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RUFHLD/AMEMBASSY LONDON 9348
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BT

NAZI WAR CRIMES DISCLOSURE ACT

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2007

CONTROLS

C O N F I D E N T I A L STATE 059587

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TEXT

TAGS: EFIN, PREL, AL
SUBJECT: ALBANIAN CLAIMS

REFS: A. 92 LONDON 2027; B. 92 TIRANA 1660; C. 92
BRUSSELS 6041; D. STATE 003391

1. THIS IS AN ACTION MESSAGE. SEE PARAGRAPHS 5 THROUGH 8
BELOW.

2. SUMMARY. DEPT HAS OBTAINED NECESSARY INTERNAL
AUTHORITY TO NEGOTIATE A CLAIMS SETTLEMENT AGREEMENT WITH
ALBANIA, WHICH WOULD EVENTUALLY PERMIT U.S. CONSENT IN THE
TRIPARTITE GOLD COMMISSION (TGCI TO RETURN OF AN AGREED
ALLOCATION OF GOLD TO ALBANIA. PRIOR TO CONTACTING
ALBANIA TO SET UP THE NEGOTIATIONS, WE WISH TO CONSULT
BRIEFLY WITH THE OTHER MEMBERS OF THE TGC (U.K. AND
FRANCE). END SUMMARY.

3. ALBANIA IS THE ONLY COUNTRY WHICH HAS NOT RECEIVED ITS
ALLOCATION OF RECOVERED, NAZI-LOOTED GOLD OR REPLACEMENT
GOLD HELD BY THE TGC. THE GOLD ALLOCATED TO ALBANIA,
WHICH IS WORTH APPROXIMATELY DOLLARS 25-30 MILLION, HAS
BEEN BLOCKED PENDING RESOLUTION OF CLAIMS BY THE U.S. AND

THE U.K. SINCE THE U.K. ENTERED INTO A CLAIMS SETTLEMENT
AGREEMENT WITH ALBANIA IN MAY, 1992, RESOLUTION OF U.S.
CLAIMS PRESENTS THE REMAINING OBSTACLE TO TRI-PARTITE
CONSENT TO RELEASE OF THE GOLD IN THE TGC. U.S. CLAIMS
CONSIST OF PRIVATE EXPROPRIATION CLAIMS OF U.S. NATIONALS
AND ONE RELATIVELY SMALL GOVERNMENT CLAIM.

4. BOTH THE U.K. AND ALBANIA AUTHORITIES HAVE APPROACHED
THE U.S., ASKING US TO MOVE AHEAD WITH NEGOTIATIONS TO
SETTLE THESE CLAIMS (REFS. A AND B). THE DEPARTMENT HAS
NOW OBTAINED THE NECESSARY INTERNAL (CIRCULAR 1751
AUTHORIZATION TO PROCEED WITH NEGOTIATIONS AND PLANS TO
SUGGEST MID-APRIL FOR THE FIRST ROUND. BEFORE PROCEEDING
WITH THE ALBANIANS, HOWEVER, WE WISH TO INFORM THE U.K.
AND FRANCE OF THE CURRENT SITUATION AND TO CONFIRM THAT NO
OTHER OBSTACLES REMAIN TO EVENTUAL RELEASE OF THE GOLD.

5. FOR LONDON: DEPT WOULD APPRECIATE EMBASSY'S INFORMING
APPROPRIATE OFFICIALS THAT THE U.S. WILL SHORTLY BE
CONTACTING ALBANIA TO BEGIN NEGOTIATIONS. EMB. SHOULD
ALSO CONFIRM WITH BRITISH AUTHORITIES THAT, TO THEIR
KNOWLEDGE, NO OBSTACLES (OTHER THAN U.S. CLAIMS) REMAIN TO
EVENTUAL TRIPARTITE AGREEMENT TO RELEASE OF THE GOLD.
ITALY HAD EARLIER INDICATED THAT IT MIGHT PRESS A CLAIM TO
THE GOLD BASED ON AN OWNERSHIP INTEREST IN THE BANK OF
ALBANIA, BUT IN 1982 THE ITALIAN GOVERNMENT PROVIDED
POLITICAL ASSURANCES THAT IT WOULD NOT PRESS SUCH A CLAIM.
WE ASSUME THE BRITISH HAVE NOT HEARD ANYTHING TO INDICATE
ANY CHANGE IN THE ITALIAN POSITION. DEPT WOULD APPRECIATE
BRITISH VIEW AS TO THE DESIRABILITY OR NECESSITY OF US OR
UK REPRESENTATIVE CONTACTING ITALIAN GOVERNMENT TO OBTAIN

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REAFFIRMATION OF THOSE POLITICAL ASSURANCES THAT GOI WOULD NOT PRESS SUCH A CLAIM.

6. FOR LONDON: DEPT WOULD ALSO APPRECIATE KNOWING WHETHER UK HAS GIVEN ANY CONSIDERATION TO THE MECHANISM OF GOLD DELIVERY TO ALBANIA AND LINKED PAYMENTS TO THE UK AND US. IS THERE ANY POSSIBILITY, IN THE BRITISH VIEW, THAT IN LIGHT OF THE LACK OF FOREIGN EXCHANGE, ALBANIA MIGHT BE WILLING TO AUTHORIZE THE BANK OF ENGLAND TO WITHHOLD ENOUGH GOLD AT CURRENT MARKET PRICES TO PAY THE UK AND US CLAIMS SETTLEMENTS, AND HOLD THE REMAINDER FOR AN ALBANIAN ACCOUNT, TRANSFER THE REMAINDER TO A FAVORED ALBANIAN DEPOSITARY, OR SELL IT FOR ALBANIA IN THE U.K.?

7. FOR PARIS: OUR UNDERSTANDING HAS BEEN THAT THE FRENCH DO NOT HAVE CLAIMS AGAINST THE GOLD HELD BY THE TGC AND THAT RESOLUTION OF THE U.S. CLAIMS WILL CLEAR THE

REMAINING OBSTACLE TO TRIPARTITE AGREEMENT TO RELEASE OF THE GOLD HELD FOR ALBANIA. DEPT WOULD APPRECIATE EMBASSY'S INFORMING APPROPRIATE FRENCH OFFICIALS OF THE STATUS OF THIS ISSUE AND CONFIRMING OUR UNDERSTANDING OF THE FRENCH POSITION.

7. WOULD APPRECIATE EMB. RESPONSES BY MARCH 7, IF POSSIBLE, SO WE MAY PROCEED WITH ALBANIA.
WHARTON

ADMIN
END OF MESSAGE

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