

Mr Fergusson



LV. Hefore

pa "Ducci call on Pus

1. The Italian Ambassador told me yesterday that in a recent conversation between the Italian Ambassador in Tirana and a Deputy Minister from the Albanian Foreign Ministry, the latter had expressed the Albanian Government's interest in a resumption of diplomatic relations with Britain. The Deputy Minister had said that there would naturally have to be a satisfactory resolution of the Albanian claim of the gold "illegally retained" by the United Kingdom. But this could be negotiated. And he implied that one way of restitution might be to use at least part of the gold to pay for Albanian purchases in Britain.

- Signor Ducci said that it was obvious that the Albanians intended this message to get back to us and he had been authorised by the Foreign Ministry in Rome to convey it to me.
- 3. I expressed my thanks. I said that, as he would realise, the Abanian Deputy Minister had expressed a distinctly one-sided view of the matter and it was not clear to me how important we regarded the restoration of relations with Albania to be. But I would ensure that what he had told me was carefully considered and I appreciated the Italian action in passing it on.

and .

2 February 1979

Michael Palliser

cc: Mr Scott, EESD Mr Vereker, WED