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NAZI WAR CRIMES DISCLOSURE ACT

DEPARTMENT FOR EUR/RPE, EUR/EEY AND L/ECP - ELY MAURER

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E.O. 12356: DECL: OADR

TEXT

TAGS: EFIN, EAID, TGC, UK, FR, BE, GE, AL  
COMBINE: COMPLETE

SUBJECT: ASSISTANCE FOR ALBANIA: TIME TO RETURN TRIPARTITE GOLD?

REF: A) BRUSSELS 5889 B) STATE 129266

1. CONFIDENTIAL - ENTIRE TEXT.

2. SUMMARY: THE TRIPARTITE GOLD COMMISSION (TGC) HOLDS AT LEAST \$17 MILLION WORTH OF ALBANIAN GOLD TAKEN BY THE NAZIS IN WWII. THE U.K. GOVERNMENT AND PRIVATE U.S. CITIZENS HAVE COUNTERCLAIMS AGAINST THE ALBANIAN GOVERNMENT. THE EMBASSY WOULD APPRECIATE ANY INFORMATION ON EFFORTS TO RESOLVE EXPROPRIATION CLAIMS BY U.S. CITIZENS AGAINST THE ALBANIAN GOVERNMENT. END SUMMARY

3. THE GOVERNMENTS OF THE U.S., U.K. AND FRANCE SET UP THE TGC AFTER WORLD WAR II TO RECOVER AND DISTRIBUTE GOLD WRONGFULLY TAKEN BY THE NAZIS.

4. PER PARA THREE OF REF A, GOLD HELD BY THE COMMISSION AND REMAINING TO BE DISTRIBUTED TOTALS KG 7,120, OF WHICH KG 1,500 ARE DUE TO BE DISTRIBUTED TO ALBANIA AS A QUASI-FINAL DISTRIBUTION. AFTER THE QUASI-FINAL PAYMENT TO ALBANIA, SOME 5.6 METRIC TONS WILL BE DISTRIBUTED AS A FINAL PAYMENT TO SUCCESSFUL CLAIMANT COUNTRIES. DUE TO THE CURRENT VACATION OF THE TGC SECRETARY GENERAL, WE ARE NOT SURE IF ALBANIA MIGHT RECEIVE A PORTION OF THE FINAL PAYMENT.

5. APART FROM THE DECADES-LONG FREEZE IN WESTERN RELATIONS WITH THE PREVIOUS ALBANIAN REGIME, THE MOST SERIOUS OBSTACLE TO THE RETURN OF ALBANIA'S GOLD BY THE TGC WAS A COUNTERCLAIM BY THE U.K. AGAINST ALBANIA FOR THE MINING OF TWO DESTROYERS IN THE CORFU CHANNEL IN 1946. THE INCIDENT COST THE LIVES OF 38 SEAMEN. APPARENTLY THE VALUE OF THE U.K. CLAIM IN 1946 WAS UNDER ONE MILLION POUNDS.

6. AT THE TIME THAT THE U.K. AND ALBANIA RESTORED DIPLOMATIC RELATIONS EARLIER THIS YEAR, BBC REPORTED THAT THE TWO GOVERNMENTS HAD AGREED TO RESTORE RELATIONS FIRST AND THEN TO TRY TO RESOLVE OUTSTANDING DISPUTES. IN A RECENT INQUIRY BY THE ECON COUNSELOR, WHO REPRESENTS THE U.S. ON THE TGC, HIS U.K. EMBASSY COUNTERPART ON THE TGC SAID THAT HE WAS NOT AWARE OF THE PROGRESS OF NEGOTIATIONS BETWEEN THE U.K. AND ALBANIA TO RESOLVE OUTSTANDING CLAIMS. HE PROMISED TO CHECK.

7. THE U.K. REPRESENTATIVE STATED THAT HE THOUGHT SOME PRIVATE U.S. CLAIMS AGAINST ALBANIA WOULD ALSO HAVE TO BE

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RESOLVED BEFORE THE TGC GOLD COULD BE RETURNED.

8. MOST OF THE EMBASSY'S FILES ON THE TGC HAVE BEEN RETIRED TO WASHINGTON, AND WE CANNOT FIND ANY REFERENCE TO PRIVATE U.S. CLAIMS AGAINST ALBANIA OTHER THAN IN REF B FROM THIS YEAR.

9. PARA THREE OF REF B SAYS THAT U.S. CITIZENS HAVE FINANCIAL AND PROPERTY CLAIMS FOR LOSSES THEY SUSTAINED AS A RESULT OF CONFISCATION OF PROPERTY BY THE ALBANIAN GOVERNMENT AFTER WWII, AND THAT THE U.S. AND ALBANIAN GOVERNMENTS AGREED IN CONJUNCTION WITH THE RESTORATION OF RELATIONS, UPON THE REQUEST OF EITHER GOVERNMENT, TO ENTER INTO NEGOTIATIONS FOR THE PROMPT SETTLEMENT OF CLAIMS. ACCORDING TO REF B, THE PRINCIPAL VALUE OF THE EXPROPRIATION CLAIMS HAS BEEN ESTIMATED INFORMALLY AT ONE MILLION DOLLARS.

10. NOT COUNTING THE VALUE OF COUNTERCLAIMS BY THE U.K AND THE U.S., NOR ANY POSSIBLE ALBANIAN PORTION OF THE FINAL SETTLEMENT OF GOLD BY THE TGC WITH CLAIMANT COUNTRIES, THE VALUE OF THE 1,500 KG OF GOLD OWED TO ALBANIA AS A QUASI-FINAL SETTLEMENT WOULD BE APPROXIMATELY \$17,120,000 AT CURRENT MARKET PRICES (1,500 KG TIMES 32.15 TROY OUNCES/KG TIMES \$355/TROY OUNCE). THIS WOULD APPEAR TO REPRESENT AN IMPORTANT AMOUNT OF POTENTIAL GOLD RESERVES WHICH ALBANIA COULD DRAW UPON IN ANY FUTURE ECONOMIC STABILIZATION PROGRAM.

11. ACTION REQUESTED: ON THE ASSUMPTION THAT THE U.K. GOVERNMENT WILL EVENTUALLY COME TO AN AGREEMENT WITH THE ALBANIAN GOVERNMENT, THE EMBASSY WOULD APPRECIATE ANY INFORMATION ON USG EFFORTS TO SETTLE PRIVATE U.S. CLAIMS AGAINST ALBANIA AS A PRELUDE TO THE TGC'S RETURN OF ALBANIA'S GOLD. GELB

ADMIN  
END OF MESSAGE

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