolini's Early Diplomacy (Princeton: University Press, 1970), 243-45; Pastorelli, "Questione", passim; and Swire, Albania, 380.
43. Cf. Pietro Pastorelli, Italia e Albania, 1924-1927 (Florence: Jovene, 1967), 34-238; Zamboni, 98-112; Swire, Albania, 432f; and Marmullaku, 36f. Mussolini was rather ambivalent about Albanian events in the winter of 1924-25. Cf. NA, DS, 875.00/138; and Cassels, 246, 315.
44. NA, DS, 875.00/207, 208. In 1926, Signore Ugo Sola and Baron Aloisi represented Italy at Tirana and Durazzo respectively. Signore Mario Alberto managed the Credito Italiano. Cf. Cassels, 248. The Italians originally held 51% of the shares in the national Albanian bank and they also supplied 12.5 million gold francs in credit. Cf. Swire, Albania, 461.
45. According to the American ambassador at Tirana, Ulysses Grant-Smith, the Italian influence, though conspicuous, was natural as Italy was "Albania's best marked and with a practical monopoly of shipping between the two countries supplies the larger part of Albania's needs". NA, DS, 875.00/208 (6 February 1926).
46. Cf. Berutti, 94f.
47. NA, DS, 875.00/107, 219, 221. Cf. Marmullaku, 38f; and Berutti, 218.
48. Cf. Zamboni, 301-405; and Francesco Jacomoni di San Savino, La Politica dell'
In this respect, the outlook was favorable as the economic and political subjugation of Albania was a traditional ambition. Also, this particular ambition possessed some potentiality for success, especially as the new Premier, Benito Mussolini, would often direct all foreign affairs. Basically, he sought to reverse the Versailles settlement and, as proven at Corfu in 1923, his intentions were, in an immediate sense, of ten successfully fulfilled. In other words, Fascist imperialism had replaced the traditional liberalism which had previously characterized Italian expansion. Naturally, the Americans, with their usual disdain for European diplomacy, were not alarmed as they felt that Mussolini's talents were not so extraordinary. As a result, the Albanian state, which was selected as the initial target in the programme of Balkan penetration, become vulnerable to further Italian influence.

Naturally, the United States refrained from opposing this economic influence which had, by 1926, transcended into diplomatic influence. Since this initial transformation was slow and clandestine, the basic situation remained outwardly unchanged. Furthermore, in the years 1924-26, it was Ahmed Zogu Bey who, desiring a defensive treaty, solicited this assistance.
Therefore, as Benito Mussolini had correctly predicted, Albania became increasingly dependent upon Italy. Of course, this situation could not remain a secret, so some suspicions were eventually expressed. In fact, the Vice-Consul at Tirana, Earl Brennan, expressed his suspicions in a special despatch entitled: “The General Albanian Political Situation.” Unfortunately, this particular despatch was considered to be an exaggeration, thus it was rejected by the Department of State. Overall, this particular response characterized the official American attitude on the diplomatic situation in Albania. As a result, there was no official reaction to the signing of the Pact of Tirana (27 November 1926), an Italo-Albanian treaty directed against Greece and Yugoslavia. Even though Zogu Bey had unwittingly compromised the integrity of his homeland, there was no opposition from the United States. After all, the Italians had persuaded the Americans that their intentions were economically-motivated and that they intended to continue their efforts for a general European peace.

As a result, the United States tacitly accepted the economic and diplomatic situations in Albania. This compliance was unfortunate as these Italian influences began to encounter some local resistance. On 1 September 1928, the day after an earlier military pact (22 November 1927) had been secretly—no one else in Albania was trusted! Cf. Alessandro Lessona, Memorie (Florence: Sansoni, 1958), 81-123; Antoinette de Szinyei-Messe, Ten Years-Ten Months-Ten Days, trans. by Dr. Paul Tabori (London: Hutchinson, 1940), 197; and Cassels, 317f.

58. NA, DS, 875.00/225. With the establishment of the Società per lo Sviluppo Economico d’Albania in 1925, Italian loans were granted on a regular basis. Cf. Wolff, 139; and Swire, Albania, 462-466.

59. NA, DS, 875.00/216, 243.

60. NA, DS, 875.00/212.

61. NA, DS, 875.00/212.

62. The United States remained silent; however, Yugoslavia issued a strong protest over later events. NA, DS, 765.75/81. Cf. Cassels, 333.

63. This pact actually provided for the status quo, but Italy did gain some economic advantages. Also, Mussolini hoped to strike at France and disrupt the ‘Little Entente’ by concluding pacts with the anti-Slavonic states: Turkey, Albania, Bulgaria, Hungary and Roumania. Cf. Cassels, 329-332, 335, 376; Lederer, 96, 180, 279; and Marmullaku, 36f. Cf. Joseph Swire, King Zog’s Albania (New York: Liveright, 1937), 193-223.

64. Cf. Wolff, 139f; and Marmullaku, 37.


66. NA, DS, 875.00/243.

67. NA, DS, 875.00/235, 236. Cf. Swire, Albania, 483.
reaffirmed, Ahmed Zogu Bey proclaimed himself as 'King of Albania'\textsuperscript{68}. This particular move was designed to reassure Albanian independence and, in the years 1931-35, further Italian assistance was completely rejected\textsuperscript{69}. Unfortunately for the new monarch, this resistance only created economical and political instability and, after 1935, renewed assistance from Rome was solicited\textsuperscript{70}. Naturally, during these years, as in the past, the United States had been presented with several opportunities to assist the new kingdom\textsuperscript{71}. However, caught in the lethargy of isolationist politics, these favorable opportunities were wasted\textsuperscript{72}. Of course, the character of Benito Mussolini, especially his 'self-made' image, had pleased many Americans, especially the Catholics, and it had effectively silenced any important criticisms from the \textit{Fuorusciti}; even the invasion of Abyssinia (1935) was tacitly condoned\textsuperscript{73}. Furthermore, the rise of National Socialism in Germany had distracted the attention of the Americans from Mussolini's imperialistic plans for the Balkan states\textsuperscript{74}. Therefore, this situation remained unchanged until 1939\textsuperscript{75}.

In the end, the only noticeable reaction from the United States occurred with the Italian invasion (5-7 April 1939)\textsuperscript{76}. This invasion, an inevitable element of Benito Mussolini's ambitions, was described by the American ambassador, Hugh Gladney Grant, in terms of Fascist collaboration with local, anti-Zogist groups\textsuperscript{77}. Naturally, this particular pronouncement was

\textsuperscript{68} NA, DS, 875.001/2, 280. Cf. DDI, 7th ser., Vol. VI, 611, p. 538-543. This treaty was designed to counter an earlier Franco-Yugoslavian accord. Cf. Wolff, 140; and Swire, Albania, 52f.

\textsuperscript{69} Cf. Wolff, 140f.

\textsuperscript{70} Cf. Felix Gilbert, "Ciano and his Ambassadors", in Diplomats, 526; Mack Smith, 21, 149; and Wolff, 141.

\textsuperscript{71} NA, DS, 875.01/29, 85, 109; 875.51/41; 701.6575/12.


\textsuperscript{74} Cf. Diggins, "Mussolini", 572.

\textsuperscript{75} NA, DS, 701.6575/16, 19. Cf. Albrecht-Carrie, Diplomatic, 436.

\textsuperscript{76} Cf. Pyrrhus J. Ruches, Albania's Captives (Chicago: Argonaut, 1965), 135-45; Jacomoni di San Savino, 139-67; Mack Smith, 157; Marmullaku, 38f; Zamboni, 321-503; and Gilbert, 526.

\textsuperscript{77} According to Smith, the Italians should be reminded that "...they stole an indepen-
ignored\textsuperscript{78}. Instead, the Secretary of State, Cordell Hull, described the invasion which was supposedly precipitated by shortsighted diplomats, as a major threat to world peace\textsuperscript{79}. Although this statement contained some truth, the shortsightedness came from those American diplomats, such as Cordell Hull and his predecessors, who had repeatedly ignored all previous Albanian requests for assistance\textsuperscript{80}. Therefore, while the participation of the United States in European diplomacy was generally unrewarding, its record of participation in Albanian affairs was completely unsuccessful\textsuperscript{81}.

\textit{Document No. One}\textsuperscript{82}

"I have the honor to report that, although it is mid-October, the political swirl in Albania has taken on the lethargy of Dog Days since the change of government to a monarchical regime.

"For some reason the Italians have been creeping along more softly than before. I think this [is] a policy decided upon temporarily while Rome is getting over the scare caused by the delay of France, Great Britain and Yugoslavia in recognizing the new kingdom. But Italy has emerged from the suspense with the realization that it is well to have a care.

dent country with an army of occupation and are now engaged in maintaining their regime through their financial support of a group of Albanian puppets and a few powerful chieftains who control the mountain clans". NA, DS 1930-39, 765.75/586.

78. NA, DS, 875.51/266. In 1939, it was estimated that the Albanian government had received some 30 million dollars in loans from Italy, while exporting only 140,000 tons of petroleum to Italy. Cf. Mack Smith, 157.


82. Charles C. Hart (Ambassador) to Frank Billings Kellogg (Secretary of State), Tirana, 23 October 1928, Confidential, § 545, NA, DS, 875.00/267.
"One reason is that the British Minister\textsuperscript{83} did not conduct himself during the period preceding and following the monarchial proclamation as British Ministers were wont to behave a year or two ago. He held himself almost as much aloof from the Italian Legation as from the new government of Albania. His aloofness was much like that of a governor who feels that he is about to be compelled to refuse a commutation of sentence notwithstanding strong appeals from individuals who have always been his most intimate friends.

"There has been no halting of Italy's military program in Albania but no new ventures are being undertaken for the present. It is significant that although Ugo Sola\textsuperscript{84} has taken leave for two months for medical treatment in Germany, Italy is withdrawing Paolo Cortese, Secretary, who has been the Italian strongarm man here ever since Baron Aloisi\textsuperscript{85} departed early in 1927. Cortese is as typically Fascist as Mussolini. Sola is too decent to do everything his Government commands in Albania and at times as he faltered Cortese went boldly forth and captured the salient, giving no quarter to the opposition.

"But the present lull in the Italian advance only relates, as I have explained, to new undertakings. It is interesting to go out into the country along any main road and see what is going on. View the road building and bridge building program. One immediately agrees that the cry made by the Yugoslavs a year ago that Albania was being developed as a part of a great Italian military program aimed toward Belgrade had much basis in fact. At the time I reported it only as the plaint of the Yugoslavs but did not accept it in toto.

"Now it is very evident that the roads which Yugoslavia asserted were for military purposes are just that. I have never seen in the United States such an ambitious bridge building campaign as is now going on here. In the vast expansion of road building which began in America almost immediately after the war there was never anything to compare with what is seen here, and never was such haste made about driving the operations toward completion.

"A short time ago I motored to Scutari. There could hardly have been less than fifty bridges out, all of which had been removed to give place to structures more modern than any on the Washington-Baltimore boulevard. And enough builders had been assembled to have the work carried on simul-

\textsuperscript{83} Sir William Seeds, British ambassador at Tirana (1926-28); his predecessors were Sir Harry Eyres (1921-26) and William O'Reilly (1926).

\textsuperscript{84} Ugo Sola, Italian minister at Tirana (1927-28); responsible for the Italo-Albanian defensive pact (November 1927). Cf. Swire, \textit{Albania}, 509-12.

\textsuperscript{85} Baron Pompeo Aloisi, Italian minister at Tirana (1926-27); responsible for the Pact of Tirana (27 November 1926). Cf. \textit{Ibid.}, 478f.
taneously at most of these bridges of firstclass construction, all stone and concrete, had been completed.

"Major General Sir Jocelyn Percy, who drove to Berat recently, remarked that he had never witnessed such a bustle in bridge building. Thirty-five bridges were out.

"But what interested me most was to find that work was being hurried on an entirely new road, most expensive to build, between the Mati river bridge, on the Scutari road, to Peshkopi. One bridge on the road has cost $25,000. This is the road that the Yugoslav military attaché talked about so much a year or two ago. He asserted the road was planned as a military outlet to Dibra. The statement was generally pooh-poohed and the Italians denied that they had intention to build such a road.

"My British colleague at that time was William Seeds, and, as he admitted, was by instructions of his government, giving a cordial helping hand to the Italians. He said this talk about the Dibra military road was all balderdash and that his Italian colleague, Sola, has so assured him. But the road is under construction. I inspected the first stretch of it. There can be no other excuse for building it than as a military highway. It cuts through a chain of high mountains and there is no traffic to be tapped at any point along the way. Commercially it starts nowhere and ends nowhere. The opening of this road will not create economic development and therefore traffic because nowhere on its route is the rocky mountain land susceptible of cultivation. What its construction will cost probably no one will ever know.

"All this construction program is presumably being carried on out of the $10,000,000 Italian loan, which shows that Albania's financial backers do not require a showing that prospects justify the opening of new transportation channels provided military purposes will be served.

"Every so often some inquiring mind, newspaper correspondent or independent political investigator, comes along to express intense interest in the Italian loan just mentioned. Much pity is wasted on the Albanian government and the Albanians because of the onerous terms of the convention by which the money was borrowed.

"What folly! Long ago I lost all interest in the transaction as a loan. It

is not a loan and I do not believe the Italian government so regards it. Rome is paying the interest as a moratorium on principal and interest has been granted to 1932. I do not believe the Albanian government expects to repay any part of the loan or to liquidate on any part of the interest. And I do not believe that the Italian government expects the return of any part of the money.

"Originally it was my opinion that Italy tied Albania up in the loan convention with the expectation of being able to take the country over eventually by foreclosure on the security which the country has pledged in the form of customs and certain state monopolies. But Italy, I should say, feels now that in view of reversal of British policy in the Balkans, it might not be well to go so far as to tempt their resistance.

"Now I perceive that Italy has kissed the $10,000,000 so-called loan goodbye and regards the transaction just as it would the construction of a new battleship or certain coast defenses. No government expects to get back money spent on armaments. And having assumed the view that the loan is instead an expenditure, it is impossible to say how much more than the $10,000,000 will be expended before Italy feels that her military position on this end of the Adriatic is secure.

"What I have written in two preceding paragraphs was confirmed within the last two weeks by no less authority than Ugo Sola, Italian Minister, in conversation with Mehmed Konitsa. Some months ago Mehmed received from the Albanian government, subject to ratification by parliament, a fisheries concession off the coast near Santi Quaranta. Political jealousies which have arisen among members of parliament and other government officials who felt Mehmed was about to "make too much money" rendered ratification impossible.

"Mehmed conceived a way to save his concession by a tie-up with the Italians who he believed could compel the Albanian government and parliament to go through with the contract. He called on Sola who said, according to what Mehmed told me, that "I am so glad you are at last willing to collaborate with us". Sola agreed to interest Italian capital in the concession but proceeded with a heated lecture accusing Konitsa of having done Italy irreparable damage by "all of the poisonous stuff you have got into British and American newspapers".

88. Mehmed Konitsa Bey: Turkish Consular Service (1912), Albanian representative to the International Commission of Control (1913), Minister to Greece (1914), Minister to Britain (1916/1921), Foreign Minister (1918), Albanian representative to the League of Nations (1921), Albanian representative to the Balkan Conferences (1930-35). Cf. Robert Joseph Kerner & Harry Nichols Howard, The Balkan Conferences and the Balkan Entente,
"I think Mehmed felt somewhat flattered by this charge although he never had any part in getting news inimical to Italy in any papers unless to some extent the British correspondents got some information from him. The Sola lecture lasted for one hour and a half and consisted of a long series of emotional outbursts. Sola seemed to think it devolved on him, at this first opportunity given to him to talk with Konitza, to defend Italian policy in detail.

"He dwelt on how much Italy had done for Albania. Mehmed's narrative of the meeting is amusing because he puts in all the gestures for which Sola is famous. Here follows some of Sola's defense of Italy's relations with Albania:

"You wanted money. We gave it to you. You wanted ammunition. We gave it to you. You wanted arms. We gave them to you".

Here Konitza got an opportunity to say that his opposition to Italy had been based on what he believed to be Italian intention to colonize Albania, which brought this interesting retort from Sola:

"It is charged by Italy's enemies that we want to occupy Albania. That is not true. Our intentions are entirely political. We shall not try to colonize the country because it is too small to take care of any large part of our surplus population. All we want is the right to cross Albania if we fight Yugoslavia".

"I asked my French colleague the other day, after he had tacitly admitted that France and Great Britain were agreed on a joint policy in the Balkans, what the two governments would do in event that a new treaty of a troublesome nature is brought to light by Albania and Italy as usual this coming November. He replied he did not think it would be necessary for the two governments to act because he did not think Italy would make such a mistake.

"He had then just returned from a long leave spent partly in Paris. He said that the Albanian question appeared just as serious to him on his return as before he departed in July, if not more so. He said he had observed something on the Italian boat between Durazzo and Trieste on his way out last July which was disquieting. He said he had come to the realization that with Italy Albania is not merely an Albanian question but is more broadly a Dalmatian question.

"On the Italian boat, he said, was a group of Italian children who were being taken to Fiume to participate in a patriotic celebration. On the way up the coast the officers of the ship taught them to shout "Evviva la Dalmazio Italiana". Not only did they shout this as the ship moved up the coast but,
under coaching from ship officers and Italians aboard, shouted the phrase with great gusto in front of the Yugoslav ports of Gravosa-Ragusa (Gruz-Gravosa), Spalato and Sibenick, and at Zara, an Italian city which stands on a tiny area carved out of Yugoslav territory, they were taken ashore to let the natives hear the cry.

"Just now Italian economic penetration is threatened with a setback as to its banking concession. The National Bank of Albania with branches in the principle cities of the country is menaced by competition because Albanian commercial interests charge that the bank refuses credit to all who are not engaged in the marketing of Italian products. Agents for American motor cars say that the sale of Fiat cars has been stimulated in the country by the policy of the bank in handling money liberally to the agents and guaranteeing payment for cars, while refusing any credit to dealers in other cars. This charge is not disputed so far as I know.

"Representatives of Commercial interests of all parts of Albania met here last week and held a convention at which the project for a large bank to finance trade other than Italian was brought out into the open. It was decided that a banking corporation should be organized with a capital of 15,000,000 gold francs ($400,000) paid up.

"It now remains to be seen whether the Italian influence is powerful enough to stop the project through the Albanian government".

_document_no_two*

"I have the honor to report some observations gathered during the past two weeks regarding the likelihood of Albania serving as the cause and scene of trouble which might develop into a new war. Although very little is being published about Albania in the foreign press, the little that is published is usually so misleading that it is not surprising to see the most extravagant and foolish interpretations of the situation here. Besides, propaganda intended to create the impression that Albania is in a constant state of unrest and disorder is making considerable headway, especially since Albania seems unable to do anything to check or counteract such propaganda.

"The recent statement made by Ugo Sola, the retiring Italian Minister at Tirana, referred to in my despatch No. 21 [765.75:95], dated June 5, 1930, aroused a great deal of indignation in Albania, and it is believed by some

90. Herman Bernstein (ambassador) to Henry L. Stimson (Secretary of State), Tirana, 19 June 1930, Confidential, § 23, NA, DS, 875.00/294.
observers that Italy is now on the point of modifying her Albanian policy.

"I understand from the Yugoslav Minister91 here that, shortly after the Italian Minister's indiscreet statement had appeared, Sola justified it with the following remark:

"The Albanians are like children. If they are ill-behaved, the best way of teaching them a lesson is by slapping their faces".

"During the past two weeks I had several talks with the Italian Minister Sola, the Greek Minister Melas, the German Minister Hey, and the Czechoslovak Chargé d'Affaires, Kadlec.

"The Italian Minister said, in substance, as follows:

"The present situation here is normal. All talk about war in this part of the world is absurd. No one thinks of it seriously, not even Yugoslavia. Of course, the Serbs believe that theirs is a lucky star, that their destiny is to acquire ever more territory, to keep on expanding. They gained as a result of the war with Turkey. They gained from the war with Bulgaria. And in the World War, though they served in a measure as its cause, they have gained a great deal more than anyone could have imagined it possible. At first they believed that Albania would some day be theirs, or partly theirs. Perhaps they think so even now. But it must be admitted that while Yugoslavia was instrumental in causing certain troubles and disturbances in Albania before, she has done nothing to aggravate matters here during the past four years.

"As far as Italy is concerned, we are staking everything in Albania on the life of the King. If anything happened to him, there would be dreadful disorders again in Albania, which might spread beyond the boundaries of this country. But we have faith in King Zog. Great leaders are rare in any country. They arise perhaps but once in a century. King Zog is such a leader. It would be a misfortune if he died now, for there is no foretelling the consequences of the disorders that would break out in this part of the world. Fortunately, great leaders have a way of accomplishing their work before their death. That has been true of most really great leaders".

"Kadlec, the Czechoslovak Chargé d'Affaires at Tirana, who has been here for about five years, and who is to leave his post in the Fall, said:

"The Italians have done a very clever piece of work here. I believe that they came to an understanding with Ahmed Zog before he returned to Albania from Belgrade in 1924. They subsequently made a loan to Albania, but used that money to further their own ends. They are building roads in districts where

such roads are not yet a necessity. They are building the port of Durazzo, which Albania will not need for her own purposes for years to come. The only thing that Albania at present needs badly above all is capital for agricultural improvements. But for this purpose Albania was permitted to spend only 1,500,000 gold francs. Almost the entire loan is being spent on things that serve Italy's rather than Albania's interests. It was a shrewd business deal on the part of Italy, and since Albania is not in a position to repay the Italian loan, or even the interest on the loan, Albania will be forced to remain under the domination of Italy for some time. The roads and the bridges that are being constructed are obviously intended for military purposes. The Albanian people understand all this, and the Italians are extremely unpopular here”.

“The Greek Minister, Melas, who is leaving this month for his new post in Belgrade, analyzed the situation in Albania as follows:

“The most significant thing that happened here in recent months was the Fitsos-Sola incident. I am inclined to believe that the Fitsos interview against Italy was a deliberately planned stroke, perhaps even with the knowledge of the King. It was rather clever, since the interview mentioned what the man in the street thought of the Italians in Albania, not what the Government thought. Some of the expressions in that interview were so crude that it was easy for Minister for Foreign Affairs Fitsos to deny having made the statement. The Italian Minister's declaration was even more indiscreet and unwise. He boasted of the number of Italian experts and instructors in Albania who were on the payroll of the Italian Government. I would not be at all surprised if that statement really served as the cause of Sola's recall. The Italians are hated by the Albanians. Albania cannot help herself. The noose is tightening about her neck through Italian domination, and she knows that she cannot get along without Italy on account of her difficult economic condition. If anything happened to the King, if he died suddenly, or if he were overthrown, the chaos in this part of the world would be horrible. Italy does not want it. Italy is afraid of it. Mussolini is shrewd enough to understand it. He likes to deliver bombastic speeches, but he is clever enough to realize that he cannot go beyond, speechmaking. A war here could not be localized. It would be sheer madness, and the Italians as well as the Yugoslavs seem to understand it well. King Zog is a clear headed man, and he undoubtedly realizes that he holds a strategic position by which he can have his way in a large measure. I do not think there is any danger of a war in the future. Nevertheless it would be foolish to indulge in prophecies. The slightest blunder may start new trouble. France would, of course, exert her influence to avert an outbreak, for she would be drawn into it by her ally, Yugoslavia. Sola's usual explanation of Italy's Alba-
nian policy as being prompted by charitable motives is for infants. Grown people cannot take it seriously”.

The German Minister at Tirana, Hey, who was formerly an officer of the German General Staff, and until recently represented Germany in Moscow, said:

“I believe this talk about a new war two years from now emanates from Yugoslav sources only. The Serbs are scared and nervous, and they are making preparations. Their own army is good, and they are encouraged, if not helped, by France. It is my opinion that Italy is changing her policy with regard to Albania. The situation here was tense several months ago, where the equilibrium may be upset. But Italy is changing her policy. Mussolini is after all one of the ablest men in Europe, and he cannot help realizing the dangers of a new war.

Sola’s statement in which he blurted out the number of experts and instructors in Albania paid by the Italian Government showed that Italy regards Albania as her colony. That statement caused intense irritation here. Mussolini must have realized by this time that Italy’s present policy in Albania will not work. He knows that the Italians are not at all popular here. The landing of Italian troops in Albania would be equivalent to a declaration of war on Yugoslavia. He knows well that he cannot afford any war, for it would mean, among other things, the end of Fascism.

The generals of the Albanian army do not amount to anything. The army, however, is necessary for the King to maintain internal order. It is the only way of building up the nation which has never before known real patriotism or love of country as a united people. The real danger lurks in Yugoslavia. The Serbs talk about war in two years. They are good soldiers but poor diplomats. A general is usually a poor statesman, for he believes in the solution of problems only by force. The Serbs imagine that by propaganda they can discredit Albania and Italy, and justify their own position. But they are only injuring themselves.

I believe that Italy’s new policy in Albania will be quite different from the present one. The new Italian Minister who is expected here shortly is a student, a broadminded man, who knows the Orient and the Balkans. It seems to me that he is sent here to inaugurate this new policy in Albania. Sola imagined himself a sort of a Roman Consul of two thousand years ago, a little Mussolini. He thought he could succeed by a policy of the mailed fist. Sola is now called back to Rome and the policy he pursued here is apparently at an end”.

“My own impression is that Albania constitutes one of the most delicate
and difficult problems in Europe today and that Albania may suddenly become another Sarajevo, if Italy were to continue her dictatorial grip on this little land on the Adriatic. In view of Italy's present activities, which can hardly be regarded as mere aid in the peaceful upbuilding of Albania, it is not at all surprising that Yugoslavia is driven by fear into frenzied preparations for war. The Serbs are talking of a new war in two years from now because the port of Durazzo and the roads and bridges now under construction in Albania will be completed within two years. They say that then Italy will be ready to strike. It is hard to tell whether the Serbs really believe this or not, but they keep on repeating this statement to anyone who wants to listen to them. Yugoslavia's military preparations are undoubtedly intensified by fear of Italian designs in Albania, but if I am not mistaken, this sense of fear is mutual. Mussolini's boastful and bombastic speeches are perhaps intended to conceal, among other things, his own fear growing out of his distrust of Yugoslavia and France.

"So far as Albania is concerned, it strikes me that she is unquestionably eager for peace, and for the preservation of her independence. She is also eager to develop as a European state. Her men [sic] power in officialdom is not of a very high calibre, either in intelligence, experience, or the sense of responsibility. The traits of the Turks are still predominant among those officials who had received their training and experience under Turkish rule. But most of them seem to be sincere in their desire to keep Albania independent.

"The King is admittedly the ablest of all the Albanians in public life. With all his adventuresome and unscrupulous deeds in the past, he is genuinely concerned in the welfare of his country. He seems to realize that under present circumstances it is in the interests of Italy to prevent any attempts at a revolution directed against him, or any efforts of other neighboring powers to weaken his position in the country. Thus Italy's present policy is a source of strength to him personally. And yet he would undoubtedly prefer aid from any disinterested source for the economic and educational development of his country in order that Albania's independence may really be safeguarded.

"There is much of the Balkan musical comedy atmosphere in Albania, in the imitative pompous ceremonies at Court, and at official as well as social functions which are staged with the crudity of provincial theatrical performances. There is a passionate anxiety among the self-conscious Albanians to become emancipated rapidly. But beneath the pathetically ludicrous striving after an ultra-modern veneer, these seems to be a very earnest desire among the Albanians to maintain their national independence peacefully.

"The Albanians are a poor people-picturesque in their poverty. Many
of them are not yet very industrious. Their fields are neglected. Vast stretches of land are not tilled at all. But this is explained by the fact that until recently the people had no faith in the stability of their Government. They had become accustomed to expect changes of government, wars and revolutions. The people did not till the soil because they feared that others would come to reap their harvests. Until recently the merchants could not engage in orderly commerce. The Albanian’s standard of living at present is still very low. Laborers get starvation wages. But there is a gradual, perceptible improvement in the life of the people. Albania is characterized as follows: “It is perhaps the least-known country in Europe, and the wildness of the land and fierce and lawless disposition of the people have combined to discourage travelers and explorers”.

As a matter of fact, brigandage in Albania is a thing of the past. Albania is the least-known and most-maligned little country. I have traveled from Tirana to Durazzo and I have visited Scutari. Everywhere I have been struck by the absence of police. The crowds seem well-behaved, law-abiding and good-natured. The thing that has impressed me most far is that, though Albania’s population is composed of Moslems, Catholics and Orthodox, and though the Albanians had been dominated in the past by the Romans, the Greeks, the Slavs and the Turks, there is hardly any evidence of religious prejudice in this country. In this respect Albania is indeed unique. It seems to me that it would be a far-sighted and wise policy for those interested in preserving the peace of Europe to help safeguard the independence of this small state not only for its own sake but for the sake of averting a new tragedy that may befall the world if Albania is permitted to be used as a pawn in the dangerous political game of her neighbors”.

Document No. Three

“Referring to my despatches Nos 288 and 294 [875.51:75, 79], dated July 2 and July 16, respectively, I have the honor to transmit herewith a translation of two further notes exchanged between the Albanian Government and the Italian Minister in Tirana with regard to the Italian subsidy to Albania and the Permanent Commission which is to supervise and control the expenditures of the sums constituting the ten annual “loans”. These notes, like the previous notes, are dated June 24, 1931, and reference is made in the new notes to the attached project of the Royal Decree, which was signed by King Zog on June 92.

92. Bernstein to Stimson, Tirana, 30 July 1931, Confidential, § 304, NA, DS, 875.51/83.
30, and which appeared in the Official Gazette of July 6. (The text of the Decree accompanied my despatch No. 294 of July 16.)

"On July 29 announcement was made of the appointment of three of the four members of the Permanent Commission. Ekrem Libohova93, Minister of the Court, and Kol Thachi94, former Minister of Finance and now Chief of the Audit Council, are designated as the two Albanian members. Libohova is also to act as Chairman of the Commission. Commendatore Merlino, now engaged as adviser at the Ministry of Finance, is named as one of the two Italian members of the Commission. The second Italian member will be appointed later. It is believed that he will not be chosen from among those Italian organizers now in Albania, but will be a new man.

"With Ekrem Libohova as Chairman, the Commission will have a distinct Italian complexion, for Libohova is regarded as more Italian than the Italians, and Kol Thachi, while personally honest and devoted to Albanian interests, is characterized as a rather weak functionary.

"Although the Italians are boasting of the altruist and benevolent spirit with which they are extending financial aid to their ally, Albania, insisting that the "loans" are intended exclusively for constructive purposes, and for the promotion of peace and stability on the Adriatic, it can hardly be concealed that the real purpose of these subsidies and the function of the Permanent Commission is to place Albania in bondage under Italy, to enable Italy to carry out her policy of militarizing Albania, to make Albania her military base on the Adriatic, and perhaps in time even to attempt to annex Albania.

"I do not share the views of my colleagues, the British, French, Yugoslav and Greek Ministers and the Czechoslovak Chargé that Albania has already been reduced by these "loans" and the proposed Permanent Commission of control to the category of an Italian protectorate. My opinion is that the present Albanian Government, that is King Zog, has entered into an arrangement with Italy which, though sanctioned and ratified by Parliament, is viewed with suspicion by the Albanian people. That the Albanian Government is aware of this is evidenced by the fact that the newspapers here were not permitted to discuss the loan or the functions of the Permanent Commission, except to praise the arrangement. If anything should happen to King Zog, if he were to die soon or if a revolt against his regime developed, I would not be at all surprised to see the present arrangement with Italy repudiated by the Albanian

93. Ekrem Libohova, former Aid-de-Camp to Prince Wilhelm zu Wied (1913-14) and Albanian ambassador to Rome (1925-26). Cf. Swire, Albania, 201, 472.
people in an outburst of anti-Italian feelings. If the Italians believed that by this new philanthropic loan they would gain popularity among the Albanians, they reckoned without the Albanian people. Whatever praise for Italy was voiced, in Parliament or in the subsidized newspapers, it was insincere and was expressed merely because the King had ordered it.

"Many Albanians have adopted the cynical attitude that it cannot hurt Albania to take whatever she can from Italy without intending to give anything in return, for they seem to be convinced that Italy will be disillusioned if she is counting upon Albanian aid in the event of a conflict between Italy and Yugoslavia. The Albanians say they will help neither side.

"I understand that King Zog told General Pariani and di Soragna, when the negotiations for the loan were not progressing as smoothly as he has expected, that under present circumstances Albania could not afford to maintain the army and that he was considering a drastic reduction in military expenditures which would enable him to balance the budget without difficulty. This argument, above any other, seems to have stirred the Italians to a quick decision to come to Albania's aid by the philanthropic annual loans of 10,000,000 gold francs. The expenditures for the maintenance of the Albanian land forces, including the Frontier Guards, amount to 10,628,300 gold francs".

Document No. Four

"I have the honor to report that on August 9th, Marquis di Soragna, the Italian Minister, called at the Legation and informed me that he had just received word that he was transferred from Tirana, and that Octaviano Armando Koch, Councillor of the Italian Embassy at Angora, has been appointed new Minister to Albania.

"Marquis di Soragna said he did not know whether he will be given another post or whether he would have to stay for some time at the Foreign Office in Rome. He spoke of the recent changes in the Italian diplomatic service as volcanic. He added that as far as he personally was concerned, it was immaterial to him what post he would get, as any post would be more agreeable than the present one.

"The Tirana post is for us very disagreeable", di Soragna said. "It is not

96. Marquis di Soragna, Italian minister at Tirana (1931-32).
easy to accomplish things here. The Albanian officials change their minds frequently even on matters that have been definitely agreed upon among themselves and members of the Italian Loan commission. Only the other day the Prime Minister\(^{98}\) said to me that the building of an asphalt road between Durazzo and Tirana is a luxury for Albania. I pointed out to him that such a road was a real necessity, that it would prove of enormous help to the people, but he kept repeating: ‘Albania is a poor country, and we don’t need such luxuries’. However, the Boulevard Zog, with practically no houses on either side, is being completed at an enormous cost, and this the Prime Minister does not regard as a luxury”.

“Ever since the appointment of Baron Aloisi as Mussolini’s Chief of Cabinet for Foreign Affairs, it was expected that di Soragna would be transferred, and that a new, more vigorous policy will be dictated from Rome with regard to Albania. Baron Aloisi knows Albania intimately. It was he who engineered the signing of the Tirana Pact in 1926. Baron Aloisi is still considered here as the cleverest of the Italian Ministers in Albania, but he was too dictatorial for Ahmet Zogu. It is believed that when he demanded, in addition to the Tirana Pact, that Albania recognize the Ambassadors Agreement of 1921 with regard to Italy’s role in Albania, Ahmet Zogu asked for the recall of Baron Aloisi. Aloisi was recalled from Tirana, and was sent as Ambassador to Tokio. Since that time Baron Aloisi and Ahmet Zog have been enemies. It is pointed out by some Albanians that neither Mussolini nor Aloisi has forgiven King Zog the affront of refusing to renew the Pact of Tirana, and it was expected that the Italian Minister, Marquis di Soragna, who failed to secure the renewal of the Pact, would soon be removed.

“In some of my previous despatches reference was made to the differences between the Grandi and the Mussolini policies in Albania. Grandi was believed to be opposed to the program of costly militarization of Albania advocated and carried out by General Pariani. Now, with Baron Aloisi practically in charge of Albanian affairs at the Foreign Office, the militaristic policy of General Pariani will in all likelihood be intensified”.

*Document No. Five*\(^{99}\)

“I have the honor to report that the new Italian Minister, M. Armando

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Koch, presented his credentials to King Zog on November 26, 1932. He had arrived in Tirana on November 23rd.

"On November 26th Mr. Koch called at the Legation. In the course of conversation he gave his impressions of the King, and commented on Italo-Albanian relations. "King Zog is the best man for Albania", Mr. Koch remarked. "It would be difficult to find here anyone else better qualified to be King. He is intelligent and he knows his people's needs and problems. Of course, he is in a very difficult situation. His country is suffering, economically. For that matter Italy, too, is going through a severe economic crisis".

"Geographically Albania holds a most delicate position. Any pressure on Albania on one side naturally arouses suspicions and fears on the other side. Our desire is to help Albania become stronger than she is today, to consolidate, to organize the country. When that is accomplished we shall have no further interests here. We are suspected of having other designs, but our aim is solely to make Albania stronger. That would be in the interests of Albania and of Italy as well. Anarchy in Albania would be dangerous to us, too. Of course, the Albanians have a strong nationalist feeling and they suspect our motives. The neighbors also suspect every effort of ours to help Albania. Therefore our position here is extremely difficult and our policy must be carried out with great tact and care".

"Mr. Koch, who until recently was Counsellor and afterwards Chargé d'Affaires at Ankara, mentioned that he had been with the Italian Embassy in Petrograd during 1917 and 1918, and praised the Soviet Ambassador at Ankara. He expressed the opinion that the world cannot be stabilized unless Soviet Russia is given the opportunity to play her role as an equal among the great nations".

*Document No. Six*¹⁰⁰

"Referring to my telegrams No. 25 of May 7 [875.00:496], 11 p.m. and No. 26 of June 1, 11 a.m. [875.00:497], 1938, in regard to the reconstruction of the Albanian Cabinet, I have the honor to inform the Department that the two new Ministers, Minister of National Economy and Minister of Education, and the new Under Minister of National Economy, namely Rrok Gera, 100. Hugh G. Grant-Smith (Ambassador) to Cordell Hull (Secretary of State), Tirana, 10 June 1938, Confidential: "Reshuffling of Albanian Cabinet Would Seem to Involve the Element of Political Strategy in Albania's Relations with Italy. Italian Penetration will Likely Continue Notwithstanding", § 644, NA, DS, 875.00/498.
Abdurahman Dibra\textsuperscript{101} and Said Toptani, respectively, have taken charge of their respective posts, and the Prime Minister, Koço Kotta, is about to relinquish his duties as the head of the Government and as Minister of Public Works to Faik Shatku, Minister of Justice, as the result of a serious stomach disorder, as alleged. Kotta, it is whispered in inner circles, may not function again, his illness being utilized as a face-saving device covering his early retirement from the Cabinet, which has been torn with dissension for several months. It is regarded as unlikely that the present Government will continue longer than the fall, perhaps October, the recent reshuffling, it is believed, having been undertaken primarily in order to get rid of Dr. Terenc Toçi, the Italian-born Minister of National Economy, who, in attempting to please both Italians and Albanians, it seems, displeased everybody, including his own colleagues in the Cabinet.

"It is generally believed in foreign diplomatic circles that the Cabinet reshuffle, which resulted in the ousting of Toçi, and the appointment of two new Ministers and an Under Minister, may involve an element of political strategy directed against the Italians by King Zog, whose unusual ability to determine the proper timing for the "tipping of the scales" this way or that is generally recognized. The Italians were known to have a free hand under Toçi's administration of the important Ministry of National Economy. Toçi was born in Italy, many of his friends and many of his interests are there, and he has therefore never overlooked an opportunity to cultivate closer and closer ties between the country of his birth and the country of his nationality. His first official act in this direction as Minister of National Economy was the formation of the new trade law which, as indicated in several despatches from this Legation (see despatches No. 472 of August 20, 1937 and No. 476 of September 3, 1937) was designed to give Italy a virtual monopoly of Albanian import trade. Subsequently, he perfected the organization of the Farmers' Bank under Italian control. Then he brought to Albania a branch of the Bank of Naples. Finally, a few weeks ago, he presented to an Italian corporation a fishing monopoly in Albanian waters, including the Adriatic Sea and all the rivers up to a distance of five kilometers, as well as the large swamp at Durazzo.

"Albanian merchants, faced by mounting costs of many necessary articles, such as cotton goods (see despatch No. 614 of April 19, 1938) and subsequent despatches on the same subject) as the result of Toçi's trade law, were not long in making their protests heard. There was a flare-up in Parliament (see

\textsuperscript{101} Abdurahman Dibra, Minister of Interior (1927). Cf. Swire, \textit{Albania}, 505.
whereupon Toçi threw a sop to the small merchants in the form of a provision for special permits in cases of small purchases (see despatch No. 578 of February 17, 1938). Of course the fundamental feature of the new law, i.e. a virtual monopoly for Italy, with continued high prices for Albanian imports, remained the same. Toçi’s final fling on behalf of his Italian friends was the granting of the fishing concession to an Italian company known as Pesca Iba, in which the Italians would own 51 per cent of the stock and the Albanians 49 per cent, provided the latter should purchase their portion of the stock within two months of the date of the concession; otherwise the Italians would have exclusive control (see despatch No. 608, April 12, 1938).

"In the meantime, Toçi, holding the strings of the Italian purse, was besieged by an army of Albanian job-seekers who demanded their share of the Italian cash. The diminutive but belligerent Minister of National Economy, protesting through a newspaper interview, finally succumbed to the onslaught and pushed the personnel of his Ministry beyond the 500-mark, employing through the Italian agricultural loan of 2,000,000 gold francs hundreds of so-called agricultural and forestry “experts” to assist the Albanian peasant farmers. Then, late in April, a large majority of these employees were suddenly dropped from the payroll (see despatch No. 629 of May 10, 1938), although Minister Toçi subsequently informed me that the act constituted a weeding-out process in order to eliminate only the inefficient among the “experts”. Apparently, although the real facts remain somewhat obscure, it would appear, as I have indicated in the despatch mentioned above, that Toçi became the victim of both Italian and Albanian high pressure. The Italians, it is believed, pulled the purse strings when they saw their money vanishing into the pockets of many persons whose influence does not count for very much in Albania, and at the same time, the Albanian “experts”, seeing their jobs vanishing, made loud protests which reached the receptive ears of Toçi’s colleagues in the Cabinet. At any rate there was dissension in the Cabinet and it revolved around the Minister of National Economy. In the last analysis, it seems probable that Toçi was brought into the Government to negotiate with the Italians in the business of “giving and taking”, with the understanding that the emphasis would be placed on the “taking”. However, Toçi, with his Italian background and interests, gave considerable attention to the “giving” as well as the “taking”. Now, this is a dangerous policy if carried too far, in the eyes of the King. Toçi, despite his excellent work in getting Italian cash, became a liability to the Government. As indicated heretofore, the scales must be tipped in the other direction. Exit Toçi!
"Following Toçi's resignation from the Cabinet, I thought it would be interesting to get the former Minister's views on the general subject, and accordingly I directed the Legation Interpreter-Translator, who has known Toçi for many years, to try to arrange a talk with him. I enclose a copy of a confidential memorandum in regard to the conversation between Toçi and the Legation officer, which is illuminating and which confirms the opinions I have expressed from time to time in my despatches concerning Toçi's close affiliations with the Italians. Especially significant is the following statement of the former Minister:

"If the actions of the present Cabinet satisfy the Italians it can remain in power for 2, 3, 4 years. The Italians look at actions, not at names".

"The retention in the Cabinet as Minister of Justice of Faik Shatku (who is very unpopular) who automatically will become the acting head of the Government in the absence of the Prime Minister, according to Albanian custom, would seem to indicate that King Zog intends to run the show himself, relegating the Prime Minister to the category of a figurehead until such time as His Majesty may decide to form a new Cabinet.

"Apropos of the new members of the Cabinet, I enclose biographical sketches of the three, namely Dibra, Gera and Toptani. I called to pay my respects to these gentlemen a few days subsequent to their appointment and was received very cordially. Gera has always been particularly cordial towards me and the Legation. Copy of memorandum of my conversations with the new members of the Government are enclosed. Abdurahman Dibra, Minister of Education, is one of Zog's staunchest supporters. He was formerly Minister of Education and has the reputation of being a loyal Albanian patriot with no particular friendship for Italy. Gera was Minister of Finance in the Mehdi Frasheri Cabinet of 1935-36, which with the exception of the Prime Minister was composed of young so-called "Progressives". He is only 37 years old and received excellent training in finance and economics at the University of Vienna. Gera also has a general reputation of having no ties with Italy. He is Roman Catholic. Toptani was formerly Minister of National Economy and is an aggressive and prosperous "dirt farmer". He informed me in the course of our conversation that he has the intention of remaining at his present post only until such time as he can complete the organization of the agricultural program for his country, which was fouled under Toçi's regime. Presumably the King, by exerting strong pressure, drafted Toptani for this particular task.

"Although, as indicated heretofore, there undoubtedly has been a tipping
of the political scales against the “Big Ally” across the Adriatic as the result of the Cabinet reshuffle, the practical results will very likely prove to be nil. Messrs. Dibra and Gera probably will soon learn, if they do not already realize it, that the Italians will have their way through their “organizers” in the Albanian Ministeries, and by means of their loans and “advances” to the Albanian Government. It matters little who comprises the Cabinet. Geras and Dibras notwithstanding, Italy’s program of economic and political penetration of Albania will continue". 