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CONTROLS

C O N F I D E N T I A L TIRANA 001917

DEPARTMENT ALSO FOR EUR/EE AND D/EEA

VIENNA ALSO FOR DAO - LTC GREATHOUSE

E.O. 12356: DECL: OADR

TEXT

TAGS: EFIN, PREL, AL, US

COMBINE: COMPLETE

SUBJECT: ALBANIAN GOLD CLAIMS: ALBANIAN
COUNTERPROPOSAL

1. C - ENTIRE TEXT
2. SUMMARY AND ACTION REQUEST: ON JULY 23, EMBASSY RECEIVED FROM MFA AMERICAS DIRECTOR LEONARD DEMI A COUNTERPROPOSAL ON CLAIMS, OFFERING TO SETTLE FOR DOLS 1.5 MILLION. ALBANIANS Tabled REVISED DRAFT AGREEMENT, TEXT OF WHICH IS QUOTED BELOW. ACTION REQUEST: SEE FINAL PARAGRAPH.
3. DEMI HANDED AMBASSADOR DRAFT TEXTS IN ENGLISH AND ALBANIAN OF ALBANIAN COUNTEROFFER. FOLLOWING IS TEXT OF ENGLISH LANGUAGE VERSION.

QUOTE:

AGREEMENT BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF ALBANIA AND
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
ON THE SETTLEMENT OF CERTAIN OUTSTANDING CLAIMS

THE GOVERNMENT OF THE REPUBLIC OF ALBANIA AND
UNITED STATES OF AMERICA, DESIRING TO SETTLE
OUTSTANDING CLAIMS AND FINANCIAL ISSUES, HAVE
AGREED AS FOLLOWS:

ARTICLE 1

THE CLAIMS SETTLED PURSUANT TO THIS AGREEMENT ARE:

(A) THE CLAIMS OF UNITED STATES NATIONALS
(INCLUDING NATURAL AND JURIDICAL PERSONS) AGAINST
ALBANIA ARISING FROM ANY NATIONALIZATION,
EXPROPRIATION, INTERVENTION, AND OTHER TAKING OF,
OR MEASURES AFFECTING, PROPERTY OF NATIONALS OF THE
UNITED STATES PRIOR TO THE DATE OF THIS AGREEMENT;
AND

(B) THE CLAIMS OF NATIONALS OF ALBANIA (INCLUDING
NATURAL AND JURIDICAL PERSONS) AGAINST THE UNITED
STATES PRIOR TO THE DATE OF THIS AGREEMENT.

ARTICLE 2

ALBANIA SHALL PAY TO THE UNITED STATES THE SUM OF \$1.5 MILLION U.S. AS FULL AND FINAL SETTLEMENT OF THE CLAIMS SPECIFIED IN ARTICLE 1.

ARTICLE 3

1. UPON ENTRY INTO FORCE OF THIS AGREEMENT, THE UNITED STATES SHALL INFORM THE TRIPARTITE COMMISSION FOR THE RESTITUTION OF MONETARY GOLD OF ITS READINESS TO CONSENT TO THE RELEASE TO THE GOVERNMENT OF ALBANIA, IN ACCORDANCE WITH THE PROCEDURES REFERRED TO IN PARAGRAPH 2, OF THE APPROPRIATE AMOUNT OF GOLD UNDER PART III OF THE AGREEMENT ON REPARATION OF JANUARY 14, 1946 AND THE PRACTICES AND PROCEDURES OF THE TRIPARTITE GOLD COMMISSION. THE PARTIES UNDERSTAND THAT RELEASE OF THE GOLD TO ALBANIA REQUIRES THE CONSENT NOT ONLY OF THE UNITED STATES GOVERNMENT, BUT ALSO OF THE GOVERNMENTS OF FRANCE AND THE UNITED KINGDOM.

2. SIMULTANEOUSLY WITH THE RELEASE TO ALBANIA OF THE GOLD REFERRED TO IN PARAGRAPH 1, ALBANIA SHALL PAY TO THE UNITED STATES THE SETTLEMENT AMOUNT. PROCEDURES FOR THE SIMULTANEOUS RELEASE AND PAYMENT WILL BE AGREED BY THE TWO PARTIES.

ARTICLE 4

THE UNITED STATES SHALL BE EXCLUSIVELY RESPONSIBLE FOR THE DISTRIBUTION OF THE SETTLEMENT AMOUNT.

ARTICLE 5

ALBANIA SHALL AFFORD UNITED STATES NATIONALS (INCLUDING NATURAL AND JURIDICAL PERSONS) WITH CLAIMS NOT SETTLED BY THIS AGREEMENT THE SAME RIGHTS AS IT AFFORDS ALBANIAN NATIONALS UNDER THE LAWS OF ALBANIA TO PURSUE AND RECEIVE COMPENSATIONS, RESTITUTION, OR ANY OTHER LOCAL REMEDY AVAILABLE UNDER ITS DOMESTIC RESTITUTION OR COMPENSATION PROCEDURES.

ARTICLE 6

THIS AGREEMENT SHALL ENTER INTO FORCE ON THE DATE ON WHICH THE PARTIES HAVE NOTIFIED EACH OTHER THAT THE NECESSARY DOMESTIC REQUIREMENTS HAVE BEEN FULFILLED.

IN WITNESS WHEREOF, THE UNDERSIGNED, BEING DULY AUTHORIZED THERETO BY THEIR RESPECTIVE GOVERNMENTS, HAVE SIGNED THE PRESENT AGREEMENT.

DONE AT-----, IN DUPLICATE IN THE ENGLISH AND

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ALBANIAN LANGUAGES, BOTH LANGUAGES BEING EQUALLY AUTHENTIC, THIS----- DAY OF -----, 1993.

FOR THE GOVERNMENT OF THE REPUBLIC OF ALBANIA: FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

END QUOTE.

4. TO THE BEST OF OUR KNOWLEDGE, SUGGESTED FIGURE OF ONE AND A HALF MILLION DOLLARS ORIGINATED SOMEWHERE IN THE MINISTRY OF FINANCE. WE BELIEVE THAT THE ALBANIANS ARE PREPARED TO GO HIGHER. DURING A FAREWELL DINNER AT THE RESIDENCE IN JUNE, THEN DCM HILL LEANED PAST PRESIDENT BERISHA AND ADDRESSED SIMULTANEOUSLY FINANCE MINISTER RULI AND ACTING FOREIGN MINISTER STAROVA WHEN WE MIGHT GET AN ANSWER ON THE GOLD ISSUE. AS DCM ANTICIPATED, PRESIDENT BERISHA INTERVENED, INDEED SPOKE BEFORE EITHER RULI OR STAROVA COULD ANSWER, AND SAID TO THEM "BUT I THOUGHT WE HAD AGREED TO SETTLE FOR TWO MILLION?"

5. IN VIEW OF THIS REVELATION OF THE ALBANIAN GOVERNMENT'S NEGOTIATING POSITION, RECOMMEND THAT I BE INSTRUCTED TO REPLY - ASSUMING WE CAN ACCEPT A SETTLEMENT OF LESS THAN THE THREE MILLION WE SOUGHT INITIALLY - WITH A FIGURE ONLY SLIGHTLY ABOVE WHAT OUR BOTTOM LINE MIGHT BE. IF OUR MINIMUM IS TWO, SUGGEST I BE INSTRUCTED TO OFFER TO SETTLE FOR TWO AND A QUARTER MILLION, WITH AUTHORIZATION TO BACK DOWN TO TWO. REQUEST INSTRUCTIONS.

RYERSON

ADMIN
END OF MESSAGE

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