

ALBANIA

RECOGNITION ACCORDED TO ALBANIA BY THE UNITED STATES

875.01/158 : Telegram

The Ambassador in Italy (Child) to the Secretary of State

[Paraphrase]

ROME, December 13, 1921—3 p.m.

[Received December 14—3:15 a.m.]

259. The members of the Albanian delegation before they left Italy stated at an informal meeting not held at the Embassy that recognition had been accorded by the delimitation of Albania by the Council of Ambassadors, but they were not clear as to present recognition of the *de jure* Government by France, Great Britain and Italy. They request that after any recognition given by other powers, the United States accord whatever prompt recognition of any kind it can. They represent that Albania is ready for the concession of valuable oil rights, and that the most matured proposal, which has not yet been confirmed by the Albanian Council, or Parliament, is that for a concession to the British D'Arcy group. Albanian policy, they say, must take into consideration the international political values accruing through the nationality to which the concessions are granted, but they admit that the steady development of the oil fields and of Albania itself would be a more decisive consideration. Italy, they asserted, has politically the most advantage in Albania. I am informed that an Albanian named Daragjati is presenting the Italian plan. The facts in regard to the oil findings are still obscure even as represented by the delegates themselves, and information which has been obtained from travelers remains unsupported.

CHILD

875.6363/20

The Ambassador in Italy (Child) to the Secretary of State

No. 251

ROME, April 3, 1922.

[Received April 19.]

SIR: I have the honor to refer to my despatch No. 177 of January 16th,¹ in which I reported certain information which I obtained from Mr. Ralph Soper, representing the Sinclair Oil Company, 45 Nassau Street, New York, who had just returned from Albania,

¹ Not printed.

where his Company had been seeking an oil concession, with reference as well to your telegram No. 28 of March 16, 5 p.m.² and to my reply No. 41 of March 18, 1 p.m.,² and previous correspondence in regard to the Albanian situation. I now have the honor to enclose herewith copies of two letters² from Mr. C. Telford Erickson, dated respectively, Tirana February 23 and Tirana March 20, to the Military Attaché of this Embassy. Colonel Donnelly had recently to make a report on Albania under instructions from his Department, and it was at the suggestion of the Embassy that he wrote direct to Mr. Erickson. The Embassy has heretofore refrained from direct correspondence with anyone from Albania, and it was thought that Colonel Donnelly's need for information from that quarter would provide a suitable opportunity for communication with Erickson, who is probably the best informed American on Albanian conditions. The Department may recall that Mr. Erickson was in America last year representing the Albanian Government. He was originally a missionary and his name has figured frequently in previous despatches from this Embassy in connection with the affairs of the Sinclair Oil Company and other embryo oil concessions in Albania.²

According to Mr. Erickson's letter, the Albanian Government is turning to Great Britain for aid, has asked for a financial expert, and is trying to obtain at the same time a loan with the help of the British Government, in return for which they promise to the Anglo-Persian Oil Company the oil monopoly for all Albania. Mr. Erickson adds that two government engineers, one Italian and the other Austrian, have just examined the oil fields and that their reports indicate very large deposits easy of development.

I venture to hope, therefore, that this matter will receive the considered attention of the Department and that a definite policy in regard to Albania will be formulated. It is quite possible that if skillfully handled some definite benefit could accrue to American interests through the promise of recognition and the timely culmination of that event. It would appear quite possible that if we defer action much longer British and other interests will obtain such ascendancy in this small vulnerable country that American interests will be virtually excluded and their claims relegated to the usual official protests through diplomatic channels for the equality of opportunity. The Embassy stands ready, of course, to assist in this matter in any way in its power.

Apart altogether from the utilitarian aspect of the matter, the moral influence of American recognition would be very consider-

² Not printed.

able. It appears to Mr. Erickson that there are thousands of American Albanians to whom America is almost as dear as their motherland and upon whom no other country has such a hold on their imagination and affection. The imminence of possible recognition might also have a salutary influence upon certain phases of our relations with the Italian Government.

I have [etc.]

RICHARD WASHBURN CHILD

875.01/191 : Telegram

The Secretary of State to the Ambassador in Italy (Child)

WASHINGTON, April 24, 1922—4 p.m.

52. Your confidential despatch No. 251 April 3. Report by telegraph countries which have recognized Albania, whether *de facto* or *de jure* recognition has been given and the exact designation of representatives who have been sent.

HUGHES

875.6363/21

The Secretary of Commerce (Hoover) to the Secretary of State

WASHINGTON, April 26, 1922.

MY DEAR MR. SECRETARY: I have recently learned from a representative of the Sinclair Oil Company that that company is very much interested in the possibilities of oil development in Albania. It appears that the company is endeavoring to secure concessions to certain oil rights with the full intention of beginning active operations as soon as such concessions are secured but is being greatly hampered in actually getting the Albanian government to agree to any definite form of contract because of the fact that both British and Italian nationals are likewise trying to secure similar concessions. The latter are very much aided by the fact that both England and Italy have recognized the Albanian government and have sent to Albania active governmental representatives who are pushing the claims of their nationals.

I am wondering whether, in view of this situation, it would not be possible for you to give serious consideration to the recognition of Albania, or if actual recognition appears inadvisable, to the possibility of sending some American Government agent into the country who can give a show of interest and support to the claims of the Sinclair Oil Company. This appears to be a clear case of where a little assistance by the government can go far in support of legitimate American enterprise abroad.

Yours faithfully,

HERBERT HOOVER

875.6363/22

The Vice President of the Sinclair Exploration Company (A. C. Veatch) to the Secretary of State

NEW YORK, *April 26, 1922.*

[Received April 27.]

DEAR SIR: In June of last year the Sinclair Exploration Company was advised that the Albanian Government and people preferred American capital to the capital of other nationals; that this was particularly true with respect to oil, and that while the Government had discussed a concession with the Anglo-Persian Oil Company, the country felt it would be better not to give an oil concession to the nationals of any European country.

Following conferences in June, 1921, with the special representative of the Albanian Government^{2a} in the United States and in accordance with arrangements then made, we dispatched a representative to Albania. Following the completion of his preliminary investigation, we authorized him to enter into a contract with the Albanian Government for a petroleum concession, and he returned to Albania for this purpose.

Because of the questions connected with the boundary of the country, in the settlement of which British and Italian influence was of great importance, the Albanians felt that it would be impolitic to give an oil concession to Americans at that time, but we were advised by the Government that it felt that in a few months it would be free of this restraint.

We now have advices that Parliament will convene next month, instead of in June as originally indicated, and that it will probably settle the petroleum question. We are accordingly dispatching a representative to Albania.

American interests, not only in connection with this oil concession, but in other particulars, are at a great disadvantage in Albania, owing to the fact that the United States has not followed the lead of the larger European nations in recognizing Albania. The British Minister has been particularly active since his arrival in Tirana, and we strongly recommend the recognition of Albania by the United States and the sending of a representative of this Government to that country.

Yours very truly,

A. C. VEATCH

^{2a} C. Telford Erickson.

123 B 58/175 : Telegram

The Secretary of State to the Diplomatic Agent and Consul General at Tangier (Denning)

WASHINGTON, April 27, 1922—11 a.m.

4. Your April 24, 10 a.m.³ For Blake.

The Department is considering the recognition of Albania. Before taking action it is desired that you report as to conditions in that country, stability of present government and existing or prospective American interests there. You are instructed to proceed as soon as possible to Rome for consultation with the Embassy and examination of correspondence regarding Albania. From Rome you are instructed to proceed to such points in Albania, including Tirana, as you may consider necessary for your investigations. Department will cable you further instructions at Rome.

Inform Department by telegraph of your departure from Tangier and arrival at Rome. Your status will be that of Consul General on temporary detail. Transportation and subsistence allowed in accordance with travel regulations, and not exceeding six hundred dollars extraordinary expenses for which separate account should be rendered. Telegraph from Rome recommendations as to clerk to accompany you if necessary, whether suitable one available there, and salary.

HUGHES

875.01/192 : Telegram

The Ambassador in Italy (Child) to the Secretary of State

ROME, April 27, 1922—5 p.m.

[Received April 28—12:24 a.m.]

66. Your 52 April 24, 4 p.m. The powers in the Supreme Council have recognized Albania *de jure*. Of these powers England and Italy have sent Ministers. France is represented only by a consul at Scutari. Japan has no representative. The other countries which have accorded *de jure* recognition are Finland, Switzerland, Belgium and Jugoslavia and of these only Jugoslavia is represented, having a Chargé d'Affaires.

CHILD

³Telegram of Apr. 24 (not printed) was from Maxwell Blake requesting assignment to another post. He had turned over the consulate at Tangier to his successor, Joseph M. Denning, on Apr. 11.

375.117/-

*The Secretary of State to the Consul General on Special Mission
(Blake), temporarily in Rome*

WASHINGTON, May 9, 1922.

SIR: The American Consul at Salonica telegraphed the Department on April 24, 1922,⁴ stating that American citizens of Albanian origin had informed him that the Albanian authorities were taking possession of their American passports and forcing them to take Albanian passports.

You are, therefore, instructed, on your arrival in Albania, to investigate this matter, and if the facts are found to be as they were represented to the Consul, to protest to the Albanian authorities and to invite their attention to the unfavorable impression which such treatment of American citizens cannot fail to make on this Government.

I am [etc.]

For the Secretary of State:

WILLIAM PHILLIPS

875.01/203a : Telegram

*The Secretary of State to the Ambassador in France (Herrick)*⁵

WASHINGTON, May 18, 1922—5 p.m.

157. Associated Press despatch Geneva May 13th reports that Council of League of Nations has virtually decided that League should assume protectorate over Albania and appoint certain financial, economic and legal experts to assist Albania. Italy is reported to have demanded assurances that her interest in that country would be safe-guarded.

Telegraph if possible summary of action taken by Council. Department is particularly interested in effect on Albanian independence and equality of opportunity for United States and its nationals.

Repeat to London as Department's 144 and Rome as 66.

HUGHES

⁴ Not printed.

⁵ See last paragraph for instructions to repeat to London as no. 144 and Rome as no. 66. In telegram no. 161, May 19, to the Ambassador in France, the Secretary of State requested that this telegram be repeated to the Legation in Switzerland.

875.01/205 : Telegram

The Minister in Switzerland (Grew) to the Secretary of State

BERNE, May 20, 1922—11 p.m.

[Received May 21—5:49 a.m.]

31. Department's unnumbered telegram of May 18, 5 p.m., via Paris⁶ received this evening. I am reliably informed as follows:

Neither Albanian independence nor equality of opportunity for United States and its nationals will suffer through action of League of Nations. Albania grateful to League for previous help has asked it to appoint economic, financial and judicial advisers who shall be disinterested impartial experts in the employ of the Albanian Government, with a view to putting Government on its feet and promoting the development of the country by foreign capital. Balfour proposed this in Council. Italy protested on the ground that Albania was Italy's special interest. Italy overruled and experts will be appointed. Financial adviser to be chosen first on recommendation of Financial Commission of League. These advisers will not allow preferential treatment in Albania as such policy would be destructive to League. No idea of domination but rather a close working agreement to make independence effective based on Albania's complete confidence in disinterestedness of League. American opportunity should profit rather than suffer through this new arrangement.

I hope to obtain text of discussions early next week and shall cable more fully if Department desires further clarification and so informs me. Otherwise by mail.

GREW

875.6363/21

The Secretary of State to the Secretary of Commerce (Hoover)

WASHINGTON, May 22, 1922.

SIR: I have the honor to acknowledge your letter of April 26, 1922, calling attention to the negotiations of the Sinclair Consolidated Oil Corporation for a petroleum concession in Albania, and suggesting that serious consideration be given to the question of the recognition of Albania, and if recognition appears inadvisable, to the possibility of sending some American representative into Albania.

There are naturally various considerations involved in the question of recognition, but I have been constantly mindful of the concrete American interest indicated by the negotiations of the Sinclair Consolidated Oil Corporation in Albania and I am, of

⁶ See *supra*.

course, desirous of extending to the company any assistance which may be possible and proper. Consul General Blake, formerly Diplomatic Agent and Consul General at Tangier, was some time ago instructed to proceed to Albania. He will be informed of the Sinclair negotiations and will be instructed to extend to the company any assistance which may be possible and appropriate.

I have informed the company of the Department's action in this regard.

I have [etc.]

CHARLES E. HUGHES

875.6363/22

The Secretary of State to the Vice President of the Sinclair Exploration Company (A. C. Veatch)

WASHINGTON, May 23, 1922.

SIR: Reference is made to your letter of April 26, 1922, and to conversations between Mr. Narramore, representing your company, and the Economic Adviser of this Department regarding the negotiations of your company for an oil concession in Albania.

Consul General Blake, formerly Diplomatic Agent and Consul General at Tangier, has been instructed to proceed to Albania and he will extend to your company any assistance which may be possible and appropriate.

It will be helpful to the Department if you will furnish from time to time any information regarding your negotiations in Albania which you feel that you can send consistently with your business interests.

I am [etc.]

For the Secretary of State:

LELAND HARRISON

Assistant Secretary

875.01/209 : Telegram

The Ambassador in Great Britain (Harvey) to the Secretary of State

[Paraphrase]

LONDON, May 26, 1922—6 p.m.

[Received 7:28 p.m.]

226. Your no. 144, May 18, 5 p.m.⁷ The Council of the League of Nations at its last meeting adopted a resolution which I condense as follows:

At the request of the Government of Albania one member and one secretary of the Commission of Inquiry will be retained for the present. Professor Sederholm's offer to return to Albania as member

⁷ See footnote 5, p. 599.

of the Commission has been accepted. The request of the Albanian Government for economic assistance will be communicated to the Financial and Economic Commission for favorable consideration and the latter will be requested to send experts to Albania to report on measures deemed necessary to encourage foreign capital to invest in Albania. Also at the desire of the Albanian Government, the Financial Committee is requested by the Council to propose to it at its next session in accordance with a resolution adopted September 21, 1921, a list of candidates suitable for the post of Financial Adviser to the Albanian Government. The Council will consider the request of the Government of Albania for other technical advisers at a subsequent session. The Council directs that the reports of the Commission of Inquiry which are now under consideration are to be forwarded to the Council of Ambassadors and that its attention be called to the final paragraph of the supplementary report which concerns the situation on the Greek-Albanian frontier, with regard to which the Council expresses the hope that a quick solution of the question may be reached. The Council records its grateful recognition of the valuable work done by its Commission of Inquiry.

I shall forward by pouch the full text of the resolution and general report of the Commission of Inquiry.

Any suggestion that the League assume a protectorate over Albania is characterized as "fantastic" by the Foreign Office.

HARVEY

875.01/215 : Telegram

The Commissioner in Albania (Blake) to the Secretary of State

[Extract]

TIRANA, June 23, 1922—3 p.m.

[Received June 29—9:15 a.m.]

Your instruction dated May 9th.

Although the Albanian State has not yet definitely emerged from the stages of hopeful experiment, it is nevertheless sufficiently established in fact to command international support. Its existence responds to political exigencies in the Adriatic and [is] equally supported by the positive nationalist will of the people. The State is founded upon the basis of popular representation, but pending the delimitation of its precise boundaries by an international commission now actively pursuing its task and the subsequent assembly of the constitutional convention, popular government is nearer a generic term than a practice. The Government as yet can be given little credit for constructive achievement owing to financial embarrassment, inexperienced leadership and totally immigrating [*inorganic*] administration.

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The attitude of the Albanian Government and people toward American interests is particularly favorable. They profess themselves anxious to accord every possible facility to the entry into the country of American commerce and enterprise. They fear the encroachments of financial groups whose activities may cover political objectives; the disinterested attitude of America encourages the Albanian Government to believe that it may with safety invite American capital to assist in the development of the country.

It gives formal assurances of most-favored-nation treatment to American interests; a decree of the Regents has been issued providing that American passports carried by naturalized Albanians will be accepted without demur and all holders of such documents now serving in the Albanian Army are being released.

After careful consideration of all aspects of the situation, based upon information drawn from various parts of the country and from individuals of all views and religious complexion, the propriety and expediency of immediately according American recognition of Albania is respectfully recommended for the following reasons.

1st. As an act of spontaneous moral encouragement to the Albanian people in a critical phase of their struggle for independence who in spite of grave difficulties have given sufficient evidence of political stability to cause their admission to the League of Nations as a sovereign State and their recognition as such by some twenty European countries.

2d. Material factors are equally worthy of consideration. The country has important commercial possibilities and possesses rich natural resources awaiting development. If the American Government without due cause continues officially to hold aloof legitimate American enterprises are at a disadvantage and a policy of delay and over-caution might be detrimental to present American prestige, now a great asset. Furthermore, suspicion might arise in evil quarters that the delay was for the purpose of associating improper conditions with recognition, a phase of affairs which I am confident the Secretary of State would desire to avoid under all the circumstances. As American recognition sooner or later is an inevitable corollary to the existing state of affairs it follows that prompt action to this end should have urgent attention especially as Parliament assembles early in September when important measures for the development of the country are expected to be presented for definite ratification.

If recognition is accorded a Legation should be established and a Minister Plenipotentiary to Albania immediately designated. The seat of the Legation should be either at Tirana, if housing facil-

ities permit, or provisionally at either Durazzo or Scutari according to circumstances. Great Britain is now represented by a Minister of full plenipotentiary rank as [formerly] has been the case with Italy. The protection of legitimate American interests requires that the American representative should not have a rank inferior to that of any other power. It is understood that France and Serbia will soon designate Ministers although both Governments are now represented by Chargé d'Affaires; the British Minister now resides at Durazzo and the French Chargé d'Affaires at Scutari.

Direct telegraphic communication with the Commission at Tirana can be established if messages are routed via Belgrade.

BLAKE

875.01/223a : Telegram

The Secretary of State to the Commissioner in Albania (Blake)

WASHINGTON, July 25, 1922—4 p.m.

3. On July 28 you may extend to the Minister of Foreign Affairs of Albania written notification of the *de jure* recognition of Albania by the United States. In extending this recognition you may state that the Government of the United States has taken cognizance of the successful maintenance of a national Albanian Government.

Pending legislative action by Congress to establish regular diplomatic representation you will continue to act as Commissioner of the United States with the rank of Minister.

Acknowledge receipt and confirm action taken.

The fact of recognition will be given out for publication in morning papers of July 28th.

HUGHES

NEGOTIATIONS BY AMERICAN OIL COMPANIES FOR CONCESSIONS IN ALBANIA

875.6363/28 : Telegram

The Commissioner in Albania (Blake) to the Acting Secretary of State

TIRANA, September 14, 1922—4 p.m.

[Received September 17—10:43 a.m.]

Sinclair Exploration Company now is actively negotiating for the oil concession in Albania. Government apparently disposed to accept 12½ per cent of output as royalty but exacts some measure of guarantee to ensure immediate exploitation and also attaches con-

dition that the Sinclair Company will obtain for Albania a loan of from one to five million dollars to be secured by Albanian customs receipts. Please cable what attitude I should adopt toward this clause. The present amount of loan [garbled group] Albania possessing productive assets three times in excess of annual interest charges on amount of the loan to be obtained.

Sinclair representative promises his company will supply Department with copy of all his telegrams and otherwise will inform me of progress of negotiations. Under these circumstances to what extent shall I report by telegraph to the Department in connection with same?

W. H. Gallagher, representing Standard Oil Company of New York has arrived and proposes to open negotiations for the concession should result of his preliminary investigations prove satisfactory. Other companies represented at Tirana are Anglo-Persian and Shell as well as one French and one Italian group but both Government and Parliament will favor acceptance concession to an American company if requested.

BLAKE

875.6363/29

The Sinclair Exploration Company to the Acting Secretary of State

NEW YORK, *September 19, 1922.*

[Received September 20.]

SIR: We are in receipt of advices from our representative in Tirana, Albania, that our endeavors to obtain the grant of an oil concession from this Government are being severely handicapped by opposition from various foreign interests and in particular by the activities of the Shell and Anglo-Persian Oil Companies.

In view of the importance to the United States of American control of foreign oil supplies, we understand the policy of the State Department is to offer encouragement to reputable American Companies competing against foreign interests for an oil concession under circumstances as stated above.

It would be of material assistance, and greatly appreciated by us, if the State Department would instruct the American Minister in Tirana to give us the fullest support which it permits its representatives to give in such cases.

We have [etc.]

SINCLAIR EXPLORATION COMPANY
By RODERIC CRANDALL

875.6363/29 : Telegram

*The Acting Secretary of State to the Commissioner in Albania
(Blake)*

WASHINGTON, September 22, 1922—6 p.m.

8. Your September 14, 4 p.m.

(1) You should render all appropriate assistance to American Oil Companies and in case of competition between them be strictly impartial.

(2) Department advised by Sinclair Company of possible loan in connection with concession and has indicated its desire to be kept informed by them of developments.⁸ This is in line with Department's policy of wishing to receive from American bankers pertinent information regarding foreign loan negotiations in order to have the opportunity to indicate whether objection is perceived thereto. For your confidential information, Department's attitude toward proposed loan would depend to a considerable extent upon whether for productive purposes. You may informally tell Sinclair representative that you presume his company will keep Department fully advised of pertinent facts regarding loan as well as concession.

(3) Telegraph briefly important developments, submitting details by despatch.

PHILLIPS

875.6363/29 : Telegram

The Secretary of State to the Commissioner in Albania (Blake)

WASHINGTON, September 28, 1922—5 p.m.

10. Sinclair Exploration Company reports that they are being severely handicapped in effort to obtain oil concession by the activities of the Shell and Anglo-Persian Oil Companies.

Telegraph briefly exact status of negotiations of these foreign interests. . . .

HUGHES

875.6363/31 : Telegram

The Commissioner in Albania (Blake) to the Secretary of State

TIRANA, October 1, 1922—11 a.m.

[Received October 3—7:08 p.m.]

With reference to the Department's telegram number 10, dated September 28, 5 p.m. Technical features of concession have [not?] been agreed upon but it is likely Albanian Cabinet will consider within a few days amount of the royalty to be exacted and if agree-

⁸ Loan correspondence not printed.

ment is reached the matter will be sent immediately to Parliament for approval. The Government attaches as condition that the company to whom contract is awarded must undertake to provide a loan to Albania to be secured by production assigned to the State and Sinclair is the only company accepting this condition same having been rejected by the Anglo-Persian. Shell is inactive and no definite proposals have been made by other companies.

BLAKE

875.6363/34 : Telegram

The Commissioner in Albania (Blake) to the Secretary of State

TIRANA, October 29, 1922—7 p.m.

[Received October 31—12:30 p.m.]

For Sinclair from Soper:

“Number 21. Terms of petroleum contract settled as follows: First, royalty 12½ plus payment cash bonus \$100,000 within three months date ratification or alternatively royalty 13 per cent with no cash payments; second, time 75 years; third, exemption from all taxes except import duty on food; fourth, terms of the agreement three months date ratification, file bond for 20,000 guarantee can carry out obligations during period; fifth, obligation spend total of not less than \$40,000 during a period of two years, total of not less than \$200,000 during a period of next three years, total of not less than \$750,000 during a period of next five years; sixth, selected lands for exploitation limited to total of 1,500 square miles as per first draft; seventh, no free shares; eighth, Albanian citizens have the right of substitutions [*subscription?*] for 24 per cent shares; ninth, at end of 75 years all immovable property reverts to Government of Albania; tenth, all other essential terms remain unchanged. Have reached deadlock on loan. Albania Government demands loan \$2,000,000 within six months. Government of Albania trying obtain loan from Anglo-Persian Oil Company.”

BLAKE

875.6363/46

The Minister in Albania (Grant-Smith) to the Secretary of State

No. 6

TIRANA, December 21, 1922.

[Received January 18, 1923.]

SIR: I have the honor to report that Mr. Soper, representative of the Sinclair Oil Company is in receipt of a telegram to the effect

* Not printed.

that owing to present unfavorable conditions now reigning in the financial market in the United States with reference to the Balkans, Messrs. Blair & Company do not find it possible to negotiate a loan with the Government of Albania.

In view of the fact that the grant of a concession for prospecting for oil throughout the country has been made dependent upon the Sinclair Company's obtaining a loan for the State, Mr. Soper is now endeavoring to secure a postponement of the granting of any concession in that regard until March next when the National Assembly is expected to reconvene. In the meantime he is in hopes that the financial situation may have become so far ameliorated as to make it possible for his principals to authorize him to make a definite proposal for a loan.

Mr. Gallagher of the Standard Oil Company of New York has returned to Tirana and expects the early arrival of his chief Mr. Sheffield, thus placing two American groups in the field of competition.

The Anglo-Persian agents continue to be active and M. Jaquet a geologist, accompanying M. Justin Godart, the author of a well known Albanophile work and who in consequence is in high favor here, has arrived from Paris, who, I am informed, is endeavoring to secure an oil concession for a limited area near Valona.

Now that the Sinclair Company finds itself all but deprived of the persuasive influence of a prospective loan the contest obviously resolves itself into a question of which group will offer the most generous terms. The element of personal influence is also of much importance here, as in all countries of this category and for the moment M. Jaquet, supported by M. Godart, would seem to enjoy the rosiest prospects provided, of course, his offers do not fall too strikingly below those of his competitors.

I have suggested to Mr. Soper and Mr. Gallagher that they might point out, in addition to the political aspect, the eventual advantages which would accrue to Albania through interesting American capital at the outset because, immediately oil is discovered in commercial quantities loans would be forthcoming and that they could obviously be negotiated to better advantage and in larger proportions in a country which was not burdened with debt but whose bankers were seeking well secured investments, especially in countries where their capital was already engaged.

I have [etc.]

U. GRANT-SMITH

875.6363/45

The Minister in Albania (Grant-Smith) to the Secretary of State

No. 7

TIRANA, December 22, 1922.

[Received January 18, 1923.]

SIR: Adverting to my despatch Number 6 of the 21st instant I have the honor to report that Mr. E. K. Soper, representing the Sinclair Oil Company in Albania, informs me that he has advised the Prime Minister, Ahmet Bey Zogu, of his intention shortly to return to New York; that it was not the intention of his Company to quit the field but he was being recalled for the purpose of going more fully into the question of the proposed loan and that he expected to return to Tirana in time for the reopening of the National Assembly in March when he expected to be in a position to make definite proposals for a loan.

Ahmet Bey thereupon assured him that no concession would be submitted to the National Assembly before the Spring session. This will afford the Sinclair Company time to either take advantage of a turn in the American financial market favorable to investments in eastern Europe or to arrange a loan themselves should the prospects of discovering petroleum in commercial quantities in Albania appear to them sufficiently alluring.

I have [etc.]

U. GRANT-SMITH