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PTP5459

RELEASE IN PART B1,1.4(B),1.4(D)

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DRAFTED BY: S/NIS/RC:JHENICK:JDH -- 11/23/99 647-9116 APPROVED BY: THE DEPUTY SECRETARY

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E.O. 12958: DECL: 11/19/09 TAGS: PREL, OSCE, AM, AJ

SUBJECT: THE DEPUTY SECRETARY'S MEETING WITH ILHAM ALIYEV

AND PM RASIZADE

REF: A) BAKU 4636 B) STATE 213434

CLASSIFIED BY S/NIS ROSS WILSON, ACTING, REASON 1.5 B, D.

(8) SUMMARY: MEETING WITH AZERBAIJANI PRIME MINISTER RASIZADE AND ILHAM ALIYEV, THE DEPUTY SECRETARY OUTLINED A STRATEGY FOR ISTANBUL THAT INCLUDES:

> 1.4(D) B1

HE DEFLECTED AZERBAIJANI SUSPICIONS OF RUSSIA'S NEGATIVE INFLUENCE IN CREATING A DELAY IN THE PEACE PROCESS BY NOTING THAT WE ARE CONVINCED THAT THE DELAY STEMS FROM A REAL DOMESTIC POLITICAL CRISIS IN ARMENIA. THE AZERBAIJANIS SEEMED TO ACCEPT BOTH THE EXPLANATION AND THE PROPOSED STRATEGY FOR ISTANBUL. IN RESPONSE TO AZERBAIJANI CONCERNS ABOUT THE DELAY, THE DEPUTY SECRETARY REAFFIRMED USG SUPPORT FOR A QUICK CONCLUSION TO THE PROPOSED DEAL AND PROMISED TO

CONTINUE PRESSING THE ARMENIANS TO MOVE FORWARD AS QUICKLY AS POSSIBLE. FINALLY, THE DEPUTY SECRETARY MADE AN APPEAL FOR AZERBAIJANI SUPPORT FOR A STATEMENT ON THE TRANS-CASPIAN PIPELINE IN ISTANBUL. END SUMMARY.

2. (S) AZERBAIJANI PRIME MINISTER ARTUR RASIZADE AND ILHAM ALIYEV (SON OF AZERBAIJANI PRESIDENT ALIYEV), ACCOMPANIED BY AMBASSADOR PASHAYEV AND PRESIDENTIAL ADVISER RAOUF HUSSEINOV, MET WITH THE DEPUTY SECRETARY FOR ONE HOUR

Classified by Director A/GIS/IPS, DoS on 11/23/2020 ~ Class: CONFIDENTIAL ~ Reason: 1.4(B), 1.4(D) ~ Declassify on: 11/23/2030

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NOVEMBER 12. OTHER PARTICIPANTS WERE AMBASSADOR SESTANOVICH, SPECIAL NEGOTIATOR CAVANAUGH, NSC DIRECTOR ELKIND, AND S/NIS/RC HENICK (NOTETAKER).

STATES OF DELIVERING DELIVERING DELIVERING TO THE PARTICIPANTS WERE AMBASSADOR SESTANOVICH, SPECIAL NEGOTIATOR CAVANAUGH, NSC DIRECTOR DELIVERING DELIVERING DELIVERING TO THE PARTICIPANTS WERE AMBASSADOR SESTANOVICH, SPECIAL NEGOTIATOR (NOTETAKER).

- DELIVERING A LETTER FROM AZERBAIJANI PRESIDENT ALIYEV TO PRESIDENT CLINTON (SEE PARA 9). THEY ALSO TOLD THE DEPUTY SECRETARY THAT THEIR EARLIER MEETINGS AT THE IMF AND THE WORLD BANK HAD BEEN POSITIVE AND THAT THEY HAD LEFT WITH THE DISTINCT IMPRESSION THAT BOTH ORGANIZATIONS ARE READY TO MOVE QUICKLY TO SUPPORT THE IMPLEMENTATION OF A PEACE AGREEMENT BETWEEN AZERBAIJAN AND ARMENIA. THE DEPUTY SECRETARY REMARKED THAT ALTHOUGH WORLD BANK PRESIDENT WOLFENSOHN HAD BEEN UNAVAILABLE TO MEET WITH THE AZERBAIJANI DELEGATION TODAY, HE HAD SPOKEN WITH HIM EARLIER IN THE WEEK TO GIVE HIM A GENERAL OVERVIEW OF THE PEACE PROCESS. THE DEPUTY SECRETARY SPECIFICALLY NOTED TO WOLFENSOHN THAT PRESIDENT ALIYEV IS ON THE VERGE OF TAKING A HISTORIC STEP TOWARDS PEACE AND THAT THE U.S. ADMINISTRATION HOPED THE WORLD BANK WOULD BE PROMPT AND GENEROUS IN RESPONDING TO THE PROMISE OF PEACE. WITHOUT HESITATION, WOLFENSOHN HAD RESPONDED AFFIRMATIVELY.
- 4. (8) REGARDING THE PEACE PROCESS, ILHAM AND PM RASIZADE EXPLAINED AZERBAIJAN'S DESIRE TO KEEP THE PROCESS MOVING QUICKLY AND

1.4(B) 1.4(D) **B**1

5. (S) THE DEPUTY SECRETARY STRESSED THAT THE U.S. ALSO FEELS THAT THE PEACE PROCESS MUST BE MOVED FORWARD AS QUICKLY AS POSSIBLE. HE NOTED, HOWEVER, WHILE SOME ELEMENTS IN RUSSIA MAY OPPOSE A DEAL, WE ARE CONVINCED THAT THE ARMENIANS ARE SINCERE IN THEIR REQUEST FOR MORE TIME TO CONSOLIDATE THEIR DOMESTIC POLITICAL SITUATION. THE DEPUTY SECRETARY SUGGESTED THAT THIS DELAY COULD BE USED CONSTRUCTIVELY.

> 1.4(D) **B1**

6. (8) IN RESPONSE TO ILHAM'S QUESTION AS TO WHETHER THIS WOULD BE IN LIEU OF A PRESIDENTIAL-LEVEL MEETING, THE

DEPUTY SECRETARY RESPONDED AFFIRMATIVELY,

7: $\overline{\text{(S)}}$ BOTH ILHAM AND RASIZADE SEEMED TO ACCEPT THE DEPUTY SECRETARY'S PROPOSAL AND EXPLANATION. ILHAM REITERATED, HOWEVER, HIS CONCERN THAT THE PEACE PROCESS NOT BE ALLOWED TO DRAG ON. THE AZERBAIJANI PEOPLE ARE BECOMING INCREASINGLY RESTLESS; THEY KNOW SOMETHING IS GOING ON BUT OF THENT OF ST

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DON'T KNOW THE DETAILS. MEANWHILE, THE OPPOSITION IS MANIPULATING THE SITUATION AND LEAKING DETAILS OF OFFICIAL COMMUNICATIONS AND RUMORS OF THE DETAILS OF AN AGREEMENT. IT WOULD BE "IMPOSSIBLE" TO MAINTAIN CONFIDENTIALITY FOR TWO MONTHS. THE DEPUTY SECRETARY EXPRESSION UNDERSTANDING AND PAGE 1 UNDERSTANDING AND EMPHASIZED THAT THE WE HAD ALREADY MADE THE CASE TO ARMENIAN FOREIGN MINISTER OSKANIAN. HE REITERATED ONCE MORE, HOWEVER, THAT THE ARMENIAN LEADERSHIP IS FACING A SERIOUS POLITICAL CRISIS AND THAT WE NEED TO GIVE THEM SOME TIME TO BUILD THEIR GOVERNMENT AND CONSOLIDATE SUPPORT. ILHAM INDICATED HIS UNDERSTANDING,

> NOTING HOW DIFFICULT IT WOULD BE FOR A KARABAKHI ARMENIAN (KOCHARIAN) TO "GIVE UP" THE MEGHRI PROVINCE.

- 8. +(s) THE DEPUTY, SECRETARY CONCLUDED THE MEETING WITH AN APPEAL FOR AZERBAIJANI SUPPORT FOR A STATEMENT ON THE TRANS-CASPIAN PIPELINE AT ISTANBUL. ILHAM AND RASIZADE BOTH INDICATED THEIR SUPPORT FOR SUCH A STATEMENT WHILE NOTING THAT AZERBAIJAN HAS ITS OWN LEGITIMATE CONCERNS IN THIS REGARD (SPECIFICALLY WHERE THEY WILL SELL THEIR OWN GAS). ILHAM CONCLUDED, HOWEVER, BY SAYING THAT AZERBAIJAN WOULD NOT BE A "STICK IN THE WHEEL" ON THIS ISSUE.
- 9. (S) LETTER FROM PRESIDENT ALIYEV TO PRESIDENT CLINTON: RASIZADE HANDED THE DEPUTY SECRETARY A 3-PAGE LETTER (IN AZERI WITH AN UNOFFICIAL ENGLISH-LANGUAGE TRANSLATION ATTACHED) FROM PRESIDENT ALIYEV TO PRESIDENT CLINTON: THE LETTER INCLUDES AN INVITATION TO ATTEND THE SIGNING CEREMONY OF THE BAKU-CEYHAN MAIN EXPORT PIPELINE CONTRACT, A REQUEST TO "CONTINUE OUR DIALOG ON SECURITY ISSUES" DURING THEIR MEETING AT ISTANBUL, AND AN EXPRESSION OF SUPPORT FOR THE DEPUTY SECRETARY'S EARLIER PROPOSAL TO ESTABLISH A JOINT ECONOMIC WORKING GROUP. COPY TO BE SENT TO EMBASSY BAKU SEPARATELY. TALBOTT

-SECRET