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SUBJECT: NAGORNO-KARABAKH: ACTING SECRETARYrS MEETING
WITH ARMENIAN PRESIDENTIAL ADVISOR LIBARIDIAN

RELEASE IN FULL

DECLASSIFIED

Classified by: B. Lynn Pascoe, Special Negotiator for
Nagorno-Karabakh, Department of State. Reason: 1.5 (b,
d)

1. ~~(S)~~ Summary: An upbeat Jirayir Libaridian told the Acting Secretary September 4 that he saw a real chance for achieving an early first phase agreement on ending the Nagorno-Karabakh conflict. He believed that both the Azerbaijanis and Nagorno-Karabakh Armenians had looked at what was possible on a status agreement and decided to put off seeking one at this time. Intensive meetings between Armenian and NK leaders had contributed to the shift in NK thinking; the Acting Secretary reminded Libaridian that we are counting on Armenia to deliver NK. Turning to relations with Turkey, Libaridian drew a linkage between opening Turkey's rail

links with Armenia and Armenia's "doing something" to end FSA 907. However, he recounted the cancellation of his proposed trip to Ankara and his opposition to peace ideas floated by DPM Ecevit. The Acting Secretary reiterated our desire to see the border open, and noted he had poured cold water on Ecevit's ideas. The Acting Secretary spoke of the President's intense interest in resolving the NK conflict and putting the region on the path to economic prosperity, but added that "none of this can be accomplished without peace." End Summary.

2. ~~(C)~~ Acting Secretary Talbott received Armenian Presidential Advisor Jirayir Libaridian for 45 minutes on September 4. Armenian Ambassador Shugaryan, Special Negotiator Pascoe, EUR/CACEN director Young and S/NIS/RA Remler (notetaker) sat in.

3. ~~(s)~~ The Acting Secretary led off, after courtesies, by saying the U.S. counted on Armenia to have intense exchanges with the NK Armenians. Delivering them would be the toughest task in achieving peace. Libaridian replied that when "we have a paper we can accept" (from the Co-Chairs), "Ter-Petrossian will fight for it in Yerevan, including publicly, and he will fight for it in Stepanakert."

4. ~~(s)~~ Libaridian gave his analysis of the changing situation. In 1995, both Azerbaijan and NK gave priority to resolving the status issue. The 1996 Lisbon Summit statement gave the NK Armenians an idea of the upper limits they could achieve on status; the Co-Chairs' paper had done the same for the

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Azerbaijanis. Both reacted by "withdrawing", and this "opened a door" for the (Armenian) proposal for a first-phase agreement including withdrawal, a peace-keeping operation, an end to "blockades" and security guarantees. Now that the Co-Chairs appeared prepared to place the obstacles of status and Lachin in a separate agreement, the NK Armenians might buy off on a first phase if they could see what security guarantees they were getting in exchange for withdrawal.

5. ~~(s)~~ In the second of two long meetings with the NK leadership, Libaridian continued, the Armenians had brought the NK leadership to the point of saying, "Maybe we don't need to discuss status now." Libaridian cautioned, however, that reaching an agreement would not be easy. He said he was encouraged by some of the things Aliyev had said during his U.S. visit -- which

seemed to indicate Azerbaijan was on board with the step-by-step approach -- while excoriating Aliyev's breaches of the process' confidentiality. In a fresh Armenian interpretation of the OSCE Lisbon Summit, Libaridian suggested that the international community's public endorsement of Azerbaijan's territorial integrity may have given Aliyev political cover for putting off dealing with status now in the Minsk process.

6. ~~(s)~~ Talbott said he was encouraged by Libaridian's analysis and positive interpretation of Aliyev's visit. We had worked hard to get Aliyev to be forthcoming in public. Talbott continued that after meeting the NK leadership, he had a palpable sense of their admirable qualities, but no illusions about how tough a job the Armenians would have in making them understand that this process is about the art of the possible. He asked Libaridian for his thoughts on how to proceed.

7. ~~(s)~~ Libaridian, who had just come from a meeting with Rep. Gilman and other representatives, stressed the role of post-conflict assistance, as well as the importance of how it was presented. The NK Armenians would react badly if assistance appeared to them as a bribe for compromise; but they should be made to realize that a solution will help in the financing of reconstruction.

8. ~~(s)~~ Secondly, Libaridian continued, there should be no change in the basic conditions under which the parties began negotiations. That is, he elaborated, no change in FSA Section 907. If 907 is removed, Baku will believe it can get what it wants without negotiations while Yerevan and Stepanakert will perceive a retreat in

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Congressional support. As Ter-Petrosian had told Rep. Callahan, there might be a package for everyone: if Turkey lifted its "blockade," Armenia could do a "favor for Azerbaijan" by asking the Armenian-American community to "stop going after" 907.

9. ~~(S)~~ Talbott pointed out the statements Aliyev made in the U.S. about re-opening communications. Libaridian welcomed them but said the opening with Turkey should happen before a peace agreement. He believed "It would help if Turkey can be seen as part of the solution."

10. ~~(S)~~ Talbott probed on Armenia's relations with the new Turkish government. Libaridian said, "We have had no relations with the new government. (Deputy Prime

Minister) Ecevit had invited me to Ankara, but said the agenda would be Armenia and missiles for the PKK. I said there was no such animal and refused to go. Then, Ecevit sent an invitation with an open agenda. We set a date. But at the last minute (MFA Under Secretary) Qymen sent a message that the PKK would top the agenda, and I could not go." Libaridian was appreciative of U.S. efforts during his exchanges with Ankara. He went on to say that Ecevit's idea of a land swap to resolve the NK conflict was a non-starter, but he thought Yilmaz was "serious" and a "good listener." Talbott said that he had poured cold water on Ecevit's idea when Qymen mentioned it to him.

11. ~~(S)~~ Talbott asked about Libaridian's impressions of FM Cern. Libaridian said he didn't know him well, but before he took office Cern had spoken to Gdlyan, chair of the Armenian parliament's Foreign Affairs committee, and had talked in an interesting way about genocide. However, there has been no contact since Cern took office. Libaridian was encouraged by articles in the Turkish press on opening the border; he noted that the Turks were "not bargaining with us." He explained that there are two possible border openings: the Kars-Gumri railway and road and the auto route to Yerevan. Opening the road, according to Libaridian, would be only marginally helpful. He wanted the railroad, which could have a real economic impact and could help Armenia avoid Iran. Talbott seconded the wish to avoid Iran, and said he would be re-engaging with the Turks soon on a wide range of issues, including this one

12. ~~(S)~~ Libaridian affirmed that the more integrated Turkey became in European structures, the safer would Armenia be. He warned, however, that "genocide can also come up in the European context." Turkish-Armenian

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relations could make a difference, especially in France, with its large Armenian minority. Libaridian reiterated that Armenia has no problems about Turkey's policy toward the PKK; that is a purely internal Turkish issue on which Armenia and Turkey cooperate. Armenia has jailed people, including diaspora Armenians, for moving weapons to the PKK.

13. ~~(S)~~ Returning to the NK peace process, Libaridian said there is a real chance, especially if, as Armenia had suggested, the articles in the status agreement that concern territorial integrity and NK's position within Azerbaijan were moved to the end of the status

agreement; or if the status agreement were left out of the discussions entirely at this point. Talbott noted that negotiations only on Agreement I (which did not refer to territorial integrity) were certainly possible, but there would have to be a link to Agreement II, where status issues were discussed.

14. ~~(S)~~ Talbott concluded by stressing the interest with which President Clinton followed the NK issue, seeing it as part of the larger strategic and economic puzzle. The President, he said, stresses the need to make Armenia part of the coming boom in the region -- a desire Talbott seconded, having choppered over the vast, dead Nairit synthetic rubber factory. It was, he said, an advertisement for what is not happening and what could happen. But nothing will happen without peace.
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