

Bass, John

Heading: BAKU 543 ~~CONFIDENTIAL~~ EXDIS IMMEDIATE

DECAPTIONED

SUBJECT: ALIYEV ON DAVOS - LET'S GIVE KOCHARIAN TIME TO STABILIZE ARMENIA

RELEASE IN FULL

REF: A) YEREVAN 593 (NOTAL) B) BAKU 379

CLASSIFIED BY AMBASSADOR STANLEY T. ESCUDERO. REASON: PARA 1.5 (D).

DECLASSIFIED

1. (S) SUMMARY: IN A LENGTHY READOUT ON HIS MEETINGS IN MOSCOW AND DAVOS, PRESIDENT ALIYEV REPORTED TO ME THAT:

-- NO PROGRESS WAS MADE TOWARDS A SETTLEMENT AS PRESIDENT KOCHARIAN HAS RETREATED FROM THE NAKHCHIVAN AGREEMENT, CITING THE NEED TO MAINTAIN ARMENIA'S BORDER WITH IRAN. IN THE SAME BREATH, HOWEVER, KOCHARIAN OFFERED TO ABANDON THE IRANIAN BORDER IF TURKEY WOULD AGREE TO DISCUSS THE ISSUE OF GENOCIDE. THE ARMENIAN SIDE STUMBLER ABOUT, MAKING SEVERAL PROPOSALS, SOME OBVIOUSLY UNACCEPTABLE FROM THE OUTSET (LIKE A RETURN TO "COMMON STATE") AND OTHERS SO CONFUSED THAT IT MAY BE THAT THE ARMENIANS THEMSELVES DID NOT/NOT FULLY UNDERSTAND THEM.

-- RUSSIAN ACTING PRESIDENT PUTIN SEVERAL TIMES OFFERED TO SUPPORT ANY N-K AGREEMENT WHICH THE TWO SOUTH CAUCASUS PRESIDENTS MIGHT REACH. ALIYEV ISN'T SURE HE TRUSTS THE RUSSIAN BUT WILL TAKE STEPS IN COMING MONTHS TO AVOID AGGRAVATING AZERBAIJANI-RUSSIAN RELATIONS.

-- ALTHOUGH HE CONTINUES TO SUSPECT RUSSIAN AND IRANIAN INVOLVEMENT IN KOCHARIAN'S RETREAT FROM THE AGREEMENT THEY REACHED IN NAKHCHIVAN, ALIYEV HAS BECOME CONVINCED OF THE SIGNIFICANCE OF KOCHARIAN'S INTERNAL TROUBLES. HE BELIEVES THAT ANY FOLLOW-ON ARMENIAN LEADER WOULD BE LESS DISPOSED TOWARDS AN N-K SETTLEMENT.

-- THUS ALIYEV FAVORS GIVING KOCHARIAN TIME TO STRENGTHEN HIS POSITION AND STABILIZE THE ARMENIAN SITUATION, IF HE CAN. AT THAT POINT HE WOULD RETURN TO THE NAKHCHIVAN AGREEMENT.

-- ALIYEV LOOKS FOWARD TO A DISCUSSION OF NEXT STEPS IN KEEPING THE N-K PEACE PROCESS ALIVE DURING HIS TRIP TO WASHINGTON NEXT WEEK.

END SUMMARY.

2. (S) PRESIDENT ALIYEV CONVOKED ME FOR SEVERAL HOURS SATURDAY, FEBRUARY 5, TO DISCUSS HIS MOSCOW AND DAVOS MEETINGS, HIS UPCOMING TRAVEL TO WASHINGTON (SEPTEL) AND OTHER ISSUES. ALSO PRESENT WERE RAUF HUSEYNOV, DEPUTY HEAD OF THE PRESIDENT'S FOREIGN AFFAIRS DEPARTMENT AND DILARA SAIDZADE, NEW HEAD OF THE PRESIDENTIAL APPARAT SECRETARIAT AND ALIYEV'S EMANUENSIS.

MOSCOW - NOTHING ACHIEVED BUT PUTIN OFFERS TO SUPPORT ANY SOLUTION AGREED BETWEEN ALIYEV AND KOCHARIAN

3. (S) CONFIRMING HIS EARLIER INDIRECT READOUT ON THE ABSENCE OF ACHIEVEMENT AT MOSCOW (REF B) PRESIDENT ALIYEV COMPLAINED THAT ARMENIAN PRESIDENT KOCHARIAN HAS RETREATED FROM THE AGREEMENT WHICH THE TWO MEN REACHED

*Stewer -
good for
Gaidar-bey!!
Sounds as
good we
could have.
S.*

IN NAKHCHIVAN LAST SEPTEMBER. KOCHARIAN'S PRINCIPAL POINT IS THAT HE CANNOT GIVE UP ARMENIA'S BORDER WITH IRAN DUE TO POLITICAL CIRCUMSTANCES WITHIN ARMENIA. PRESSED, ALIYEV REITERATED THAT KOCHARIAN HAD REFERRED TO THE BORDER WITH IRAN, NOT A MORE VAGUE BUT PERHAPS NEGOTIABLE TERM SUCH AS "CONNECTIVITY". BUT, AFTER STRESSING THE CRITICALITY OF THE ARMENIAN/IRANIAN FRONTIER, KOCHARIAN HAD OFFERED TO TURN OVER MEGHRI AND LOSE THAT FRONTIER, AS ORIGINALLY AGREED IN NAKHCHIVAN, IF TURKEY WOULD AGREE TO DISCUSS THE QUESTION OF THE 1915 - 1916 GENOCIDE. THIS, IN ALIYEV'S VIEW, MADE THE ARMENIAN POSITION ON THE IRANIAN BORDER SEEM LESS LIKE A VITAL ISSUE AND MORE LIKE A NEGOTIATING CHIP.

4. (S) ACCORDING TO ALIYEV, HE REPLIED BY REVIEWING ONCE AGAIN THE HISTORY OF THE NEGOTIATIONS BETWEEN THE TWO

MEN AND POINTING OUT YET AGAIN THAT THE ISSUE OF GENOCIDE HAD NEVER BEEN RAISED AT ANY POINT, NOR WAS IT PART OF THE AGREEMENT REACHED IN NAKHCHIVAN. MOREOVER, IT BEARS NO/NO RELATIONSHIP TO NAGORNO KARABAKH (N-K) NOR TO AZERBAIJAN AND, THEREFORE, AZERBAIJAN CANNOT RAISE IT WITH THE TURKS, WHO WOULD REJECT ANY SUGGESTION THAT GENOCIDE SOMEHOW BE INJECTED INTO THE N-K PEACE PROCESS. INDEED, ALIYEV NOTED, WHEN HE WAS TRYING TO CONVINCED ALIYEV TO GIVE UP ALL OF N-K, SHUSHA AND LACHIN FOR MEGHRI, KOCHARIAN HAD EVEN PROPOSED THAT THE PLANNED MAIN EXPORT OIL PIPELINE ROUTE BE SHIFTED TO RUN FROM BAKU THROUGH MEGHRI AND NAKHCHIVAN DIRECTLY INTO TURKEY, THUS SIMPLIFYING THE NEGOTIATION PROCESS BY CUTTING GEORGIA OUT OF THE PICTURE. ALIYEV HAD REFUSED.

5. (S) THE TWO LEADERS REPEATED THEIR ARGUMENTS REGARDING MEGHRI BEFORE RUSSIAN ACTING PRESIDENT PUTIN, WHO ADVISED BOTH TO REACH AN ACCORD - ANY ACCORD. RUSSIA, PUTIN SAID, WOULD SUPPORT ANY AGREEMENT ACCEPTABLE TO AZERBAIJAN AND ARMENIA. ALIYEV REVEALED THAT PUTIN HAD EARLIER SAID THE SAME THING TO HIM IN PRIVATE.

DAVOS - OBSCURE PROPOSALS FROM THE ARMENIAN SIDE OFFER NO PROGRESS

6. (S) IN DAVOS, THE AZERI PRESIDENT COMMENTED, KOCHARIAN HAD SUGGESTED THAT SOME VARIATIONS MIGHT BE POSSIBLE IN THE AMOUNT OF MEGHRI TO BE TRANSFERRED. ALIYEV HAD RESPONDED THAT HE CANNOT CONSIDER ANYTHING WHICH DOES NOT/NOT ACCOMPLISH THE REUNIFICATION OF AZERBAIJAN PROPER AND NAKHCHIVAN. THE ARMENIAN PRESIDENT RETREATED FURTHER, PROPOSING A RETURN TO DISCUSSIONS BASED ON THE "COMMON STATE" IDEA. THIS ALIYEV REJECTED OUT OF HAND, INSISTING THAT UNDER NO/NO CIRCUMSTANCES WHATEVER WOULD HE ENTERTAIN COMMON STATE AND ADVISING KOCHARIAN NOT/NOT TO RAISE IT AGAIN.

7. (S) AT THAT POINT, KOCHARIAN CAME FORWARD WITH WHAT ALIYEV DESCRIBED AS A VERY VAGUE PROPOSAL, WHICH ALIYEV REFUSED TO ATTEMPT TO DEFINE FOR ME BECAUSE HE WAS NEVER ABLE TO UNDERSTAND EXACTLY WHAT IT WAS. KOCHARIAN ASKED IF ALIYEV COULD ACCEPT THE OBSCURE CONCEPT IN PRINCIPLE, AFTER WHICH THE TWO COULD FILL IN THE DETAILS. ALIYEV REFUSED, EMPHASIZING THAT HE CANNOT BE EXPECTED TO ACCEPT AN UNDEFINED IDEA, EVEN IN PRINCIPLE. HOWEVER, HE SUGGESTED THAT THE TWO FOREIGN MINISTERS ATTEMPT TO CLARIFY THE IDEA AND KOCHARIAN AGREED.

8. (S) AFTER THE MINISTERS MET, FONMIN GULIYEV REPORTED BACK THAT FONMIN OSKANIAN WAS NEVER ABLE TO MAKE THE CONCEPT CLEAR AND THAT GULIYEV DOUBTS THAT THE ARMENIANS

THEMSELVES UNDERSTAND PRECISELY WHAT THEY ARE TRYING TO PROPOSE.

KOCHARIAN'S RETREAT - FOREIGN INSPIRED OR ENTIRELY THE RESULT OF DOMESTIC INSTABILITY?

9. (C) FROM THE CONFUSION ON THE ARMENIAN SIDE, ALIYEV SAID, IT IS CLEAR THAT THE KOCHARIAN GOVERNMENT IS TOO WEAK TO ACCEPT A WORKABLE SOLUTION AT THIS TIME. SOME OF THIS WEAKNESS MAY BE THE RESULT OF RUSSIAN AND IRANIAN MACHINATIONS, HE SPECULATED. PUTIN'S ASSURANCES WERE VERY ENCOURAGING, BUT THE ATTEMPT IN DECEMBER BY THE MISCHIEF-MAKER KAZIMIROV TO RETURN TO THE MINSK GROUP NEGOTIATIONS IS VERY DISTURBING. IT IS NOT/NOT YET PLAIN THAT MOSCOW SPEAKS WITH A SINGLE VOICE ON THE N-K ISSUE, HE REMARKED, NOR IS IT CLEAR HOW FAR IRAN IS PREPARED TO GO TO IMPÊDE A SETTLEMENT. HOWEVER, ALIYEV NOTED, IT IS DISQUIETING TO HEAR KOCHARIAN BEGIN TO SPEAK OF IRAN AS A BROTHERLY NATION, IMPORTANT TO ARMENIA'S ECONOMIC FUTURE, AND WHOSE COMMON BORDER IS VITAL TO THE SURVIVAL OF THE ARMENIAN NATION. KOCHARIAN

NEVER SAID ANYTHING OF THE SORT BEFORE OCTOBER 27, ALIYEV RECALLED.

10. (C) THAT SAID, THE PRESIDENT AGREED THAT KOCHARIAN FACES SEVERE DOMESTIC POLITICAL CHALLENGES. INDEED, ALIYEV COMMENTED, KOCHARIAN'S POLITICAL SURVIVAL IS IN DOUBT AND ANY LIKELY SUCCESSOR GOVERNMENT WOULD BE WORSE.

11. (C) WHILE IN MOSCOW, ALIYEV SAID CONFIDENTIALLY, HE MET PRIVATELY WITH AN OLD ETHNIC ARMENIAN FRIEND WHO CURRENTLY OCCUPIES A SENIOR POSITION IN THE RUSSIAN GOVERNMENT (NFI). THIS SOURCE HAS A VERY POOR OPINION OF KOCHARIAN BUT ALSO BELIEVES THAT ANY LIKELY SUCCESSOR WOULD BE WORSE FOR THE N-K SETTLEMENT PROCESS. THE SOURCE BELIEVES THAT KOCHARIAN ERRED SOON AFTER TAKING OFFICE BY GIVING A LARGE NUMBER OF LUCRATIVE GOVERNMENT POSITIONS TO ETHNIC ARMENIANS FROM KOCHARIAN'S HOME AREA OF NAGORNO-KARABAKH. THIS ENSURED THE HOSTILITY OF MANY ARMENIANS FROM ARMENIA PROPER AND THIS CONFRONTATION HAS BEEN GROWING THROUGHOUT THE KOCHARIAN ADMINISTRATION. IT HAS INTENSIFIED SINCE THE OCTOBER 27 ASSASSINATIONS.

12. (C) ALIYEV'S SOURCE COMMENTED THAT, SHOULD KOCHARIAN FALL, HE SEES NO ONE ABLE TO TAKE HIS PLACE EASILY. ONE POSSIBLE SUCCESSOR, HE SPECULATED, MIGHT BE FORMER DEFENSE MINISTER VAZGEN MANUKIAN, WHOM THE SOURCE DESCRIBED AS PRO-AMERICAN. HOWEVER, HE BELIEVES THAT RULE BY THE ARMENIAN MILITARY WOULD BE FAR MORE LIKELY AND THE ENTIRE ARMENIAN MILITARY LEADERSHIP, HE EMPHASIZED, IS HOPELESSLY CORRUPT. PERSONS LIKE CURRENT YERKRAPAH CHIEF MANVEL GRIGORIAN - "A BIG MAFIOSI AND A DANGEROUS MAN" - WOULD ADVANCE WITHIN ARMENIA. IF HIS KIND RULES, THE SOURCE PREDICTED, THE ARMENIAN INTERNAL SITUATION WILL BECOME MORE AGGRAVATED, AZERBAIJAN-ARMENIAN RELATIONS WILL WORSEN AND AN N-K SETTLEMENT WILL BECOME MUCH LESS LIKELY.

ALIYEV - LET'S GIVE KOCHARIAN TIME TO STRENGTHEN HIS POSITION

13. (C) PERHAPS, THE PRESIDENT MUSED, WE SHOULD WAIT UNTIL AFTER THE RUSSIAN ELECTIONS BEFORE RETURNING TO THE SETTLEMENT PROCESS. ALIYEV SAID THAT HE UNDERSTANDS THE NATURE OF ARMENIAN CONTACTS WITH AND LINKS TO

RUSSIA. THEY ARE SO SIGNIFICANT THAT VIRTUALLY EVERY STEP KOCHARIAN MAKES IN THE PEACE PROCESS HAS AT LEAST TO APPEAR TO BE SUPPORTED BY RUSSIA. (LOOK, HE SAID IN A JOKING ASIDE, HOW LITTLE THE UNITED STATES GETS FOR ALL ITS AID!)

14. (S) ACCORDING TO ALIYEV'S INFORMATION, THERE ARE ALREADY MORE THAN 1000 SIGNATURES ON A PETITION CIRCULATING IN YEREVAN URGING ARMENIA TO JOIN THE RUSSIAN/BELORUS UNION. THIS, HE NOTED, WAS AN ISSUE DISCUSSED BY ARMENIAN POLITICIANS EVEN BEFORE THE NATIONAL MENTAL COLLAPSE WHICH FOLLOWED THE EVENTS OF OCTOBER 27. THE RECENT VISIT TO YEREVAN OF RUSSIAN NATIONAL SECURITY COUNCIL CHAIRMAN IVANOV WAS ALSO SIGNIFICANT, AS THIS IS AN OFFICER WHO ONLY VERY RARELY VISITS OTHER COUNTRIES.

15. (S) SO, HE SAID, PERHAPS, IN LIGHT OF HIS MANY PROBLEMS AND CURRENT WEAKNESS, KOCHARIAN IS RIGHT TO DELAY A SETTLEMENT. EVEN THOUGH IT IS NOT CLEAR WHAT PUTIN'S POST-ELECTORAL POLICIES WILL BE TOWARD THE SOUTH CAUCASUS, ALIYEV NOTED THAT HE HAD URGED THE RUSSIAN LEADER TO BECOME MORE PERSONALLY INVOLVED IN THE N-K PROCESS. THIS, HE FORECAST, WOULD BE WELL-RECEIVED IN AZERBAIJAN. THE AZERI PRESIDENT CLAIMED THAT HE WILL DO HIS BEST IN COMING MONTHS NOT/NOT TO AGGRAVATE AZERBAIJAN - RUSSIAN RELATIONS. PUTIN, HE HOPES, MAY DO THE SAME AS, IN CONVERSATION WITH ALIYEV IN MOSCOW, THE RUSSIAN LEADER DENIED THAT EITHER THE INSTITUTION OF A VISA REQUIREMENT FOR AZERBAIJANIS OR ACCUSATIONS OF

AZERBAIJANI SUPPORT FOR CHECHENS REFLECT THE POLICY OF HIS GOVERNMENT. (COMMENT: ALIYEV KNOWS THAT PUTIN WAS NOT/NOT BEING ENTIRELY TRUTHFUL BUT IS HOPING THAT THE RUSSIAN'S STATEMENTS PRESAGE A LESS CONFRONTATIONAL POLICY FROM AZERBAIJAN'S HUGE NORTHERN NEIGHBOR. END COMMENT.)

16. (S) SUMMING UP HIS DISCUSSIONS WITH KOCHARIAN, ALIYEV REFLECTED THAT HE AND THE ARMENIAN PRESIDENT AGREED THAT THE NAKHCHIVAN AGREEMENT REPRESENTS THE BEST CHANCE FOR A DURABLE PEACE SETTLEMENT. "KOCHARIAN GRASPED THE CONCEPT," ALIYEV SAID, "BUT NOT/NOT THE NETTLE." THAT SAID, HE FELT KOCHARIAN'S WEAKNESS, ESPECIALLY IN DAVOS, AND THE ARMENIAN INTERNAL SITUATION WOULD ONLY WORSEN IF KOCHARIAN WERE TO BE OVERTHROWN. SO, HE SAID, LET US GIVE KOCHARIAN MORE TIME TO STRENGTHEN HIS POSITION. HE TOLD KOCHARIAN THAT AZERBAIJAN CAN WAIT FOR A TIME FOR THE ARMENIAN LEADER TO STABILIZE THE SITUATION, AND THEN THE TALKS COULD COME BACK TO THE ORIGINAL NAKHCHIVAN AGREEMENT.

LET'S CONSIDER NEXT STEPS IN WASHINGTON

17. (S) PRESIDENT ALIYEV SPOKE WITH FEELING ABOUT HIS SUBSTANTIVE AND HELPFUL DISCUSSION WITH SECRETARY ALBRIGHT AND HIS TWO BRIEF SESSIONS WITH PRESIDENT CLINTON IN DAVOS. THE AMERICAN SIDE HAD PROMISED TO TRY TO ASCERTAIN THE REASONS FOR KOCHARIAN'S RETREAT AND TO DETERMINE THE DEGREE TO WHICH IT HAS BEEN INFLUENCED FROM ABROAD, HE SAID. THE SECRETARY WAS VERY OPTIMISTIC ABOUT THE EVENTUAL IMPLEMENTATION OF THE NAKHCHIVAN AGREEMENT, HE REPORTED.

18. (S) IN ALIYEV'S VIEW, THE ISSUE WE FACE MOST IMMEDIATELY IS HOW TO KEEP THE PEACE PROCESS ALIVE UNTIL KOCHARIAN CAN PUT HIMSELF IN A POSITION TO SELL A DURABLE PEACE TO HIS PEOPLE. PRESIDENT ALIYEV LOOKS FORWARD WITH KEENEST ANTICIPATION TO HIS FEBRUARY 14 -

18 TRIP TO WASHINGTON, WHICH WILL PROVIDE AN OPPORTUNITY TO DISCUSS NEXT STEPS. (COMMENT: WE WILL PROVIDE OUR THOUGHTS ON NEXT STEPS SEPTEL. END COMMENT.)

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