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E.O. 12356: DECL: OADR

TEXT

TAGS: PREL, UK, AL  
COMBINE: COMPLETE

SUBJECT: BRITISH AND ALBANIANS AGREE ON GOLD AND  
CLAIMS SETTLEMENT

REF: LONDON 8329

1. CONFIDENTIAL - ENTIRE TEXT.

SUMMARY  
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2. THE BRITISH AND ALBANIANS CONCLUDED A MEMORANDUM OF UNDERSTANDING (TEXT IN PARA 8) ON MAY 8 SETTLING HMG CLAIMS AGAINST ALBANIA ARISING FROM THE 1947 CORFU CHANNEL INCIDENT FOR USD TWO MILLION AND REMOVING UK OBJECTIONS TO RETURN OF ALBANIA'S GOLD. END SUMMARY.

THE SETTLEMENT  
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3. THE FCO CENTRAL EUROPEAN DEPARTMENT TOLD US MAY 11 THAT ASSISTANT UNDER SECRETARY TAIT AND ALBANIAN DEPUTY FOREIGN MINISTER MARKU SPENT CONSIDERABLE TIME ON THE FORM OF EXPRESSION OF REGRET FOR THE CORFU SINKING (IN THE END, BOTH SIDES EXPRESSED REGRET). THE FCO FOUND THE ALBANIAN ATTITUDE AN INSTRUCTIVE EXAMPLE THAT, EVEN UNDER THE NEW GOVERNMENT, OLD SENSITIVITIES REMAINED.

4. EQUALLY INSTRUCTIVE WAS HOW THE SIDES REACHED AGREEMENT ON THE SETTLEMENT FIGURE. TAIT INVITED MARKU TO SUGGEST A FIGURE, BUT HE RESPONDED THAT TAIT SHOULD SPECIFY A NUMBER. TAIT THEN SAID HE WOULD NAME A FIGURE BUT WOULD BROOK NO HAGGLING, AND THEN PUT DOWN USD TWO MILLION (WHICH THE ALBANIAN SIDE HAD INFORMALLY SUGGESTED IT COULD ACCEPT IN 1991). MARKU AGREED IMMEDIATELY, HE GAVE THE BRITISH SIDE THE IMPRESSION HIS INSTRUCTIONS WERE TO ACCEPT WHATEVER FIGURE THEY PUT DOWN (SOMETHING THE FCO THOUGHT MIGHT BE OF INTEREST TO US).

5. THE CENTRAL EUROPEAN DEPARTMENT NOTED THAT THE MOU DID NOT COVER THE BRITISH CLAIM FOR ITS FORMER EMBASSY PROPERTY NOR DID IT COVER PRIVATE CLAIMS, THOUGH THE FCO WAS UNAWARE OF ANY ACTIVE, SERIOUS PRIVATE CLAIMS.

NOW OVER TO THE U.S.  
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6. AFTER THE MOU WAS CONCLUDED, TAIT TOLD MARKU THE BRITISH WOULD ASK THE U.S. TO MOVE AHEAD ON SETTLING ITS CLAIMS WITH ALBANIA AND RECOMMENDED THAT ALBANIA DO LIKEWISE. MARKU HOPED TO DO SO IN A MATTER OF WEEKS. THE BRITISH HAD THE IMPRESSION THAT THE ALBANIANS SAW RESOLUTION OF UK CLAIMS AS A PRECONDITION FOR TACKLING SETTLEMENT OF U.S. CLAIMS.

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7. THE CENTRAL EUROPEAN DEPARTMENT NOTED THAT IT WAS BEGINNING TO THINK ABOUT THE MECHANICS OF RETURNING THE GOLD. IT WOULD LIKELY BE NECESSARY FOR **TRIPARTITE GOLD COMMISSION** REPS AND THE ALBANIANS TO MEET IN BRUSSELS (WITH BILATERAL UK-ALBANIAN AND U.S.-ALBANIAN SESSIONS ON THE SIDE) TO WORK THAT OUT.

MOU TEXT

8. BEGIN TEXT OF MAY 8 UK-ALBANIAN MOU:

THE GOVERNMENTS OF ALBANIA AND OF THE UNITED KINGDOM,

HAVING ALREADY RE-ESTABLISHED DIPLOMATIC RELATIONS;

DESIRING NOW TO SETTLE THE OUTSTANDING ISSUES BETWEEN THEM;

HAVE REACHED AN UNDERSTANDING ON THE FOLLOWING POINTS:

(1) THE GOVERNMENT OF THE UNITED KINGDOM WILL APPROVE THE DELIVERY TO ALBANIA OF SOME 1574 KGS OF GOLD PREVIOUSLY IDENTIFIED FOR ALLOCATION TO ALBANIA FROM THE GOLD POOL MAINTAINED BY THE TRIPARTITE COMMISSION FOR THE RESTITUTION OF MONETARY GOLD.

(2) CLOSELY LINKED TO THE DELIVERY OF THE GOLD TO THE GOVERNMENT OF ALBANIA, THE GOVERNMENT OF ALBANIA WILL PAY TO THE GOVERNMENT OF THE UNITED KINGDOM THE SUM OF U.S. DOLLARS TWO MILLION.

(3) ONCE THE GOVERNMENT OF ALBANIA HAVE PAID THE SAID SUM, THE GOVERNMENT OF THE UNITED KINGDOM WILL REGARD AS FULLY AND FINALLY SETTLED THE FINANCIAL CLAIMS PUT FORWARD BY THE GOVERNMENT OF THE UNITED KINGDOM.

(4) BOTH GOVERNMENTS UNDERSTOOD THAT THE DELIVERY OF THE GOLD TO ALBANIA WILL REQUIRE THE CONSENT NOT ONLY OF THE GOVERNMENT OF THE UNITED KINGDOM BUT ALSO OF THE GOVERNMENTS OF FRANCE AND THE UNITED STATES OF AMERICA.

THE FOREGOING RECORDS THE UNDERSTANDINGS OF THE GOVERNMENTS OF ALBANIA AND OF THE UNITED KINGDOM ON THE MATTERS SPECIFIED THEREIN.

DONE AT ROME ON 8 MAY 1992.

END TEXT. SEITZ

ADMIN  
END OF MESSAGE

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