

TOGETHER TOWARDS THE NEW CENTURY

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OFFICIAL VISIT OF HEYDAR ALIYEV,  
THE PRESIDENT OF THE REPUBLIC OF AZERBAIJAN  
TO THE UNITED STATES OF AMERICA

27 JULY - 7 AUGUST 1997

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КИТАБХАНАСЫ

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### To Readers

*The first official visit of Heydar Aliyev, President of the Republic of Azerbaijan, to the United States of America by the invitation of Bill Clinton, President of the United States in July-August of 1997, was a truly historic event.*

*The visit is considered to be a great achievement of diplomacy of Heydar Aliyev, distinguished statesman. It brought relations between the United States, the most powerful nation in the world, and the independent Republic of Azerbaijan to a new level of strategic partnership.*

*The success of this visit shows in the great amount of work accomplished in Azerbaijan after the people who faced tragedy brought their distinguished son to power. Anarchy has ended, the war has stopped, and the situation in the country has stabilized. The peace process is underway to eliminate the consequences of Armenian aggression. Economic growth has started and democratic institutions have been established. The first Constitution of the independent nation has been adopted. Political isolation and information blockade have ended. Overall, the country has received recognition and earned the trust of the world community.*

*Relying on the support of the Azerbaijan people and U.S. in his political mastery and experience, President Aliyev has managed to eliminate many barriers on the road to Azerbaijan's progress. He has established and deepened cooperation between Azerbaijan and countries of the world as well as with international organizations. He has helped create equal and mutually beneficial relations with the United States of America, the leader of the world community. Communications (or contacts) between Presidents Aliyev and Clinton gradually continued and turned into a real relationship of friendship.*

*The first meeting between the two leaders took place on September 26, 1994, in New York when President Aliyev took part at the General Assembly of the United Nations. Our president's personal reputation in world politics made this meeting an event of historic importance.*



*From the first moments of the meeting, participants discussed questions related to the TranscaucasUS region. President Aliyev gave detailed information about the conflict between Armenia and Azerbaijan, which started in 1988. He explained various political initiatives aimed at settlement of this conflict. He welcomed the efforts of the OSCE Minsk Group<sup>3</sup> aimed at creating peace. To facilitate a peaceful solution of the problem, United States suggested the U.S. strengthen its efforts to support the territorial integrity and sovereignty of Azerbaijan.*

*The president of the United States had emphasized his country's interest in developing relations with Azerbaijan, stressing he would spare no efforts to eliminate impediments on this road. President Clinton also expressed his pleasure for signing the first oil contracts, and wished success to American companies in their cooperation with Azerbaijan.*

*Talking about results of his meeting with President Clinton, the Azerbaijani leader told journalists: "We had a detailed exchange of views about several issues. The president of the United States highly praised the contract signed on September 20 in Baku, and congratulated U.S. on that occasion. President Clinton even expressed his regret that he could not participate at the signing ceremony. I told him we felt his presence among U.S. and his letter of congratulations left a deep impression. I noted the participation of the Deputy Secretary of Energy of the United States at that ceremony once again demonstrated United States' attitude and interest towards this contract.*

"We had a comprehensive exchange of views about the importance of this contract for both sides. I told President Clinton this was a unique contract, with eight oil companies from six countries participating. It is indeed a rare event when eight companies uniting in one consortium sign a contract for 30 years. Therefore, I believe it has a great importance both from the economic point of view as well as bringing our countries and people closer to each other.

"President Clinton himself started the conversation about aggression of Armenia against our country. He expressed his support to Azerbaijani's peace initiatives. He highly praised the cease-fire agreement and measures taken. He also expressed great interest in ways to achieve a solution to this conflict. I explained the current situation to him. On the map, I showed him occupied territories of Azerbaijan, and stressed that more than one million Azerbaijanis have been expelled from these territories. They have been living in tent camps under difficult conditions.

"I emphasized the shortage of food for refugees and noted that, due to coming winter, their plights would be even worsened. I stated that the cease-fire indeed was an achievement. But the conflict could not end with this alone. Therefore, comprehensive peace should be achieved with participation of international organizations as well as United States. As a great power, as a nation with interests in this region especially since the signing of the oil contract, the United States should get more seriously engaged in finding a solution to this conflict.

"President Clinton responded by saying he would discuss these issues in detail with President Boris Yeltsin of Russia during his meetings with him. The president of the United States expressed his support to Azerbaijan and promised to do his best to help to achieve just solution to this conflict.

"I explained to President Clinton that our proposals are just. We want Armenia to withdraw its armed forces from our lands. We want liberation of our territories including Lachin province and Shusha. We are ready to give a corridor through Lachin under international control as well as give status to Nagorno Karabakh in the future.

"But all these issues should be solved through participation of international organizations to ensure they would be implemented and thus bring positive results. President Clinton promised that the United States would concretely

establish its position on these issues and ensure its participation in the process to achieve lasting peace.

"We also touched the issue of Section 907<sup>2</sup> passed by the Congress. In general, positions of the United States and Azerbaijan are almost the same in putting an end to the war by peaceful means within the frame of international organizations."

The second meeting between President Heydar Aliyev of Azerbaijan and President Bill Clinton of the United States took place during the jubilee session of the United Nations devoted to its fiftieth anniversary. President Aliyev met President Clinton in New York on October 24, 1995.

During the meeting, President Clinton talked with satisfaction about involvement of U.S. companies in the development of energy resources at the Azerbaijani sector of the Caspian Sea. He was pleased with the practical implementation of the oil contract, signed the year before.

President Clinton applauded the decision adopted in Baku on October 9, 1995, covering the export of early oil. He acknowledged President Aliyev's role in adopting this decision and extended his congratulations once again. The president of the United States emphasized that his country attaches special importance to cooperation with Azerbaijan, and looks for new opportunities to strengthen bilateral relations.

The two statesmen discussed military aggression of Armenia against Azerbaijan as well as necessary measures taken to establish comprehensive and lasting peace. President Clinton emphasized the necessity to facilitate the peace process in the region.

Both sides agreed that occupied lands of Azerbaijan should be freed soon, that territorial integrity of Azerbaijan and non-violability of its foreign borders should be restored, and that refugees who have been expelled from their native lands should be returned to their homes. They appreciated the fact that cease-fire was achieved and continued to hold without any separation forces.

President Aliyev addressed President Clinton about the unfair resolution passed by the U.S. Congress prohibiting any aid to our country. United States had rendered aid to other countries in the Caucasus - Armenia and Georgia - but not to Azerbaijan. Among these three countries, Azerbaijan has the most extensive economic cooperation with the United States. President Aliyev continued to say that, as a just and loving country, the United



States must also support Azerbaijan, which has more than one million refugees in its territory. President Clinton said he was against the decision passed by Congress.

President Clinton expressed his satisfaction on the democratic process in Azerbaijan and highly valued the social and political stability in the country. Both sides agreed that practical measures should be taken to improve relations between two countries to a new level and further strengthen them.

Then U.S. Ambassador to the UN Madeline Albright and other officials took part in the meeting. Afterward, Madam Albright told journalists that the meeting would bring real results soon regarding the conflict between Armenia and Azerbaijan.

In the Budapest Summit of the OSCE as well as within the frame of other international forums, President Clinton and President Aliyev continued their traditional meetings. Telephone conversations as well as exchange of letters between President Clinton and President Aliyev repeatedly proved to have strong impact on settlement of important problems.

The Clinton-Aliyev meeting held on August 1, 1997, in the White House resulted in signing several important documents. It took the relations between our two countries to a new level of true partnership.

"Presidents Clinton and Aliyev agreed on the importance of expanding the partnership between the United States and the Republic of Azerbaijan through strengthening bilateral cooperation in the political, security, economic and commercial spheres. President Clinton reaffirmed U.S. support for the independence, sovereignty, territorial integrity and democratic development of Azerbaijan, noting that close U.S.-Azerbaijan relations are important in promoting regional peace, stability and prosperity." This is a quote from the joint statement signed by both leaders. For the people of Azerbaijan who have been looking to the United States for decades as a symbol of freedom, democracy and independence, it is important that Bill Clinton, President of the United States, reaffirmed the independence, sovereignty and territorial integrity of our country, and recognized Azerbaijan's important role in the region.



President Aliyev's schedule during this visit from July 27 to August 7 was very hectic. He held about 100 meetings, and spent 150 hours in receptions and negotiations. He discussed questions related to national security interests of our countries, and bilateral cooperation in foreign policy, security, economic and commercial spheres with the president of the United States, members of his Cabinet, leaders of Congress, and well-known U.S. statesmen. President Aliyev conveyed his views on conflict between Armenia and Azerbaijan, the role of the United States in peaceful settlement of the conflict as one of co-chairmen of the Minsk Group to a large public through his statements and conversations.

He also shared his views on Section 907 to members of Congress. He brought strong arguments that prove the embargo was unfair and creating major impediments for U.S.-Azerbaijan relations. Taking into account public opinion in changing policy of the U.S. Congress toward Azerbaijan, President Aliyev tirelessly pursued communication about Azerbaijan during all his discussions.

Signing new oil contracts with well-known U.S. com-

panies during the Azerbaijan president's visit had a strong impact in deepening economic relations between our two countries. Bringing new technology and know-how to Azerbaijan for development of oil fields has made long-term cooperation beneficial for both sides. Signing a statement on the enhancement of cooperation in the energy sector between the two countries is a bright example. This document says:

"The United States and the Republic of Azerbaijan intend to address the full range of energy issues of mutual interest through this dialogue, including broad energy policy issues, development of legal and regulatory frameworks, cooperation in the region, and environmental protection."

The visit of Azerbaijani President also played an important role in attracting investment to other sectors in our economy. During his meeting with representatives of business circles in New York, Washington, Houston and Chicago, President Aliyev gave detailed information about investment opportunities in our country, and invited American businessmen to invest in Azerbaijan.

President Aliyev met with Azerbaijanians who live in America in every city he visited. President Aliyev's conversations had great impact on our numerous countrymen who live in America. They renewed their national identity and recognized the creation of Diaspora.

One of the important reasons for the visit's success has to do with the personality of President Aliyev. President Aliyev's viewpoint is vital and decisive when considering difficult economic and political problems in our region. Outstanding dignitaries of the United States regard it as an honor to meet our president. They use every opportunity to acquaint themselves with "the Heydar Aliyev" phenomena in the post-Soviet period.

The president's visit to the United States was unanimously valued as a triumph in the mass media and by politicians. President Bill Clinton, the country's leaders and the public welcomed him very. The New York Times wrote in its August 18, 1997, issue that "... President Clinton welcomed President Aliyev as a hero".

The importance of this visit is indeed limitless for strengthening the independence of Azerbaijan. It restores the territorial integrity of our country, which has been violated by an aggressor. It also ensures prosperity and progress for the people of Azerbaijan. There is no doubt that all plans discussed by Presidents of Azerbaijan and the United States during the visit will be implemented successfully and the 21st century will be the period of strong progress and prosperity for the people of Azerbaijan.

This visit has also opened wide prospects for future prosperity of our country and for happiness of Azerbaijani people. That is why meetings, discussions, statements, negotiations as well as the documents signed by President Aliyev, outstanding statesman and wise leader of our nation, will be repeatedly studied and researched by various strata of our society and particularly by students, scholars, researchers and political scientists.





**To His Excellency Heydar Aliyev  
President of the Republic of Azerbaijan**

*Dear Mr. President,*

*I am writing to extend to you an invitation to visit to Washington at a mutually agreeable date, perhaps in late July or August. I believe this would be a good time for the two of us to review U.S. - Azerbaijani relations and regional developments.*

*I am pleased with the development of relations between the United States and Azerbaijan in recent years. I look forward to discussing with you means to ensure that our bilateral relationship progresses even further in the coming years.*

*Looking at the broad scope of our bilateral relations, our meeting will be a useful opportunity for discussing on a variety of issues. I am pleased by the rapid growth of our commercial and investment ties. I especially appreciate your strong personal support for the broad participation of American companies in the development of Azerbaijan's energy resources. The United States is also committed to playing an active role in the search for a balanced and lasting peace in Nagorno-Karabakh, as evidenced by our decision earlier this year to join Russia and France as co-chairs in the OSCE Minsk Group process.*

*I look forward to seeing you in Washington later this year.*

*Sincerely,  
William J. Clinton  
WHITE HOUSE  
Washington, May 10, 1997*

**To His Excellency William J. Clinton  
President of the United States of America**

*Dear Mr. President,*

*I would like to thank you for your comprehensive letter and for inviting me to visit the United States. I accept your invitation with great pleasure.*

*There is no doubt that our meeting in Washington will contribute to further development of cooperation and strengthening partnership relations between our nations.*

*I attach great importance to have an opportunity to exchange views with you, to discuss the situation in our region, relations between our nations, international problems of mutual interest, and our future cooperation - particularly the prospects for cooperation in the energy sector.*

*I was very pleased to learn that you have agreed to be co-chairman of the OSCE Minsk Conference. We are hopeful that, as a co-chairman, you and your country will be able to revive the peace process and achieve a settlement to the conflict between Armenia and Azerbaijan. I look forward to discussing all these issues in detail with you during our meeting in Washington.*

*Mr. President, I hope that you will extend personal support for our efforts aimed at closer cooperation with the United States, protection of independence, sovereignty, and territorial integrity of Azerbaijan, as well as promotion of democracy and development of market economy in our country. I am hopeful that comprehensive and lasting peace and stability will be established in our region.*

*I look very much forward to our meeting with you in Washington.*

*Sincerely,*

*Heydar Aliyev  
President of the Republic of Azerbaijan  
Baku, May 12, 1997*





## THE WHITE HOUSE WELCOMES THE HONORABLE GUEST

WASHINGTON WELCOMED HEAD  
OF OUR NATION VERY WARMLY

Heydar Aliyev, President of the Republic of Azerbaijan, made his first official visit to the U.S. at the invitation of the U.S. President Bill Clinton. He was met at the Andrews Military Air Base by high officials of the U.S. State Department. Taking the American president's personal helicopter, President Aliyev flew to the memorial of the first U.S. president, George Washington. He then headed for his residence at the Blair House<sup>1</sup> where distinguished guests of the U.S. government stay.

The Blair House is near the White House and has a long history. All the influential statesmen who come on official visits stay there. During President Aliyev's stay, the banner of our independent state proudly decorated the Blair House. It is the expression of a great respect to President Aliyev who, in a brief period of time, led the independent Azerbaijan state on the broad road of development and provided a worthy place for it in the world community.

At the peak of his first official visit to the U.S. on August 1, President Aliyev came to the White House where the guard of honor was lined up to honor of the head of our state. Numerous representatives of local and foreign mass media displayed interest in the official visit of President Aliyev to the U.S., and particularly in his meeting with Bill Clinton, President of the United States. They wanted to inform their readers and viewers around the world about the results of this meeting.

President Bill Clinton, Vice President Albert Gore, Secretary of State Madeline Albright, and other high U.S. officials met President Aliyev with great respect and reverence. President Aliyev wrote these in the book for honorary guests of the White House:

*"I regard my first official visit to the United States as a historical event in U.S.-Azerbaijan relations. I greet the people of the U.S. on behalf of the Azerbaijan people."*

*Heydar Aliyev  
President of the Republic of Azerbaijan  
August 1, 1997*





**TETE-A-TETE MEETING BETWEEN US PRESIDENT BILL CLINTON  
AND PRESIDENT HEYDAR ALIYEV OF AZERBAIJAN**

After a solemn reception ceremony, President Clinton and President Aliyev had a one-on-one meeting at the White House.

President Clinton warmly welcomed President Aliyev. President Clinton said that he was looking forward to this meeting impatiently. He appreciated the official visit of President Aliyev to the United States as an historic event.

They talked about on-going democratic processes in our republic and discussed measures undertaken for the protection of the independence of Azerbaijan. President Clinton stressed the intensive activity and matchless service of the head of our state in this sphere. The position conveyed by President Heydar Aliyev has created feelings of profound respect and sympathy in America, in its state structure and official circles as well as in public American circles.

President Clinton noted the work done by President Heydar Aliyev in the recent four years. This includes his achievements to establish peace and stability in the



Republic in a very complicated, extreme situation. He also praised the revival of the economy in such a brief period as well as successful reforms and measures undertaken to privatize our country. He said all this effort by President Aliyev will help Azerbaijan advance and flourish.

President Clinton said the U.S. regards Azerbaijan as a partner country and state, and attaches great importance to it. Along with the rich natural resources and favorable geographical-political location of Azerbaijan, he stressed the importance of the right political course pursued by the head of our state, a policy that will exert positive influence on the countries of the whole region. President Clinton declared that the U.S. Congress will change its position towards Section 907 unconditionally, and this problem soon will be solved in two stages. In the first stage, Congress will make such a change to allow the U.S. to render assistance to Azerbaijan directly. In the second stage, this Section will be fully repealed.

President Clinton emphasized that the U.S. will play an active role in the solution of the Nagorno Karabakh conflict. He spoke of his talks with Russian President Boris Yeltsin and French President Jacques Chirac in the city of Denver, Colorado, in June





1997. He noted that, as the co-chairpersons of the Minsk Group of OSCE, the three states would do their best for the immediate solution of this conflict. He added that there is an obstacle, a stone on the road leading to progress and development in inter-country relations. The obstacle - the Armenian-Azerbaijan conflict - must be removed.

President Clinton also emphasized the achievements of President Aliyev in the foreign policy of Azerbaijan and praised them highly. He expressed his satisfaction that President Aliyev had accepted his invitation and visited the U.S.

President Aliyev thanked President Clinton for his invitation. He said that the Azerbaijan people greatly respect the president and regard him to be a friend of our country.

Speaking on the current social-political processes in the Republic of Azerbaijan, President Aliyev mentioned the development of democracy, market economy, protection of human rights, and realization of great economic and other reforms. He noted that the implemented reforms are bearing fruits ... all this is our strategic course and we shall pursue this course.

President Aliyev spoke of the recent steps to solve the Nagorno Karabakh conflict peacefully, particularly those undertaken through the Minsk Group of OSCE. President Aliyev said all the efforts give hope that, this year, conditions will be created for the peaceful solution of the conflict. He disclosed the possibility of solving the problem in two stages. The first stage provides the liberation of the six occupied



districts, restoration of destroyed communications, and return of refugees to their native homes. The second stage sees the return of the districts of Lachin and Shusha, and resolving the status of the Nagorno Karabakh.

President Aliyev praised the home and foreign policy pursued by President Clinton and especially for the fact that, for the first time in the recent 30 years, the U.S. fulfilled its budget without a deficit. He also gave President Clinton credit for enabling the creation of ten million of jobs in the U.S.

The tete-a-tete meeting of the two presidents also touched such issues as the balance of forces and problems in the Transcaucasus region, extension of NATO<sup>4</sup> towards the East, Azerbaijan's participation in CFE treaty, and other issues.

The meeting was held in a friendly atmosphere. The Azerbaijan president invited President Clinton to pay an official visit to the Republic of Azerbaijan.

#### NEGOTIATIONS BETWEEN DELEGATIONS OF AZERBAIJAN AND THE U.S. HEADED BY PRESIDENT HEYDAR ALIYEV AND PRESIDENT BILL CLINTON

On August 1, negotiations were held between the delegations of Azerbaijan and the U.S., headed by President Heydar Aliyev and President Bill Clinton.

President Bill Clinton welcomed the head of our state Heydar Aliyev and the Azerbaijan delegation friendly and sincerely and spoke with great satisfaction of the



present state of the U.S.-Azerbaijan relations and praised the undertaken for further strengthening and development of bilateral relations.

President Clinton stressed the future perspectives of relations between the U.S. and Azerbaijan in the sphere of politics, security, economy and trade. He said the U.S. displays great interest in the development of cooperation with Azerbaijan, which has an important strategic location in the region.

President Clinton emphasized the fact that the U.S. supports and intently follows the ongoing processes in Azerbaijan in constructing a democratic legal state, successfully implementing reforms into life, and protecting human rights and pluralism of ideas. He said the U.S. attaches great importance to the partnership with Azerbaijan.

President Clinton said he would do his best to secure peace and stability in the region in future and would always support the independence, sovereignty, restoration of territorial integrity of the Republic of Azerbaijan and further development of democracy in it.

President Clinton said that as a co-chairman of the Minsk conference, the U.S. would multiply its efforts to settle the Armenian-Azerbaijan conflict soon and peacefully. He praised the principles adopted by the heads of the OSCE member countries in Lisbon for the solution of this conflict, and added that he would take serious steps to implement these principles.

The U.S. President stressed the necessity of intensification of cooperation in all spheres between the U.S. and Azerbaijan, and said that all measures would be taken to repeal Section 907 of the «Freedom Support Act».

President Clinton thanked President Aliyev for the favorable conditions created by Azerbaijan for the participation of the U.S. oil companies in joint oil developments in the Azerbaijani sector of the Caspian Sea. He praised the efforts of Azerbaijan to intensify its integrity with the world community and expressed the hope that Azerbaijan would soon gain great successes as a result of the foresighted policy of the head of our state.

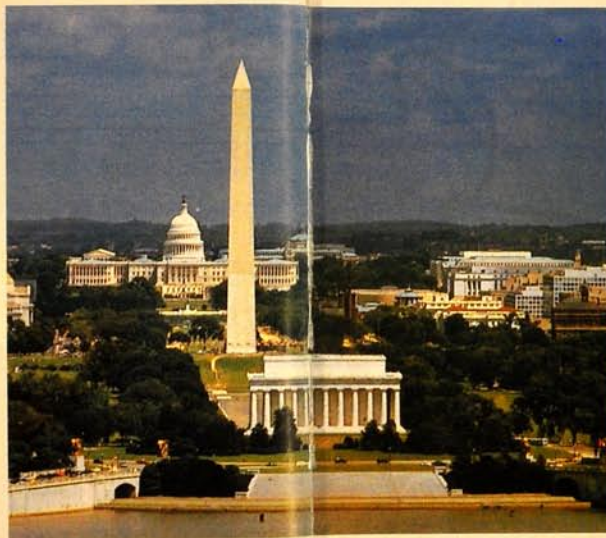
The U.S. President spoke with satisfaction of Azerbaijan's participation in the agreement on conventional forces in Europe<sup>5</sup>. He added that he thinks this agreement would be a guarantee for the security of the member-states. He said the U.S. will pay special attention in future, as well, to eliminate any difficulty which arises in connection with the protection of the independence of Azerbaijan.

President Aliyev thanked the President Clinton for his official invitation to visit the U.S., for hospitality and for his attention paid to the growing development of U.S.-Azerbaijan cooperation. He spoke with satisfaction of the present state of relations of our countries.

The head of our state said that there are wide opportunities for the development of the Azerbaijan-U.S. cooperation. He gives great attention to the intensification of these relations. He spoke with satisfaction about the steps undertaken to strengthen and expand these relations in stages.

President Aliyev praised the participation of big oil companies of the U.S. in the signed contracts on the joint oil developments in the Azerbaijani sector of the Caspian Sea. He made special mention of the implementation of «the Contract of the Century» signed in September of 1994, and also dealt with problems connected with the transportation of the world market.

President Aliyev stressed his discussions with Mr. Clinton by telephone and in personal meetings connected with determining the routes of oil pipelines. He explained them in detail and spoke of future projects on the construction of a big oil pipeline.



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The head of our Republic said that Azerbaijan occupies a very favorable strategic location in the region and therefore can play an important role in the intensification of relations of the Central Asian countries with the world market. He added that the oil produced in the deposit «Tengiz» of Kazakhstan by the USA company «Chevron» is transported to Baku through the Caspian Sea, which then follows to the world market. President Aliyev spoke of the intended ways to improve the organization of this process and of the oil pipeline, which will be laid on the bed of the Caspian Sea.

President Aliyev mentioned the new contracts to be signed that day among the USA companies: Chevron, Exxon<sup>8</sup>, Mobil<sup>9</sup>, Amoco<sup>10</sup> and the State Oil Company of Azerbaijan. He said these contracts will give a new incentive to the strengthening of the Azerbaijan-U.S. economic cooperation and play an important role in the improvement of relations of our countries.

President Aliyev said that his personal friendly relations with Mr. Bill Clinton has laid solid foundations for the further development of the Azerbaijan-U.S. relations. He also mentioned the personal initiatives of Mr. Clinton in strengthening of cooperation between our countries and praised them highly. President Aliyev said: «Mr. President, you are doing many and great things in this sphere, and I always feel your help and support».

President Aliyev spoke in detail of the negotiations in the frames of the Minsk group in order to settle the Armenian-Azerbaijan conflict peacefully. He explained the three principles adopted by the heads of the OSCE member countries in Lisbon summit<sup>6</sup> for the solution of this conflict, and mentioned the support of the U.S. government in adopting these principles with great satisfaction.

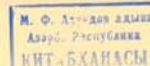
President Heydar Aliyev especially emphasized the joint statement signed in Denver by co-chairmen of the Minsk conference: the presidents of the three influential countries Bill Clinton, Boris Yeltsin and Jacques Chirac. He stressed the importance of this statement and praised the efforts of these three presidents for an immediate solution of the Armenian-Azerbaijan conflict. He said our country accepts the proposals of the co-chairmen of the Minsk group as a basis for the solution of this conflict. He added that we are waiting for Armenia to disclose its position on these proposals.

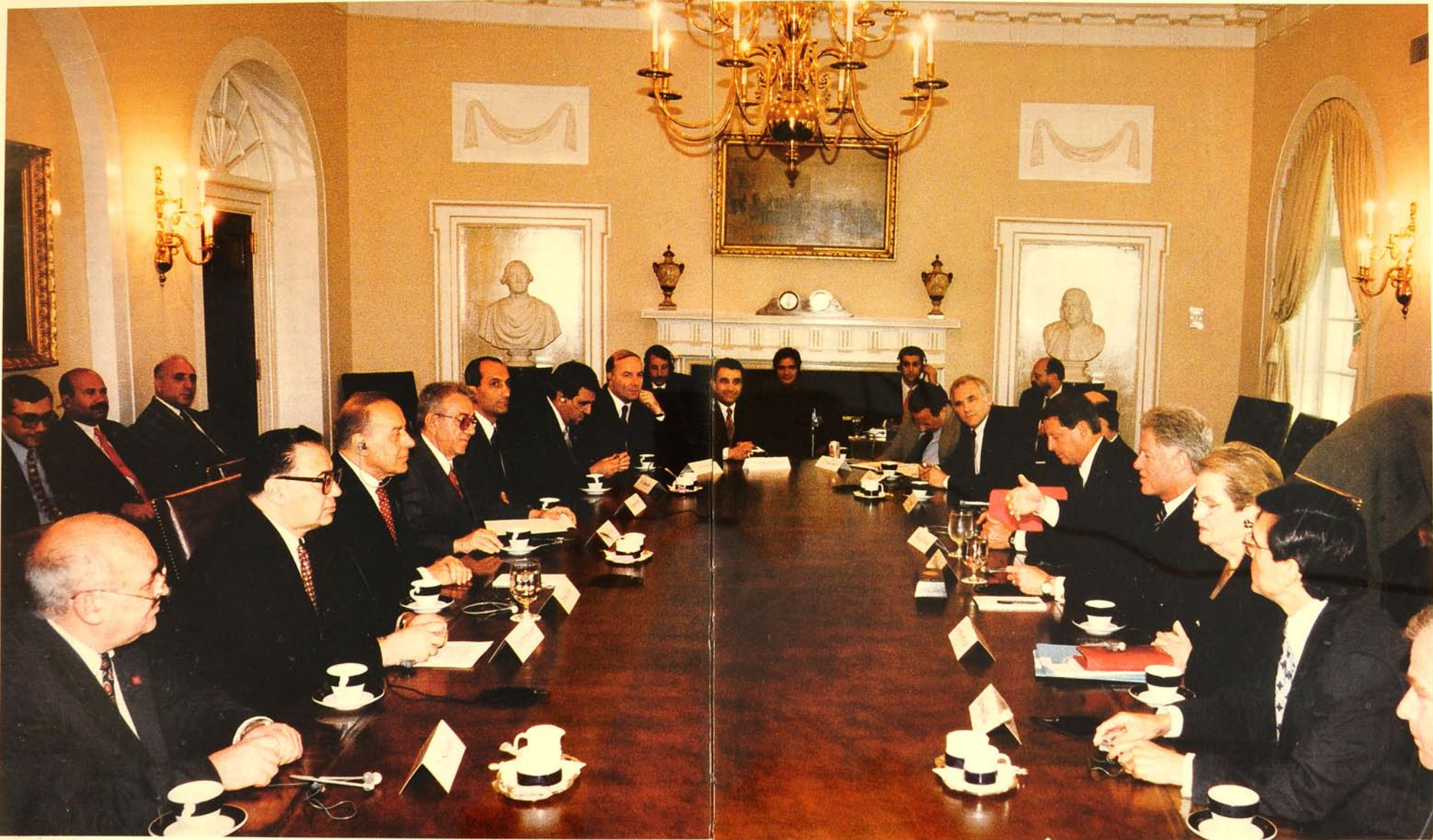
President Aliyev said he cherishes great hopes to the solution of this conflict soon and is convinced that over a million Azerbaijani refugees and displaced persons will soon return to their own lands. The head of our Republic expressed his assurance that the co-chairmen of the Minsk Group will help solve the conflict on the principles of the Lisbon Summit, and try to remove obstacles on the road to solve the conflict and settle it by the end of the year.

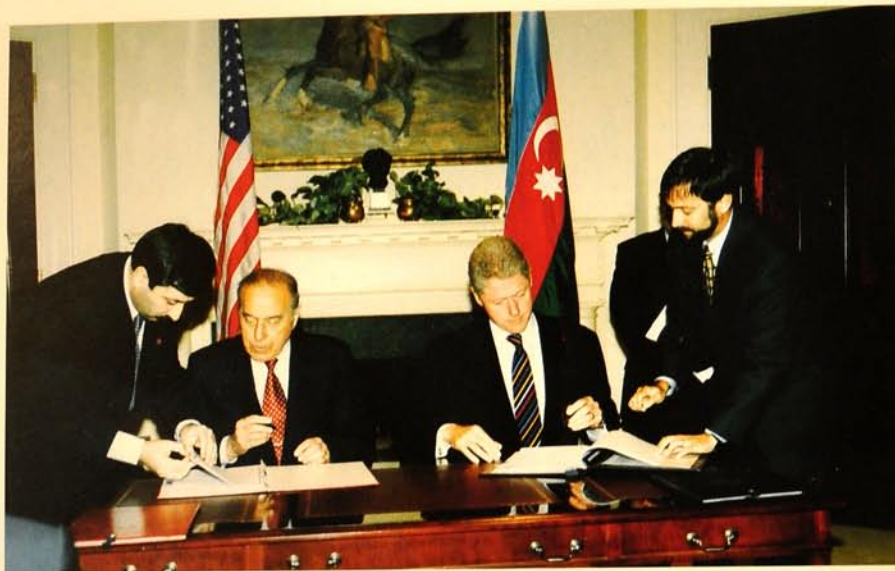
The head of the Republic of Azerbaijan spoke of the obstacles in the further revival of the Azerbaijan-U.S. relations created by Section 907 in the «Freedom Support Act» and stressed the importance of immediate removal of this Section. President Aliyev spoke of his negotiations with U.S. congressmen on this issue and expressed confidence that necessary steps will be taken to repeal this Section.

Then speaking of Azerbaijan's membership in the agreement on Conventional Forces in Europe, President Aliyev explained the measures to protect the sovereignty, security and independence of our country. He said that the independence of Azerbaijan is forever, irreversible and eternal. There are no troops and military bases any foreign states in Azerbaijan now, and there will not be any in future there.

Along with these concerns, the head of the Republic of Azerbaijan expressed anxiety about the transfer of a US\$ 1 billion worth of modern weapons by the Russian Federation to Armenia. This creates danger for regional security.







President Aliyev said Azerbaijan considers the U.S. its close friend and partner. He spoke of the existing socio-political situation, of reforms carried out to build the economy of the republic on the market relations, of the development of democracy and of the steps taken in the area of human rights protection. He stressed that Azerbaijan would continue its progress in this direction. He said that the doors of Azerbaijan are open to investments from the United States and from all over the world.

President Aliyev emphasized the fact that the achievements of the U.S. and personally those of President Clinton in the area of home and foreign policy, as well as successes in the social sphere, are met with great sympathy in Azerbaijan.

At the end of the meeting head of our nation invited the President and Vice-President of the U.S. to pay an official visit to Azerbaijan. The invitation was accepted with great satisfaction.

**THE CEREMONY FOR SIGNING A JOINT STATEMENT  
ON US-AZERBAIJAN RELATIONS AND THE TREATY BETWEEN  
THE GOVERNMENT OF THE REPUBLIC OF AZERBAIJAN  
AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA  
ON ENCOURAGEMENT AND RECIPROCAL PROTECTION  
OF INVESTMENTS**

On August 1, the ceremony of signing of the joint statement on the U.S.-Azerbaijan relations and the treaty between the Government of the Republic of Azerbaijan and



the Government of the United States on encouragement and reciprocal protection of investment was held in Roosevelt Room of the White House. President Bill Clinton and President Heydar Aliyev signed the documents.

After signing of the joint statement and the treaty, the heads of the two countries made the following statements. President Clinton took the floor first.

**Statement of Bill Clinton  
President of the United States**

I am very pleased to welcome President Aliyev and his distinguished delegation here to the White House. His visit marks a milestone in relations between our two nations. America strongly supports Azerbaijan's efforts to build strong, independent nation. We have major stakes in its success. Azerbaijan lies at the strategic crossroads between Europe, Asia and Middle East. It is a gateway to the Central Asia. It is rich in natural resources. A confident, sovereign Azerbaijan will promote stability in a troubled region, provide a secure root for East-West trade, and enable swift and reliable transport of its energy resources to the world.

Under President Aliyev's leadership, Azerbaijan has made a significant progress in meeting the challenges of independence. America wants that progress to continue. The key to that goal is an early, peaceful settlement of the tragic conflict in Nagorno Karabakh. With Russia and France in the OSCE Minsk Group, we are working with the parties to find a just and lasting solution. But the parties themselves must make difficult decisions for peace.



Only through peace can the states of the Caucasus develop their full potential. That potential is clear in Azerbaijan's vast energy resources. The Caspian Sea basin is a vital region for new oil and gas developments. The energy decisions made today will affect generations to come. When we work with Azerbaijan to tap the Caspian's resources, we do not only help Azerbaijan prosper, we also help diversify our energy supplies and strengthen our own nation's security.

The joint statement that President Aliyev and I have just signed reinforces our commitment to expand our partnership, promote regional peace, and help Azerbaijan play its rightful role in Europe's new security structures. We also signed a bilateral investment treaty to provide a better basis for our trade, development, and investment, and further strengthen our economic ties. We want Azerbaijan to become our full partner, stable in its democracy, secure in its independence, and in peace with its neighbors. It will be good for Azerbaijan and good for America as well.

Welcome, Mr. President.

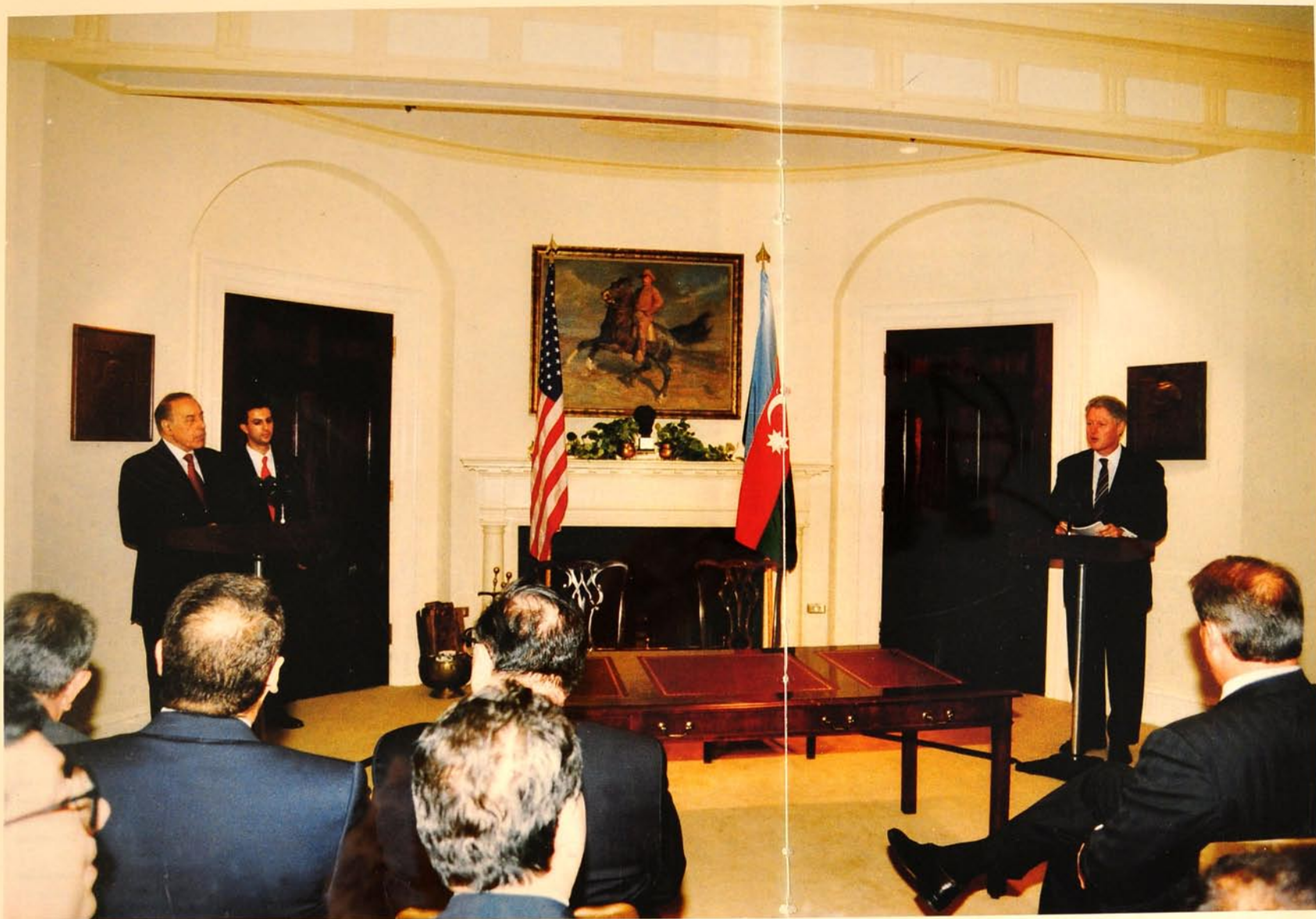


**Statement of Heydar Aliyev  
President of the Republic of Azerbaijan**

Distinguished President Bill Clinton  
Ladies and Gentlemen

First of all, I would like to extend my gratitude to you for inviting the Azerbaijani President to the United States. You have created hospitable and favorable conditions during this official visit, conducting very productive and important talks and signing the bilateral documents today.

Mr. President, I want to state that this visit is a historic event for the Azerbaijani Republic and Azerbaijani people. We highly value this opportunity and consider it a very important stage in the development of U.S.-Azerbaijani relations.



I am very satisfied that together with you, the President of the United States, I signed significant documents regarding U.S.-Azerbaijani relations. Be assured that we will implement all these treaties.

Esteemed Mr. President, the thoughts you have just expressed on our relations, Azerbaijan and the region in general, bear utmost importance to the U.S. I completely agree with and support your ideas. I think that your position on these matters will further promote U.S.-Azerbaijani relations.

The signed documents, especially the joint U.S.-Azerbaijani statement and your words on Azerbaijan, give us inspiration. You help create vast opportunities to strengthen the independence of the Azerbaijani Republic and make progress in our development.

Azerbaijan considers its independence the greatest historic achievement, and the preservation of our independence has become our honored duty. Our people are dedicated to defending our statehood and national freedom, and will do so in future. That's why establishing close cooperation with the U.S. and broadening the bilateral relations are critical to our country. We consider the United States our great friend and consider the development of relations with it our honor.

Esteemed Mr. President, your ideas are important to establishing peace in our region. I thank you for your input. We want peace and strive to resolve the Azeri-Armenian conflict in Nagorno Karabakh through peaceful means. We will exert every effort in order to settle this conflict, adhering to the principles set forth by the landmark Lisbon Meeting of OSCE. It is important that the United States is one of the members of the Minsk Group of OSCE. We welcome this and lay great hopes on the activities of the United States in this organization.



We have accepted the latest proposals of the Minsk Group as a basis to continue the negotiations. If these proposals are implemented, that is at the first stage of this plan. As the Armenian armed forces are withdrawn from six occupied Azerbaijani districts and the refugees are returned to their homes, then it will be a crucial step in the peace process. As a result of this action, it would be possible to restore the communications between Armenia and Azerbaijan.

We support the continuation of intensive talks in the framework of the Minsk Group of OSCE. Armenia, Azerbaijan, and the representatives of the Armenian community of Nagorno Karabakh participate in these negotiations. We are ready to continue the talks in this framework.

Mr. President, I want to assure you that we aspire to establish long-lasting peace. We have managed to maintain cease-fire on the front for the third year. However, the comprehensive peace would create new and productive conditions for Azerbaijan, Armenia, and the entire Caucasus region. We realize that Azerbaijan can cooperate with

its neighbors on an equal and mutually advantageous basis only when peace is established. The people of the Caucasus can prosper and develop only under the conditions of stable peace. Mr. President, I am hopeful that the United States and you, personally, will further assist to establish peace in the Caucasus - the just peace between Azerbaijan and Armenia - and restoring the territorial integrity of the Azerbaijani Republic.

The cooperation between America and Azerbaijan in exploring and developing the energy resources in the Azerbaijan sector of the Caspian Sea has been very productive. We will continue to develop this cooperation. Four documents signed today in this hall are strong evidence of our intentions. The construction of multiple pipelines including those from Central Asia across the Caspian Sea for delivering the energy resources to the world markets and the West is the priority at the moment. We will always cooperate with you in this direction as well.

Mr. President, I would like to express my hope that, thanks to your efforts, Section 907 that has been an obstacle to the development of the U.S.-Azerbaijani economic relations will soon be lifted.

The United States is a great and powerful country with a very strong economy. The U.S. has made tremendous strides in democratic values, statehood building, and protecting human rights. All these accomplishments are a vivid model for a newly independent Azerbaijan, and we will do our utmost to learn from your experience.

Today, in the Roosevelt Room of the White House, we remember Franklin Roosevelt with gratitude and recall his great deeds. Mr. Bill Clinton, today as the American President, you do a great deal for the prosperity and progress of the United States. As a result of your leadership and initiative, the American foreign policy has made substantial achievements. You have also succeeded in improving many social problems at home. Your initiatives to create ten million new jobs, eliminate the budget deficit and other proposals were welcome in America as well as in other parts of the world.

The great historic accomplishments and current progress of America are a marvelous example for many people, especially the Azerbaijanis. Mr. President, I congratulate you for these achievements and wish the American people happiness. I thank you for productive meetings, this visit, and important documents that we jointly signed.

Mr. Bill Clinton, I wish you and your family happiness and good luck in all your endeavors. Thank you!

The statement was listened very attentively and was applauded warmly.

After the signing of documents President Clinton once again shook hands with President Aliyev and said good-bye.

**CEREMONY FOR SIGNING OF THE STATEMENT ON ESTABLISHMENT  
OF A DIALOGUE BETWEEN OUR TWO COUNTRIES ON ENERGY  
DEVELOPMENT AND SIGNING OF FOUR CONTRACTS BETWEEN  
THE SOCAR AND OIL COMPANIES OF THE UNITED STATES**

On August 1, a ceremony to sign documents took place in the Roosevelt Room of the White House with U.S. Vice President Albert Gore and Heydar Aliyev, President of the Republic of Azerbaijan.



Vice President Gore's remarks opened the ceremony.

**Statement of Albert Gore  
Vice President of the United States**

I am delighted to host this historic occasion and I want to welcome President Aliyev and all of his delegation to the White House. He has just had a very productive discussion in the Oval Office, then in the Cabinet Room with President Clinton.

Today, we create a formal energy dialog between our two governments. We will also witness the signing of contracts for four major energy development projects. The energy dialog reflects the seriousness with which we view our common hopes for the development of Caspian energy resources. The commercial projects are results of long and intensive labor by Amoco, Chevron<sup>7</sup>, Exxon, and Mobil corporations along with the State Oil Company of Azerbaijan. I know that all of these initiatives are based on the idea of a mutually beneficial outcome for citizens of both of our nations, an outcome that we describe in the United States with the phrase «win-win.» Through their contracts, our companies are gaining an opportunity to contribute to the economic revitalization of Azerbaijan.

This, we hope, will contribute to the growing prosperity and independence of your nation, Mr. President, and of your entire region. Our hopes are for an era of just peace based on security and cooperation. Thus, the signings you and I are about to witness represent a milestone for Azerbaijan and for the whole Caspian region. Today will be







remembered as an historic part of an ongoing effort in which the nations of your region can connect with each other and with the world at large through commerce and trade. Azerbaijan and your neighbors must continue and succeed in emerging from the past as nations whose peoples live in justice, peace and dignity under the rule of law.

I invite you to deliver your remarks, Mr. President, and wish to say in concluding my own, Congratulations!

Then Heydar Aliyev, President of the Republic of Azerbaijan made a statement.

**Statement of Heydar Aliyev  
President of the Republic of Azerbaijan**

Distinguished Mr. Vice-President  
Distinguished Secretaries and friends

A historic event is taking place in the relations between America and Azerbaijan today. The Azerbaijan President is on his first official visit to the United States. We have held very productive meetings, and since this morning we have had very beneficial and warm talks with President Bill Clinton and his Cabinet. We have also discussed the further development of the U.S.-Azerbaijani economic cooperation during these meetings. There are immense opportunities in this area, and we ought to take advantage of them more productively. We have managed to create these opportunities starting with signing a historic «Contract of the Century» document in September of 1994. Five major American corporations participated in this contract. I should state



with great sense of satisfaction that this contract has been duly implemented. Thanks to the work of the Consortium, the first oil will flow in September of this year.

Two pipelines are under construction that will carry the oil to the West and world markets. The construction of the third major oil pipeline will be undertaken in near future.

Here in the White House, Washington, I would like to say with great pride that, fifty years ago, the Azerbaijani oilmen began producing oil from the offshore deposits in the Caspian Sea. At the end of the twentieth century, Azerbaijan brought the large and rich oil deposits of the Caspian to the attention of the world. I should note with great satisfaction that American firms are very active in these developments. We realize that the influx of the foreign investments into Azerbaijan, joining our economy to the world markets and especially creating solid economic relations with the United States, will bring a prosperous future to the Azerbaijani people.

At the same time, these relations - as well as the participation of major U.S. oil and other companies in Azerbaijan - will contribute to the development of U.S.-Azerbaijani relations in all areas. It is with a sense of satisfaction that I state that President Bill Clinton pays special attention to these problems and makes serious efforts to solve them. We closely cooperate with Vice President Al Gore in this direction, and he has contributed considerably to the implementation of these plans.

We have good working relations with the U.S. Energy Department, and I am glad that we will soon sign important documents to strengthen these relations. Mrs. Albright, the U.S. Secretary of State, has made significant contributions to developing bilateral relations. I am confident that the burgeoning relations with the U.S. Trade Department will also serve the progress of our entire economy.

Signing very important energy contracts in the White House with the participation of the American leaders is a historic event. We attach great importance to this event and believe that the contracts signed in the White House will be successfully carried out. I congratulate you with this achievement and wish us luck in implementing these treaties.

Thank you.

Statements of Vice President Gore and President Aliyev were welcomed.

Then the document were signed.

Federico Pena, Secretary of Energy of the United States and the foreign minister of Azerbaijan signed statement intentions on establishment of dialog on bilateral energy development.

Ilham Aliyev, the Firsr Vice-President of SOCAR, and Richard Matzke, the First Vice President of Chevron, signed a production sharing agreement between State Oil Company of the Republic of Azerbaijan and Chevron company on exploration and joint development of «Absheron» perspective field at the Azerbaijan sector of the Caspian Sea.

Ilham Aliyev, the Firsr Vice-President of SOCAR, and Terry Koonce, President of Exxon, signed a production sharing agreement between State Oil Company of the



Republic of Azerbaijan and Exxon company on exploration and joint development of «Nakhichevan» perspective field at the Azerbaijan sector of the Caspian Sea.

Natig Aliyev, Preesident of SOCAR, and Bill Scoggins, President of Mobil, signed a production sharing agreement between State Oil Company of the Republic of Azerbaijan and Mobil company on exploration and joint development of «Oguz» perspective field at the Azerbaijan sector of the Caspian Sea.

The fourth agreement was signed between the State Oil Company of Azerbaijan and Amoco corporation of the United States. The agreement which was signed by Natig Aliyev, President of SOCAR, and George Pitman, President of Amoco, gives exclusive right to Amoco to conduct negotiations on «Inam» perspective field at the Azerbaijan sector of the Caspian Sea.

**OFFICIAL STATE LUNCHEON IN WHITE HOUSE IN HONOR  
OF HEYDAR ALIYEV, PRESIDENT OF AZERBAIJAN,  
GIVEN BY BILL CLINTON, PRESIDENT OF THE UNITED STATES**

On August 1, after the negotiations, Bill Clinton, President of the United States, gave an official lunch in honor of the head of our nation.





The questions of development and further expansion of cooperation between our two nations were discussed in details during the luncheon. Participants analyzed the situation in the region and emphasized the need to achieve peaceful settlement of the conflict between Armenia and Azerbaijan.

Presidents Clinton and Aliyev expressed their beliefs that the OSCE Minsk Conference would play an important role in settlement of this conflict. They underlined the necessity to increase efforts and facilitate the negotiation process.

President Clinton and President Aliyev also exchanged views on joint development of energy resources at the Azerbaijan sector of the Caspian Sea, as well as on routes of pipelines to export these resources to the world markets. Both presidents emphasized special importance of Europe-Asia transport corridor to provide access for the Central Asian countries to the world markets through Azerbaijan.

President Aliyev extended an invitation to President Clinton and Vice President Gore to visit Azerbaijan. These invitations were accepted with pleasure.

**"I value results of our meetings and negotiations as an improvement of America-Azerbaijan relations to a new level",  
Heydar Aliyev, President of Azerbaijan**

Hundreds of journalists representing the United States and other countries gathered in front of the White House to hear President Aliyev statement about the results of his meetings in the White House.

President Aliyev informed the correspondents about the results of the meeting.

**Statement of Heydar Aliyev  
President of the Republic of Azerbaijan**

I greet you, the representatives of the U.S. mass media at the White House and I would like to express my respect to representatives of press.

As you may know, for the last several days I have been on an official visit in the United States at the invitation of President Bill Clinton. I have conducted very important and productive talks during these few days, and all these efforts were directed at strengthening and furthering the American-Azerbaijani relations.

Today I met with President Clinton in the White House and held comprehensive negotiations. The Azerbaijani delegation also held talks with Mr. Clinton's Administration. As a result of these intensive meetings, we have signed several documents, including a joint statement on the development of the U.S.-Azerbaijani relations. President Clinton and I also signed an important treaty on bilateral investments.

In the past few years, the U.S.-Azerbaijani economic relations have been growing. The cooperation of U.S. oil companies with the Azerbaijani State Oil Company in developing the Azerbaijani oil and gas resources has played a pivotal role in this growth. These efforts produce good, positive outcomes. We continue this trend, and today in the White House the Azerbaijani State Oil Company and American Chevron, Exxon, Mobil and Amoco signed four contracts. These contracts bear great importance to the expansion of the U.S.-Azerbaijani economic relations.





During the meeting with President Clinton, we touched on a number of issues such as the U.S.-Azerbaijani relations, the situation in the Caucasus region, the peaceful settlement of the Armenian-Azerbaijani, Nagorno-Karabakh conflict. All these problems are critical to our country.

We have also discussed the question of lifting the Section 907 adopted by the U.S. Congress against Azerbaijan in 1992. President Clinton considers the removal of this amendment necessary and will expend every effort on his part to rescind it. I am very satisfied with all my meetings and talks, and think that they indicate the new level of the U.S.-Azerbaijani relations. There is a solid cooperation between America and Azerbaijan, and it will expand even further. I give great importance to all these accomplishments.

I have noticed enormous attention given to Azerbaijan across the United States, including the White House. I feel great hospitality and kindness to U.S. and to me personally. I would like to thank Mr. President Clinton for this reception. I wish the people of the United States peace, stability, and prosperity. Thank you.

The Head of the Azerbaijani State answered the questions of reporters:

QUESTION: Did you hold any talks on the military cooperation?

ANSWER: We did not conduct any negotiations on military cooperation. I met with Defense Secretary Mr. Cohen yesterday and signed documents on joint work.

QUESTION: Mr. President, if Section 907 is lifted, what will be the benefit to Azerbaijan, and especially one million Azerbaijani refugees who have been driven from their homes?

ANSWER: The positive impact of this action will be significant since this law hinders the full development of the U.S.-Azerbaijani economic relations a great deal by prohibiting the U.S. government from providing any assistance to the Azerbaijani government. As you may know, the U.S. delivers financial aid to many countries including the states of the former Soviet Union. For instance, the U.S. furnishes direct aid to many countries neighboring Azerbaijan. Armenia, in particular, receives \$100 million in U.S. aid annually. We are deprived of such aid. If Section 907 is removed, we will, undoubtedly, receive similar assistance. Over one million Azerbaijani citizens forcibly ousted from their homes by the Armenian armed forces will get a better chance to return to their hearth, and improve their social conditions.

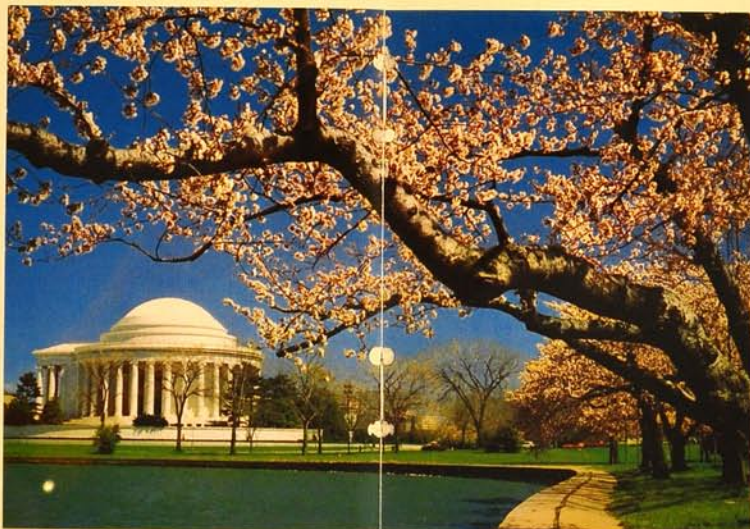
QUESTION: Mr. Clinton was supposed to submit a report on illegal arms shipments of Russia to Armenia to the Senate. Did you receive any information regarding this matter?

ANSWER: We did discuss this issue. I also raised this problem in my talks with Defense Secretary Cohen yesterday. However, communications with the Senate are the business of the President. It is likely he will submit a relevant document or report to the Senate.

QUESTION: How will the signed oil contracts affect Moscow's interests?

ANSWER: We have already taken care of Moscow's interests in Azerbaijan. Along with the American, European, Japanese, and Turkish companies, Russian companies also participate in exploiting the Azerbaijani oil deposits. Russian cooperates with the U.S. today, and will have similar opportunities tomorrow.

Good-bye, and thank you!



## IN HONOR OF THE HEAD OF THE REPUBLIC OF AZERBAIJAN

On July 29, the Embassy of the Republic of Azerbaijan in the United States gave an official reception honoring Heydar Aliyev, President of the Republic of Azerbaijan. High government officials of the United States, dignitaries, public figures and representatives of Azerbaijani community in America participated in the reception, which took place at the Williard Hotel.

Hafiz Pashayev, Extraordinary and Plenipotentiary Ambassador of the Republic of Azerbaijan to the United States, addressed the participants of the reception:

Ladies and Gentlemen

You cannot imagine the sense of pride and pleasure Azerbaijanis feel on the occasion of President Aliyev's visit to the United States and his official meeting with President Clinton on Friday.

Azerbaijan faced very difficult circumstances until 1993 when President Aliyev was elected. We were involved in full-scale war, the economy was in bad shape, our independence was at risk, the United States and the West knew very little of our new Republic. Now, under the guidance of President Aliyev, we have achieved great progress in assuring our independence, economical development, democracy and improved relations with the United States and the West. In short, within the brief period of four years, Azerbaijan has gone from an unstable, devastated former Soviet republic to a stable independent democracy. It has assumed its rightful place in the community of nations.

President Aliyev's meeting with President Clinton on Friday represents culmination of our policy both symbolically and substantively. The United States has been our partner in this progress and one of the first Americans to help U.S. was Strobe Talbott. President Clinton appointed him in 1993 to be Ambassador at large with responsibility of Russia and the new independent states of the former Soviet Union.

Other Americans have been equally supportive including Mr. Talbott's successor James Collins, Ambassadors Dick Miles and Richard Kozlarich, National Security Advisors Tony Lake and Sandy Berger. Secretary of State Madeline Albright was the highest-ranking official to visit Azerbaijan when she was the U.S. Ambassador to the United Nations.

Both President Clinton and Vice President Gore have had many meetings with President Aliyev and have been very attentive to our concerns.

Mr. Talbott is now a Deputy Secretary of State and we are very honored by his presence tonight. I will introduce Secretary Talbot by expressing to him the appreciation of all Azerbaijanis for the steadfast course of the United States during our transition to an independent, free and democratic Republic.

Strob Talbott, Deputy Secretary of State of the United States, made a statement.

### Statement of Strob Talbott, Deputy Secretary of State

Thank you very much, Ambassador Pashayev, for that introduction and for your hospitality here this evening. Secretary Albright also sends her greetings. She is hurrying home from Guadeloupe in order to be here on Friday to meet with you, Mr. President.

You have a full week ahead of you, Mr. President. You will have meetings with President Clinton and senior members of the government with representatives from Congress and with leaders of the American business community. The fullness of your program bespeaks the increasingly close relationship that exists between Azerbaijan and the United States.

As Ambassador Pashayev says, I have been fortunate to have a chance myself to witness and participate in the development of that relationship. I've also been able to watch as Azerbaijan has made a strategic decision to pursue economic reform and open its doors to western investment. It has been able to expand security and cooperation with its neighbors in the international community as well.

On Friday when you meet in the Oval Office, you and President Clinton will discuss ways to strengthen economic ties between our countries. You will also discuss Azerbaijan's place in the emerging Euro-Atlantic community of democracy that stretches from the West side of the Atlantic to the East side of the Urals. In addition, I am sure that you and President Clinton will review our ongoing efforts to end the war over Nagorno Karabakh, which threatens the stability and its necessity for both sustained economic growth and democratization.

The United States is committed to helping bring about a solution to that conflict through its close co-chairmanship with Russia and France of the OSCE Minsk Group. My own last visit to the region with my Russian and French co-chair and partners convinced me that all the parties were willing to work for a compromise. There is a genuine chance for a break-through and a settlement before this year is over.

Mr. President, I remember very well the words you told me during my last visit to Baku. You spoke eloquently about the connections that exist between peace and prosperity, between peace and security, and between the well-being of your own people and that of your neighbors. If we use your visit here this week to make good on those connections, then we will succeed in strengthening the one that exists between the United States and Azerbaijan.

Now, ladies and gentlemen, it is my great pleasure to introduce to you the President Republic of Azerbaijan, his Excellency, Heydar Aliyev.

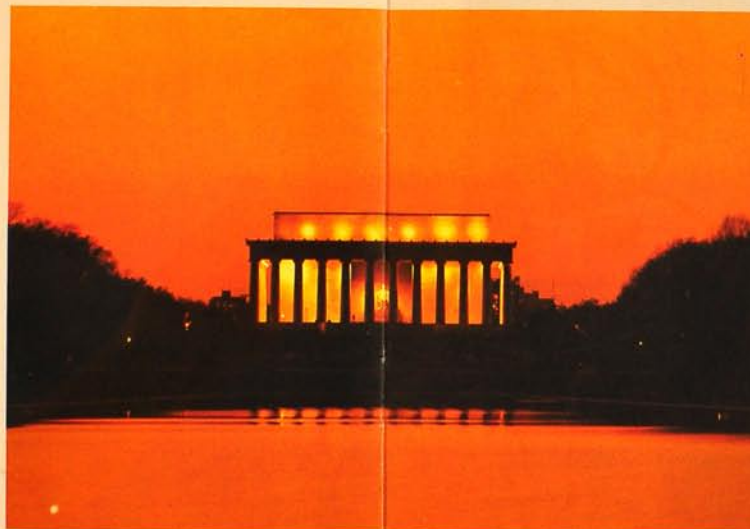
**Statement of Heydar Aliyev  
President of the Republic of Azerbaijan**

Distinguished Mr. Talbott  
Dear ladies and gentlemen

I would like to greet all of you and express my satisfaction at the opportunity to meet with you shortly after my arrival in the U.S. capital, Washington.

I have been in the United States three days, and arrived in Washington three hours ago. This is an official visit of the Azerbaijani President to the U.S. at the invitation of President Bill Clinton. I would like to thank Mr. Clinton for extending an official invitation to me to visit the U.S. The Azerbaijan Republic, the Azerbaijani people who I represent, lay great hopes on this visit.

The United States was one of the first countries to recognize the independence of the Azerbaijani Republic. Since that time, the relations between the two countries have been broadening. We have already established close working relations in several areas. The cooperation between the U.S. oil companies and Azerbaijan are of special importance.



I am looking forward to all the meetings in Washington. I hope that these meetings will be fruitful and propel the U.S.-Azerbaijani relations even further. I attach special significance to my meeting with President Clinton since my visit to the United States was possible thanks to his official invitation. I am optimistic that our meeting will proceed in a friendly, sincere and productive environment.

I consider my meetings with the U.S. Senate and Congress members important as well, and I will do all in my power to promote the U.S.-Azerbaijani relations in these talks.

I have had several meetings with President Clinton so far, and all of them were held in a friendly and sincere atmosphere. We have established good communications channels. The telephone conversations, correspondence and other means have considerably augmented our communications.

However, I have met only those Congressmen and Senators who have visited Azerbaijan. That's why I intend to meet a large number of U.S. legislators, and express my hope that such meetings will become possible.

There are gigantic opportunities to broaden and strengthen our economic relations. In addition to the close involvement of the American oil companies in exploration of the Azeri energy resources, there is also an immense potential for the U.S. firms to participate in other industries of Azerbaijan. My visit's agenda includes the discussion of these issues and signing specific contracts.

President Clinton and I will discuss a plethora of problems. Nevertheless, our principal goal is to end the Azerbaijani-Armenian Nagorno-Karabakh conflict, liberate the Azeri lands occupied by Armenia, and establish a long-lasting and secure peace between Azerbaijan and Armenia. As you know, the aggression of the Armenian Republic against Azerbaijan resulted in the occupation of 20% of Azerbaijan's territory by the Armenian armed forces. Over one million Azerbaijani citizens were driven out of their homes on the occupied lands. Most of these people live in tents in terrible conditions.

Despite these losses inflicted on Azerbaijan, we still stand for the peaceful solution of the Azeri-Armenian, Nagorno-Karabakh conflict. That's why we managed to establish a cease-fire in the Armenian-Azerbaijani conflict. We have maintained the cease-fire for the third year in a row. However, we strive to establish stable peace. This is the reason that we highly appreciate the work done by the Minsk Group of the OSCE. We whole-heartedly accept the principles on peaceful settlement of the Azeri-Armenian, Nagorno-Karabakh conflict adopted by the Lisbon Summit of OSCE last year.

These principles consist of three elements: recognition of the territorial integrity of the Azerbaijani and Armenian Republics, granting a high-degree autonomy to Nagorno-Karabakh and finally, guaranteeing the security of the entire population of Nagorno-Karabakh. We have made considerable compromise in order to accept these principles and consider the settlement of the conflict based on these principles feasible.

We have gladly accepted the fact that the Minsk Group has three co-chairs: Russia, United States and France. The fact that these three countries have assumed such a responsibility, as Mr. Talbott has noted here, has created realistic and favorable conditions to solve the Armenian-Azeri conflict in a peaceful manner in 1997. The joint statement on the settlement of the Armenian-Azeri conflict made by the presidents of three countries - Mr. Bill Clinton, Mr. Boris Yeltsin and Mr. Jacques Chirac, on June 20 in Denver encourages us.



We are pleased that the co-chairs of the Minsk Group and their representatives have already embarked on their responsibilities. In this respect, I highly regard active contributions of Mr. Talbott who is the co-chairman from the United States. Esteemed Mr. Talbott, I would like to reiterate what I have told you during your visit to Baku: Azerbaijan wants peace; Azerbaijan wants peace in the country, in the region and entire world. Azerbaijan wants to put an end to the conflict with Armenia and establish secure and long-lasting peace.

We have accepted the latest proposals of the Minsk Group as the basis to intensify the peace negotiations. I think that if we worked diligently on the proposals and intensified the negotiating process, we could truly make a serious step toward the peaceful settlement of the conflict in 1997.

I have come to the United States with these desires and plans. I am eager to meet with President Clinton to discuss these issues. I would like to express my hope again that our meetings will be very fruitful, and they will elevate our bilateral relations to the next level. I thank you all for attending this meeting and wish you good health and happiness. I wish the people of the United States of America peace, progress and happiness. Thank you!



The meeting of Heydar Aliyev, President of Azerbaijan was listened very attentively and was stormy applauded.

The participants of the meeting surrounded the head of our state. They asked questions, shared their views and made comments. President of Azerbaijan had a friendly discussions with them and listened to their wishes and proposals.

President Aliyev had a conversation with Congressman Peter King and said that he wanted to meet him separately. You have offered a good draft bill to repeal section 907.

Mr. King addressing President Aliyev said: You deserve our support. President of Azerbaijan added that as soon as he heard about this news he wanted to meet Congressman King. He said: I invite you to Azerbaijan and I want you to be my guest. I will visit Congress and we can meet their. We need to turn your draft into reality.

The official reception was held in a friendly atmosphere.



## IMPORTANT MEETINGS AT THE US CONGRESS

On July 30th, Heydar Aliyev, President of the Republic of Azerbaijan, held very important meetings with members of the U.S. Congress. These detailed meetings discussed the problems faced by Azerbaijan with the Congress as well as taking necessary measures to eliminate those problems.

Members of the Congress welcomed the head of our country with great honor and respect, and informed the leader of the Republic about the structure of the Congress. President Aliyev spent the most part of the day in the Capitol and signed the book for the Congress' honorable guests.



### MEETING OF HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC OF AZERBAIJAN, WITH NEWT GINGRICH, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND WITH LEADERSHIP OF REPUBLICAN PARTY AT THE HOUSE

On July 30th, Heydar Aliyev, President of Azerbaijan met with Newt Gingrich, Speaker of the House of Representatives, and Congressmen John Boehner, Tom DeLay, Chris Cox, John Linder, who are Republican officials.

Mr. Gingrich welcomed our leader on his behalf and on behalf of his colleagues, and he expressed their pleasure in meeting Heydar Aliyev, one of the famous politicians of the world. He expressed his reassurance that the official visit would be an important milestone in strengthening Azerbaijan-American cooperation.

The leader of our Republic gave detailed insights about the economical and political situation in Azerbaijan. He talked about improvements in building the democratic and legitimate country in our Republic, and implementing reforms. President Aliyev spoke further about the protection of human rights in the Azerbaijan Republic, and pluralism of opinion, freedom of speech, language, religion and conscience. He highlighted the steadfastness of the independence in our country.

The leader of our Republic explained the reasons for the Armenian-Azerbaijan conflict that started in 1988. He noted that, as a result of this aggression, 20 percent of the Azerbaijan territory had been occupied. More than one million citizens had been forced to leave their homes and live in severe conditions in tents. All the wealth of our people in occupied territories including historical, cultural and art monuments had been vandalized.

He discussed three main principles of solving this conflict, which were accepted by the members of OSCE at the summit conference in Lisbon. The leader of our Republic showed the occupied territories on the map and gave details about the current situation created as a result of Armenian aggression. He declared the «blockade» image created by Armenian lobby to be false. In fact, it was the other way around, that Azerbaijan was in a blockade.

He talked about OSCE Minsk Group, headed by the U.S., Russia, France, and stated that the government of Azerbaijan was working hard to solve that problem based on the principles accepted at the summit conference in Lisbon.

President Aliyev expressed Armenia's negligence towards the international judicial norms and resolutions adopted by the international organizations. He noted that Nagorno Karabakh had always been an integral part of Azerbaijan, saying his country leaders would never let a second Armenia be created on the territory of Azerbaijan.



The world should not accept the creation of the second Armenian government, either.

In spite of the Armenian aggression to Azerbaijan, Congress had accepted Section 907 to the «Freedom Support Act» that impeded the further strengthening of the Azerbaijan-American cooperation. The leader of our country expressed his assurance that congressmen would give special consideration to eliminating that amendment. He presented Mr. Gingrich the draft of liquidation of the Section 907 developed by Congressman Peter King. Mr. Gingrich noticed the importance of quick liquidation of the Section 907, expressing his assurance on the support by the majority of congressmen.

President Aliyev noted the partnership between Azerbaijan and America had been rapidly improving. He mentioned joint development of the oil-fields on Azerbaijan sector of the Caspian Sea with U.S. companies, and many other spheres in our country that would be attractive agreements for both sides.

Mr. Gingrich also expressed Congress' support in building a democratic, legitimate country and implementing reforms in Azerbaijan. Mr. Gingrich mentioned the special prestige of Azerbaijan in Caucasian region and the U.S. interest in partnership with our country. He highly praised the efforts of our leader in strengthening Azerbaijan-American cooperation.

President Aliyev invited Mr. Gingrich to Azerbaijan. The Speaker mentioned the information he got from books about Azerbaijan's history, rich culture and art. In accepting the invitation, he expressed appreciation for the opportunity to make his dream come true and getting to know more in depth.

MEETING OF HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC  
OF AZERBAIJAN WITH BENJAMIN GILMAN,  
CHAIRMAN OF FOREIGN RELATIONS COMMITTEE  
AND OTHER MEMBERS OF THE COMMITTEE

On July 30th, Heydar Aliyev, President of the Republic of Azerbaijan, met with Benjamin Gilman, Chairman the Foreign Relations Committee and other members of committee. The following congressmen participated at that meeting: Ileana Ros-Lehtinen, Gary Ackerman, Walter Jones, Steve Rothman, John Boehner, Lee Hamilton, Chet Edwards, Frank Pallone, Tom Lantos, Joe Barton, Dana Rohrabacher, Doug Bereuter, Tom Campbell, Brad Sherman, Christopher Smith, Steve Chabot, Don Manzullo, Kevin Brady, Peter King and other officials.

Mr. Gilman said that they were honored to meet outstanding statesman Heydar Aliyev and thanked the President for his time to meet members of his committee.

Mr. Gilman, calling the trip of the head of Azerbaijan a historical event, highlighted the interest of both the U.S. and Congress in strengthening relations between two countries.

Mr. Gilman emphasized that US Congress welcomed and supported measures taken in Azerbaijan under the leadership of President Aliyev to build a democratic state with the rule law and to implement reforms.

He praised President Aliyev as a farsighted politician well known both around the world and in the U.S. He also expressed his assurance that in the near future Azerbaijan would be transformed into one of the most developed countries.

Mr. Gilman noted the high level of interest of members of the House of Representatives' Foreign Relations Committee in successfully implementing reforms in our Republic. He was pleased to note the successful and timely elimination of problems under the wise strategy of President Aliyev, who has protected the independence of the Azerbaijan Republic. Since the overwhelming majority of the U.S. Congress was for repeal of the Section 907, he stated that most probably it would be positively considered in the near future.

Mr. Lee Hamilton, one of the most honored congressmen in the U.S., praised the efforts of President Aliyev in moving Azerbaijan to democratic development. Mr. Hamilton commended him for recent measures taken to protect human rights and freedom in Azerbaijan. Other Congressmen who participated also spoke very highly of President Aliyev.

President of Azerbaijan thanked Mr. Gilman and members of Foreign Relations Committee for an open, friendly meeting and for kind words. He talked with satisfaction about the current status of relations between Azerbaijan and the United States.

President Aliyev emphasized the need for further strengthening ties between the Congress of the United States which has a long and honorable traditions, and independent Republic of Azerbaijan. He also expressed his pleasure that chairman and members of Foreign Relations Committee were very interested in democratic processes in Azerbaijan.

The leader of our Republic mentioned his friendly relations with President Clinton and other U.S. officials that had been building recently. He discussed in details the current political and economic situation in Azerbaijan, and its efforts in building democratic legitimate system in the Republic that chose the market economy.

President Aliyev talked about the Armenian-Azerbaijan conflict, the most painful problem in the Republic. As a result of the military aggression that had continued



since 1988, our country had suffered tremendous losses. About 20 percent of the Azerbaijan territory had been occupied by the Armenian army. More than one million refugees were forced to leave their homes and had to live in severe conditions in tents.

The leader of our Republic talked about solving this conflict using principles accepted by the member countries of OSCE at the summit conference in Lisbon in December, 1996. He expressed pleasure at the efforts taken by co-chairmen of Minsk Group, especially by the U.S., and referred to the resolution about peaceful solution of Armenian-Azerbaijan conflict signed by Presidents Bill Clinton, Boris Yeltsin, Jacques Chirac in Denver, 1997.

The leader of our country expressed his dissatisfaction about Section 907 to the «Freedom Support Act» passed by the U.S. Congress. He said a lot depended on congressmen's efforts to eliminate that amendment, that it impeded the further strengthening of the relations between Azerbaijan and America.

Mr. Pallone mentioned an alleged article of the Constitution that gave Nagorno Karabakh the right of self-determination. This was supposedly passed during the crash of the U.S.S.R. He stated that Nagorno Karabakh once had a law of independence, which was adopted based on a referendum.

President Aliyev responded by noting that Nagorno Karabakh had always been a part of Azerbaijan. In 1923 within Azerbaijan, there was formed a Nagorno Karabakh Autonomous Region. In 1988, when the conflict started, the population of Nagorno Karabakh was 170,000 people: 70 percent Armenians and 30 percent Azerbaijanians. Nagorno Karabakh was an integral part of Azerbaijan. In 1988, back in the Soviet

Union, the Soviet leaders made an order without any legal justification to join Nagorno Karabakh with Armenia. The war and bloodshed started right after that.

President Aliyev explained in details the situation around the conflict on the map to the Congressman and to other participants of the meeting.

The congressmen valued the visit of President Aliyev to the United States as a historical event and once again expressed their feelings of honor for meeting outstanding statesman of our era. They expressed their support to just cause of Azerbaijan, and their pleasure that Azerbaijan did not tolerate any foreign troops on its territory. They said they were aware that this was possible only because of the wise policy of Heydar Aliyev.

Other issues related to strengthening Azerbaijan-America relations were discussed during the meeting.

President Aliyev answered in details to questions of members of Foreign Relations Committee.

**MEETING OF HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC  
OF AZERBAIJAN WITH ROBERT LIVINGSTON,  
CHAIRMAN OF APPROPRIATIONS COMMITTEE  
OF THE HOUSE OF REPRESENTATIVES**

On July 30th President Aliyev met with Robert Livingston, Chairman of the Appropriations Committee of the House of Representatives.

Mr. Livingston welcomed the leader of our country. He appreciated the first official visit of the President Aliyev as a historical event both for our people and countries.

Mr. Livingston thanked President Aliyev for finding time to come and visit Capitol, meet members of House of Representatives and Senators in Congress during early days of his stay in Washington. Mr. Livingston emphasized importance of such meeting in strengthening further mutually beneficial relations between our two countries. He informed him about the Appropriations Committee of the House of Representatives activities, saying that though they were not actively involved in foreign policy, this committee was important in financing those issues.

Mr. Livingston said that he considered Azerbaijan as a friendly country. He highly appreciated the meeting with President Aliyev and expressed his hope that this friendship would be eternal.

President Aliyev expressed gratitude to Mr. Livingston for his kind words and expressed his pleasure of meeting him.

The leader of the country expressed the special interest of the young independent Republic of Azerbaijan in strengthening and developing cooperation with America and other countries of the world.

Talking about contracts signed on joint development of oilfields in Azerbaijan sector of the Caspian Sea, President Aliyev mentioned the close participation of many U.S. prestigious companies and their large share in these contracts. He stated the importance of cooperation in other areas of the economy.

The leader of our Republic mentioned Armenian aggression toward Azerbaijan and Armenia's occupation of 20 percent of the territory of Azerbaijan. More than one million refugees were forced to leave their homes and had to live under very severe conditions in tents. He expressed his dissatisfaction about Section 907 to the



«Freedom Support Act» accepted in 1992 by the U.S. Congress that was still in force. He also expressed his assurance that, in the near future, members of Congress would take the necessary measures to eliminate this unfair amendment.

They also discussed establishing relations between the Appropriations Committee of the House of Representatives and Azerbaijan at the meeting.

**MEETING OF HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC  
OF AZERBAIJAN WITH SONNY CALLAHAN,  
CHAIRMAN OF SUBCOMMITTEE OF THE HOUSE  
OF REPRESENTATIVES, AND WITH OTHER CONGRESSMEN**

On July 30th, President Aliyev met Sonny Callahan, Chairman of the Subcommittee for Appropriations of the House of Representatives in Washington.

Several issues were discussed during the meeting in which the following congressmen also participated: Joe Knollenberg, Ron Packard, Jim Moran, Nancy Pelosi, John Porter, Esteban Torres and other officials. Congressmen expressed their pleasure

to have an opportunity to meet President Aliyev and added that their knowledge about Azerbaijan were enriched as a result of this meeting.

Sonny Callahan informed the President Heydar Aliyev about the activity of the House of Representatives and subcommittee headed by him.

Ms. Nancy Pelosi, who has a great reputation in a faction of the Democratic Party, welcomed President Aliyev on her behalf and on behalf of her colleagues and expressed her hope that peace would be ensured in the Caucasus region soon. She wished President Aliyev a good luck in implementing the democratic processes in Azerbaijan. According to Ms. Pelosi, the first official visit of the Azerbaijan leader to the United States of America would help overcome difficulties that might arise in that process.

President Aliyev expressed his pleasure at meeting the congressmen and reminded them about Section 907 to the «Freedom Support Act» passed in 1992. He highlighted the importance of the liquidation of that unfair amendment that prohibited the financial aid to our country. Azerbaijan leader expressed his hope that, as an expert in the area of foreign financial operations, they would take an objective position in this issue. President Aliyev called on the participants to vote in favor of the draft proposed by congressman King to eliminate Section 907.

The leader of our country talked about strengthening relations between Azerbaijan and United States, stating that the cooperation with the US big oil companies would get better in the coming millennium.

He reminded them that Azerbaijan was the only country in Caucasian region that had no foreign troops on its territory. He gave details on the following issues: the key aspects of internal and external policy of Azerbaijan, works done to protect the independence, guarantee of political and economical situation in our Republic, protection of human rights, political pluralism, freedom of speech and religion, uninterrupted efforts in implementing reforms.

President Aliyev called the Armenian-Azerbaijan conflict the most harmful problem, saying Azerbaijan is seeking a peaceful solution. That was why we accepted and followed the proposals made by the co-chairmen of OSCE Minsk Group.

Congressmen Joe Knollenberg expressed the America's positive reaction on the official visit of the leader of our country, and he noted the importance of strengthening the economical relations. According to Mr. Knollenberg, Azerbaijan had large potential for that. The congressman expressed his desire to visit our country and help to solve the Armenian-Azerbaijan conflict.

Estaban Torres, representative of California, expressed the importance of achieving peace and stability in Caucasian region by means of negotiations. President Aliyev stated that necessary measures are being taken to achieve it.

At the end of the meeting, Congressman Sonny Callahan praised the President Aliyev on behalf of the committee members, and stated their desire to achieve peace in the region. Mr. Callahan mentioned the democratic processes taken place in Azerbaijan, including protection of human rights and implementation of the successful economic reforms. He reassured the leader of the Azerbaijan Republic that he would support the elimination of the Section 907 and promote the establishment of the peace in the region.



#### MEETING OF HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC OF AZERBAIJAN, WITH SENATOR ROBERT BYRD

On July 30th, President Aliyev met with Senator Robert Byrd in Washington. Mr. Byrd cordially welcomed the leader of our country and expressed his assurance that the President's official visit to U.S. would be important step in strengthening the American-Azerbaijan relations. Mr. Byrd informed the President about the Senate. He appreciated the fact that Azerbaijan joined the agreement on idle weapons in Europe. He also highlighted the fact that he appealed to President Bill Clinton on illegal support of Armenia by Russia who supplies them with weapons. He requested the president to investigate that issue and inform the Senate about the results. Mr. Byrd stated he would keep a consistent track on that matter. *madele*

Mr. Byrd talked about the strengthening of economic relations between two countries, and he was interested in transportation of oil that would be produced in Azerbaijan.

President Aliyev appreciated the senator for his interest in Azerbaijan and gave detailed information on our country. The leader of our country appreciated the position of Mr. Byrd on illegal supply of the weapon to Armenia by Russia as objective one.

In answering questions asked by the senator on the transportation of oil, he stated that the position of the United States on the pipeline route had always been considered.

The leader of our country invited the senator to Azerbaijan. Mr. Byrd appreciated the invitation and accepted it with pleasure.



**MEETING OF HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC  
OF AZERBAIJAN WITH SENATOR SAM BROWNBACK**

On July 30th, President Aliyev met with Senator Sam Brownback in Washington. Mr. Brownback stated that he was informed about successful processes carried out in different spheres of the life in our country, including democratization, establishment of market relations. He highly appreciated all the efforts of the Azerbaijan president made in those spheres.

President Aliyev named the Senator Brownback a close friend of our country. He talked about work done in building of the independent Republic and the problems he faced with. The leader of our country emphasized that the most harmful problem was the conflict started as a result of the military aggression of Armenia to Azerbaijan. The leader of our Republic gave an insight to the hard consequences of the Armenian aggression and he stated that in spite of all those troubles, Azerbaijan was for peaceful solution of that conflict. Along with that, President Aliyev emphasized the resent proposals, made by OSCE Minsk Group present co-chairmen on the peaceful solution of the Armenian-Azerbaijan conflict. He expressed great expectations in solution of the problem based on the resolution signed by the Presidents of U.S., Russia and France in Denver. The Azerbaijan President stated that though we were not quite happy with the co-chairmen's proposals, we accepted those proposals for the sake of establishing peace in the region. We took a constructive position on that issue, intensifying negotiations. So far Armenian side had not approved it.



President Aliyev reassured the senator that Azerbaijan would never stop moving towards independence. It would continue to develop the construction of legitimate and democratic country. It would do its best to strengthen Azerbaijan-American relations.

President Heydar Aliyev talked about unfair bill passed by the US Congress against Azerbaijan. He requested the senator to support the draft of elimination of the Section 907, proposed by Congressman King.

Senator Brownback expressed a great hope and confidence in the solution of that problem to the favor of Azerbaijan. He emphasized that he would do his best to make sure that it would happen.

**MEETING OF HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC  
OF AZERBAIJAN, WITH MEMBERS OF SENATE  
FOREIGN RELATIONS COMMITTEE**

On July 30th, President Aliyev had another meeting with the members of the Senate Foreign Relations Committee in Washington. The following senators participated at the meeting: Sam Brownback, Chuck Robb, Robert Byrd, John McCain, Patrick Leahy, Gordon Smith.

Senator Brownback opening the meeting highly appreciated the official visit of President Aliyev to the United States. He said that the visit would play an exclusive role in development of relations between our countries.



The leader of our Republic talked about his impressions and his meetings with members of other committees. He noted that the members of Congress had very broad information about the Azerbaijan Republic and processes that had been taking place there. Our goal was to strengthen and enlarge the Azerbaijan-American relations.

President Aliyev talked about the importance of establishing stability in Caucasus region. He noted that he was giving a high priority to OSCE Minsk Group activity, and that Azerbaijan was expecting the support of prestigious international organizations to help resolve that conflict created as a result of Armenian military aggression. It was mentioned that 53 member countries of OSCE voted for three principles accepted at Lisbon summit conference. Armenia was the only country that voted against it. The leader of our Republic emphasized the recent proposals made by OSCE Minsk Group co-chairmen. He stated that, so far, Armenia had not accepted those proposals and was still trying to get the status of the independent country for Nagorno Karabakh. But we would never let anything happen to the territorial integrity of our country or let a second Armenian country be created on Azerbaijan soil.

The leader of our country talked about Section 907 against Azerbaijan. He noted that the Congressmen stated they would do their best to support the elimination of that

amendment. He talked about the relations between two countries, specifying the economic cooperation and the importance of elimination of the Section 907. That was a major problem in strengthening the Azerbaijan-American relations, and he asked the congressmen to take an objective position in that issue.

The head of our state emphasized that Azerbaijan was advancing with resolve on along the path of maintaining and strengthening independence of Azerbaijan, pursuing democratic and economic reforms in the country.

Senator Gordon Smith stated that American society and political circles highly appreciated the official visit of the Azerbaijani President to United States of America. He said that President Aliyev's meeting at the Congress would lay a strong foundation for development of relations between our countries. Mr. Smith noted that though part of the territory had been occupied as a result of the Armenian aggression, Azerbaijan was successfully implementing the building of society based on new principles. Senator also announced his intention to visit Azerbaijan.

Senator Chuck Rob expressed his pleasure of meeting the great politician, outstanding statesman and leader of Azerbaijan and hearing his speech at the George Town University with admiration. He highly appreciated that President Aliyev conveyed detailed information about Azerbaijan during his speech. Mr. Rob noted that the Azerbaijani President explained to the large audience the importance of proposals on peaceful solution of Armenian-Azerbaijan conflict, made by OSCE Minsk Group co-chairmen, very well. He had referred to a map and other documentation, showing him to be highly erudite leader with deep thinking because he interpreted the current situation with reliable facts.

President Aliyev thanked Senator for kind words and expressed his pleasure that American public was well informed about our country. He expressed his assurance that relations between our countries will expand further.

Senator McCain expressed his great interest in our Republic, and had detailed information on the implementation of reforms. He noted his intention to visit Baku to get to know our Republic better. He stated that he would do his best to support the elimination of the Section 907 that prohibited the aid of American government to Azerbaijan, and the development of relations between two countries.

Senator Brownback stated that the meetings of the Azerbaijan leader in the U.S. Congress would play a great part both in development of the relations between countries as well as the governments of the two nations. Mr. Brownback reassured that members of the Senate would do their best to strengthen the American-Azerbaijan relations. They would make fair decision to guarantee the interests of Azerbaijan.

President Aliyev expressed satisfaction of meeting Senators and invited them to visit Azerbaijan. The invitation was accepted with pleasure.

President Aliyev's meetings at the Congress lasted more than five hours. He had a detailed exchange of views about the issues related to development and expansion of relations between our countries, main problems faced by Azerbaijan, including the conflict between Armenia and Azerbaijan, and repeal of Section 907.

After the meetings at the Congress reception was given in honor of President Aliyev in Capitol building.



MEETING OF HEYDAR ALIYEV,  
PRESIDENT OF REPUBLIC OF AZERBAIJAN,  
WITH CONGRESSMAN PETER KING

On July 30th, President Aliyev met with Congressman Peter King in Washington. Mr. King expressed his pleasure of meeting the leader of our country. He also emphasized the good impressions of members of the Congress on the meetings with President Aliyev throughout the day. He appreciated those negotiations historically important in the further development of the relations between two countries.

President Aliyev expressed his gratitude to Mr. King for preparing and presenting the draft on liquidation of the Section 907 against our country, calling Mr. King a fair and brave congressman. He highly appreciated the congressman for understanding the unfair measure taken by the Congress, and for his valuable proposals to eliminate it. With that fair step taken, Mr. King would go down in history of the Azerbaijan Republic. The leader of our country invited the congressman to visit Azerbaijan.

Mr. King informed the president that he had prepared the effective work plan and program to promote the acceptance of the proposed draft. He noted that every American who liked Azerbaijan and appreciated the relations between our two countries would support the elimination of the Section 907. President of Azerbaijan emphasized the need to consolidate efforts to repeal the unjust article of the law.

After the meeting Congressman King once again expressed his feelings about the official visit of President to the United States:

"President Aliyev's visit is very important visit. His meeting with Congressmen at the Capitol building were very positive. I believe the rest of his visit particular his meetings with President Clinton will also be very fruitful. President Aliyev has done great job in development of closer ties between the United States and Azerbaijan. Very strong diplomatic, security and economic relations have been established between our countries. We have a very high respect and consideration to President Heydar Aliyev and to Azerbaijan.

#### MEETING OF HEYDAR ALIYEV, PRESIDENT OF AZERBAIJAN, WITH JOURNALISTS AT THE CONGRESS

The first official visit of President of the Azerbaijan Republic Heydar Aliyev to the United States of America was the focus of attention of the representatives of mass media of the U.S. and all over the world.

After the meeting came to an end President Aliyev answered the journalists' questions.

QUESTION: Mr. President, please briefly tell us about the results of your meetings, and what is the opinion of the members of Congress about Section 907?



ANSWER: The meetings I had so far were very successful, and I do believe that the forthcoming meetings will be also successful. I am very pleased on the results of all negotiations and meetings. Everybody welcomes us very friendly, and we have very open and sincere discussions. New opportunities are being discovered to develop American-Azerbaijan relations.

We discussed all the questions related to Azerbaijan in the Parliament today. First, we touched upon such issues as peaceful solution of the Armenian-Azerbaijan conflict in Nagorno Karabakh, elimination of the Section 907 that puts an embargo to American aid to Azerbaijan. Meetings both held in the House of Representatives and in Senate demonstrate that elimination of this amendment is being accepted. I hope necessary measures will be taken soon to eliminate Section 907. The draft bill to eliminate Section 907, presented by Mr. King, is getting support. Mr. Gingrich, Speaker of the House of Representatives, also supports the elimination of the Section 907.

I had very important and productive discussions with the Senator Byrd. We also had a very productive meeting with Mr. Brownback, a very close friend of Azerbaijan.

SAM BROWNBACK: We are now in a hurry to meet another group of Senators. We are pleased to host Mr. Heydar Aliyev, President of the Azerbaijan Republic. The interest of the Congress of United States of America in the whole region, Caucasus and Central Asia, is growing. The achievement of peace in the region is our focus. It is very important that Azerbaijan, Georgia, Kazakhstan, Uzbekistan, Kyrgyzstan, all the countries in Central Asia including Armenia, should walk together to improve regional cooperation. Doing so will be mutually supportive to protect their independence which is very important. We all should do our best to make sure that these countries develop and progress together.

Now I apologize, other Senators are waiting for us.

#### OFFICIAL RECEPTION IN HONOR OF THE HEAD OF OUR STATE IN THE NATIONAL CONSTRUCTION MUSEUM

On July 30th, the United States-Azerbaijan Chamber of Commerce gave an official reception in honor of Heydar Aliyev, President of Azerbaijan, in the National Construction Museum of Washington.

High government official of the U.S. government, dignitaries, famous political figures, members of the Congress, Senators, diplomats, representatives of business circles took part. Before the meeting, President Aliyev met with members of elite of the United States. They exchanged views on issues related to further expansion of cooperation between Azerbaijan and America.

In 1994 during his visit to New York, President Aliyev made an initiative to establish a U.S.-Azerbaijan Chamber of Commerce. He recommended involving outstanding statesmen, scientists, world-recognized scholars, and heads of various corporations. The Chamber has united those who has a love toward Azerbaijan. It has become an influential forum in the United States.

Reza Vaziri, co-chairman of the U.S. Azerbaijan Chamber of Commerce, made an opening statement at the event in the National Construction Museum:

#### Statement of Reza Vaziri

Your Excellency President Heydar Aliyev  
Distinguished Secretaries



Dear guests, ladies and gentlemen

On behalf of the United States-Azerbaijan Chamber of Commerce, I have a great honor and privilege to welcome His Excellency Heydar Aliyev, President of the Republic of Azerbaijan, to the United States on his first official visit.

All of us have been looking forward to this visit impatiently. This visit will give an impetus to enhancement of relations between the United States and Azerbaijan.

Special relations established between Azerbaijan, which is going through the transition period, and United States is a natural result of policies pursued under the leadership of President Aliyev.

Azerbaijan has made great progress under leadership of President Aliyev during recent years. Under the wise leadership of President Aliyev, Azerbaijan has transformed its economy from a centrally planned economy to market economy, and stability has been ensured in the country. As a person is familiar with these issues, I assure you that this is only the beginning of Aliyev's accomplishments. So, today while participating in this historic ceremony all of us witness a very bright future for Azerbaijan.

Mr. President, we all are indebted to you for establishing such warm relations between our countries.

Ladies and gentlemen, now allow me to introduce to you, the close friend of Azerbaijan, former Under Secretary of Defense, a person who has rendered the first humanitarian assistance to Azerbaijan, our dear friend Ambassador Armitage.





#### Statement of Ambassador Armitage

President Heydar Aliyev  
 Ambassador Pashayev, Mrs. Pashayeva  
 Ambassador Kozlaric, Mrs. Kozlarich  
 Distinguished members of Azerbaijani delegation  
 Dear friends of Azerbaijan

My name is Richard Armitage and I will be your host tonight. I hope all of you enjoy tonight's program. I am hopeful that you will remember this event for long time to come.

Before we start our program, I would like to ask you to stand up to bring in national flags of Azerbaijan and the United States, and to sing the national anthems of Azerbaijan and America. (Soldiers of the U.S. Army Joint Guard brought national flags of both countries to the floor under warm continuous applause. National anthems of Azerbaijan and America were played).

Again, on behalf of the board of directors of the US-Azerbaijan Chamber of Commerce, I would like to welcome President Aliyev and his distinguished delegation from Azerbaijan.

Today we are celebrating a very good partnership and friendship between the United States and Azerbaijan. A friendship that is deeply rooted in a reverence for freedom and independence.

Dear friends, as we begin this evening's program, we'd like to take a moment and draw to your attention the musical selection that was just played at the close of dinner. The composer of this musical piece is Uzeyir Hajibayov, the first composer to intro-

duce Western opera and ballet in the East. His works were often played at the Baku opera house at the beginning of this century. It is indeed a pleasure to share this beautiful music and this work of a prominent Azeri composer with all of you this evening.

I believe it is very appropriate that we celebrate the partnership and friendship between Azerbaijan and the United States this evening at the National Building Museum<sup>12</sup>. A building dedicated to American achievement and architecture. As a young man, President Aliyev studied architecture at Baku State University. Now, although, of course, most of his professional life has been spent in government service, I understand that the president retains a deep interest in architecture. In fact, many buildings in Baku were built during his tenure as head of state, such as the presidential palace, and the parliament building.

I am reminded that nearly two years ago, several U.S. companies gathered in New York to host a dinner to honor President Aliyev. And during that dinner, it was announced that a U.S.-Azerbaijan Chamber of Commerce would be formed. The mission of the chamber of commerce was to improve mutual understanding, create bonds of cooperation between the United States and Azerbaijan, and to introduce Azerbaijan's potential to the outside world. It is quite clear to me that this evening represents the unqualified success of the U.S.-Azerbaijan Chamber of Commerce, and the fulfillment of its mission - a fact to which 57 registered members and over 400 people gathered here this evening can attest.

As a board member, I am very proud of the Chamber's accomplishments over these past two years. And finally, I am pleased to inform you that the U.S.-Azerbaijan Chamber of Commerce has decided to donate the proceeds of this evening's event to purchase educational materials and supplies for the refugee children of Azerbaijan. The Chamber is delighted to be able to make this contribution in support of educational initiatives for Azerbaijan's future generations.

Now, ladies and gentlemen, allow me to move on to the main event. Although a master ceremonies obviously has many responsibilities, one of my most important jobs is to offer a very special toast to honor the president of Azerbaijan and the president of the United States. Therefore, I will ask the audience to please rise.

Two hundred and twenty-one years ago, the United States declared its independence as a sovereign nation. During these 221 years, the United States has overcome many trials and obstacles, both foreign and domestic, to sustain and maintain the freedom and liberty that we enjoy today. Azerbaijan has declared its independence twice in this century. Once for a brief period, from 1918 to 1920, and again in 1991.

Although Azerbaijan has and will face many challenges, as it continues on its path to democracy and to freedom, Azerbaijan will also overcome these adversities. In doing so, we will strengthen its resolve to maintain its political and its economic independence.

Ladies and gentlemen, I would like to honor the two freedom-loving nations of Azerbaijan and the United States, and the guardians of this freedom and liberty that we hold so dear. To President Clinton and President Aliyev, and to continued friendship and partnership. Thank you.

The first challenge this evening is to introduce the man who is known by so many in this room. I've had the great personal privilege of sharing a stage with my friend, Hafiz Pashayev, on numerous occasions over the past four years. Hafiz, after each of those occasions, I've come away even more impressed with your knowledge of Washington; I have come away with a deeper respect for your devotion to your country.



I will consider it by now to be a seasoned veteran of Washington since you assumed your official duties in February of 1992. Ambassador Pashayev has provided countless hours of guidance and council to U.S. companies, NGOs and the United States government. And throughout his tenure, he has worked tirelessly for the promotion of the national interest of Azerbaijan and the strengthening of U.S.-Azerbaijan relationship. However, many of you may not be aware that prior to becoming the first Azerbaijani ambassador to the United States, Dr. Pashayev served as the director of metal physics laboratory in the Institute of Physics at the Academy of Science in Azerbaijan and taught physics at Baku State University. The professor that students found the most challenging, I am quite sure.

It is my honor and privilege to introduce to you this evening, Ambassador Hafiz Pashayev.

**Statement of Hafiz Pashayev  
Ambassador of Azerbaijan to the United States**

Mr. President, Mr. Secretary,  
Distinguished guests

On this wonderful occasion, first let me welcome President Heydar Aliyev to his first visit to Washington, D.C., as President of the Republic of Azerbaijan.

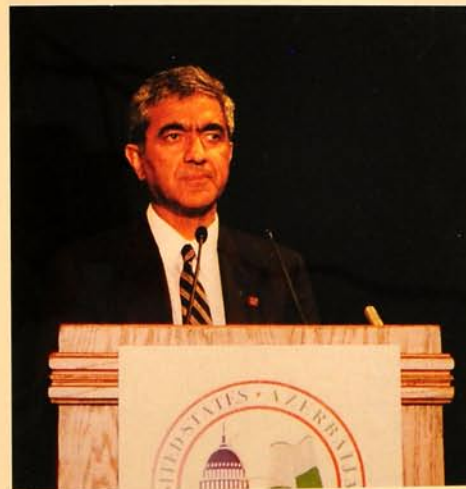
This visit presents a new phase in the relationship between Azerbaijan and the United States. For those of you who have followed our progress over the years, you can feel the change that is taking place here in Washington. More and more members

of Congress are recognizing the importance of Azerbaijan and the role it can play in contributing to peace and prosperity in the world. The media is beginning to pay close attention to the U.S.-Azerbaijani relationship.

Outstanding Americans like Zbigniew Brzezinski, Henry Kissinger, Dick Cheney, and Casper Weinberger have spoken out on our behalf. The Clinton Administration is playing an increasingly active role in addressing Azerbaijan's problems and concerns, and recognizing Azerbaijan's freedom and independence.

President Clinton personally has discussed the issues of mutual concern as has Vice President Gore. The Secretary of State Madeline Albright knows Azerbaijan firsthand from her visit to Baku as United Nations Ambassador. National Security Advisor Sandy Berger and Deputy Secretary of State Strob Talbot have also become strong friends and supporters of Azerbaijan. The attendance of this event tonight is further evidence of the change that is occurring in the U.S.-Azerbaijan relationship. We are becoming close alliance in true meaning of that term.

So, I would like to offer a toast on behalf of everyone here. Let us raise our glasses and salute both President Aliyev's visit to Washington, and the new and improved American relationship that this visit represents. And finally, let us drink a toast to a future in which Azerbaijan and the United States remain the closest of friends. Thank you very much.



**RICHARD ARMITAGE:** Thank you very much, Hafiz. Those were excellent and warm remarks. I am absolutely delighted to be able to introduce our next speaker. I mentioned that Ambassador Pashayev has been the guide to many U.S. companies here in Washington toward Baku, but just as Hafiz has been the guide here in Washington, Ambassador Rich Kozlarich has been the guiding light for U.S. companies and organizations seeking to establish projects and activities in Azerbaijan.

And both of these gentlemen, I think you will agree, deserve enormous amounts of credit for the strong partnership that has been forged and will be forged between Azerbaijan and the United States. As a career foreign service officer, Rich has distinguished himself with his exceptional devotion to duty and very significant contributions prior to assuming this post in Baku. Prior to this, he was principal deputy to now Deputy Secretary Strobe Talbot. He was the leader within the administration to provide U.S. government assistance to Azerbaijan and the repeal of Section 907. He has continually sought to implement U.S.

national interest in Baku while striving to maintain a strong, bilateral relationship.

But Rich was not alone in Baku. Everyone here knows we had two American ambassadors in Baku. Rich and Ann. Ann, who is now a fluent Azeri speaker, has been a prominent spokesperson and representative of the United States in Baku, and, Ann, your community work and tireless service in aiding others will indeed be sorely missed.

As Rich and Ann get prepared for the next tour of duty in Bosnia, we know that U.S. policy is again in safe hands. Therefore, I would ask you to rise to toast the distinguished service tonight of two Americans. Thank them for their dedication and their

service to the U.S.-Azerbaijan relationship and wish them the very best for the future. To Ambassador and Mrs. Kozlarich.

Rich, can I invite you to join me on the stage, please?

#### Statement of Ambassador Richard Kozlarich

Mr. President, Mr. Secretary  
Distinguished guests

Thank you for those kind words. It's always nice to be remembered as the husband of Ann Kozlarich who also served in Azerbaijan as the representative of the president and the American people.

I just want to say a couple of words, Rich, about the three years that we spent together, and how much has changed in Azerbaijan. When we came to Baku in the spring of 1994, the war was raging, the future did not look bright, and the prospects for American business were only beginning to emerge.

After those three years, thanks in large measure to the leadership of President Aliyev, we have had over three years of peace, a cease-fire that continues to hold, and the prospects for American business, which seemed to grow and prosper because of the open attitude that the government of Azerbaijan has displayed, particularly that of the president, Heydar Aliyev. I think if I had one wish tonight, it would be that the cease-fire become a permanent peace and that the leadership that President Aliyev has shown in seeking a peaceful resolution of the conflict regarding the Nagorno-Karabakh become a reality. Because there is no greater legacy that he could leave for his country or for U.S.-Azerbaijani relationships than achieving that peace.

So, if I may, let's raise a glass and a toast. A toast to peace, a toast to prosperity, and a toast to hope to the people of Azerbaijan and the people in the Caucasus.

RICHARD ARMITAGE: Thank you very much, Ambassador Kozlarich. We have with us tonight, of course, our U.S. Secretary of Energy, Federico Pena, and it is my great pleasure to welcome Secretary Pena, who, during the first Clinton Administration, served as the Secretary of Transportation. Prior to that appointment at the Departments of Energy and Transportation, he served as mayor of Denver, Colorado, in 1983 and 1991. He has also served as a Colorado legislator, civil rights attorney, and a man of strong views, not afraid to put things forth strongly.

And by the way, as a native of Texas, Secretary Pena should feel right at home in this room. In fact, as I understand it, Mr. Secretary, you were born in Laredo and received your law degree from the University of Texas.

So, please, ladies and gentlemen, join me in welcoming Secretary Pena to the podium.

#### Statement of Federico Pena, U.S. Secretary of Energy

Thank you very much, Mr. Ambassador, and let me congratulate you for the exceptional job you have done tonight in presenting such a warm and hospitable evening for all of us. And thank you for reminding me of my Texas roots.



Dear Mr. President, Ministers, Ambassador Pashayev, Ambassador Kozlarich, members of the diplomatic community, honored guests, ladies and gentlemen, members of the U.S.-Azerbaijan Chamber of Commerce.

It is an honor for the United States to receive this distinguished delegation of guests and friends from the Republic of Azerbaijan here in our nation's capital. It is a particular honor and pleasure for me to welcome the president of Azerbaijan, His Excellency Heydar Aliyev, on behalf of the United States government and the Department of Energy.

Mr. President, as I said to you earlier, we have awaited your visit with great anticipation in the hopes that the occasion will serve as an opportunity to embark on stronger and deeper relations between Azerbaijan and the United States. You know that there is much in the spirit of energy and those issues that our nations share as common concerns, as common aspirations, and as common vision, stimulated by our hopes for peace, for a brighter future, and a safer world for our citizens.

We are stimulated by a mutual aim to meet the needs of today, in uncompromising ability of future generations to meet their own needs. By our goals to maximize energy productivity to strengthen economies. By our intent to litigate the adverse environmental impacts associated with energy production, and by our interest in the diversification of global energy supplies.

And finally, we believe that the government of Azerbaijan, the government of the United States, and our colleagues in the private sector can effectively work as partners on objectives that are of mutual benefit.

American companies have demonstrated their long-term commitments to making real contributions to Azerbaijan, both in its energy industry and in other spheres of your society. These investments in your future are something that we can all take pride in. This high level of American interest in investing in Azerbaijan is something that we hope will continue to be welcomed by you.

I believe, Mr. President, that your visit symbolizes both a continuation of a well-established relationship, a relationship that I consider to be most important, as well, and as an exciting, a new beginning. Our nations are already working as partners on energy development in Azerbaijan and in the regions. This is work that, thanks to your courage, your wisdom, your commitment and your excellent leadership, has shown real progress.

This work also reflects our commitment to the territorial integrity, the sovereignty, and the prosperity of economic development of Azerbaijan.

As I mentioned at the outset, I am happy not only for the opportunity to celebrate the relationships we have had, but also the opportunity to strengthen the relationship between Azerbaijan and the United States, and the energy arena. In particular, Mr. President, I would like to propose that the United States and Azerbaijan establish a formal dialogue on energy issues of common interest.

This dialog, I believe, will provide a focal point for cooperation between our governments on the full range of energy issues, including fostering regional cooperation, developing and implementing sustainable energy policy, oil, gas, and electricity issues, and energy efficiency, and the establishment of commercial and legal frame-





works through the energy sector. I look forward to meeting with you tomorrow afternoon to further discuss this dialogue as well as other issues of mutual concern.

Mr. President, we have taken every opportunity to articulate our opposition to Section 907. This is a serious impediment to our ability to offer assistance to a new friend. Our mutual friends in the private sector have also been very aggressive in their efforts as well.

Mr. President, allow me to propose a toast to international cooperation, to the prosperity and security of your great nation, to a continuing strength, wisdom and courage, to the continuation of a warm and productive relationship between our nations and our peoples, and to a new beginning in U.S.-Azerbaijan energy relationships. Mr. President, I raise my glass in salute to you and to Azerbaijan.

**RICHARD ARMITAGE:** Thank you, Mr. Secretary, for your very meaningful remarks, and we are indeed honored by your presence and very, very grateful for your time.

I now have the distinct pleasure of introducing President Heydar Aliyev. President of the Republic of Azerbaijan.

Born and raised in Nakhichevan, President Aliyev began his career in government service as a member of the state security committee of Azerbaijan. And during his tenure as first secretary of the central committee of Azerbaijan, industrial production of Azerbaijan doubled, and the national income increased by a 150%.

Mr. Aliyev spent a great deal of his time and attention on improving Azerbaijan's energy and transportation sectors, and protecting Azerbaijan's historical and cultural heritage.



After his departure from the Politburo and the Communist Party, President Aliyev returned to his homeland, and in 1991 was elected Chairman of the Supreme Soviet of the Nakhichevan Autonomous Republic of Azerbaijan, and the deputy speaker of the Supreme Soviet. In 1993, President Aliyev was elected president of the Republic of Azerbaijan.

As a man of honor and vision, President Aliyev has dedicated a great portion of his time seeking a peaceful resolution of the Armenian-Azerbaijani conflict. Coupled with his quest for peace, President Aliyev has sought the reconstruction and strengthening of the economy and of democratic institutions.

President Aliyev has welcomed Western Companies to join in partnership with Azerbaijani firms to aid in the recovery of the economy. And we are now seeing the fruits of President Aliyev's leadership, of his vision, and of his effort.

Under the auspices of the OSCE Minsk Group, the peace talks continue in the hope of finding an acceptable compromise solution to the Armenia-Azerbaijan conflict.

As it was in the beginning of the 20th century it is so now, Baku is arguably one of the largest oil-producing cities in the world. It is on the verge of becoming a center for international commerce and international investment.

Azerbaijan's GDP has grown by 5.2% during the first six months of 1997, and foreign investment has grown by 45%. The World Trade Organization has recently granted Azerbaijan observer status, and will begin negotiations for full membership shortly. Now, this is indeed an impressive list of achievements during a short, six-year period.

Mr. Secretary, if only we in Washington could be this productive.

Before I invite President Aliyev to the stage, I would like to read a statement that he made in 1991. I quote: »Historically speaking, the idea of a democracy is not a new thing to us. We were the first in the history of all Muslim states to create a democratic Republic from 1918 to 1920. The unity of the Azerbaijani people can be insured by a new democratic independent state. Certainly, there will be many difficulties. But it must be achieved at any cost. If we do not take this path, future generations will, and neither they nor history will forgive us.»

President Aliyev, you have courageously taken the path to a new democratic state. We applaud your efforts and fully support this important work. With great humility, Mr. President, may I ask you to join me on the stage?

Mr. President, on behalf of the Board of Directors of the U.S.-Azerbaijan Chamber of Commerce, it is my honor to present you this statue of an eagle with outstretched wings. The statue inscription reads as follows: Presented to his Excellency, Heydar Aliyev, the President of the Republic of Azerbaijan, for leadership with vision. United States Azerbaijan Chamber of Commerce, July 30, 1997.

President Aliyev, this eagle symbolizes freedom to the citizens of my country. In fact, the eagle is displayed on our currency and as a government seal with the olive branch in one talon, symbolizing the need for diplomacy, and arrows in the other talon, symbolizing that freedom must be protected. It must be defended. The U.S.-Azerbaijan Chamber of Commerce is pleased to be able to present this symbol of freedom to you as Azerbaijan continues to unshackle itself from the chains of communism and to protect its independence.

Mr. President, in addition to freedom, the eagle is also a symbol of leadership and courage. You have exemplified such courage and such leadership because you have the vision to lead Azerbaijan through difficult days to become a nation of dignity and integrity at the dawn of the new millennium.

Mr. President, with great anticipation, we look forward to your remarks.

**Statement of Heydar Aliyev  
President of the Republic of Azerbaijan**

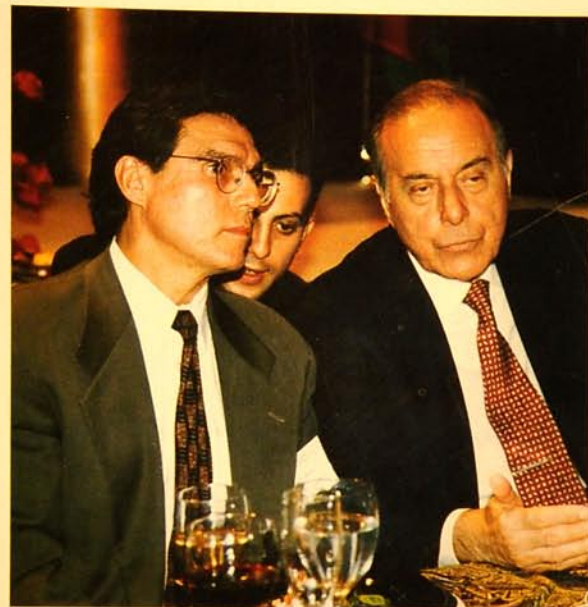
Distinguished Secretary, Congressmen, Ambassadors  
Esteemed Americans, Azerbaijanis  
Ladies and gentlemen

I extend my heartfelt greetings and my deep respect to all of you!

I have arrived in the United States at the official invitation of U.S. President Bill Clinton. I must say with deep feeling of satisfaction that since I stepped on the American soil in New York City, this visit has been very successful. The Americans have created very friendly and favorable conditions for the delegation that accompanies me and myself.

All our meetings and talks have proceeded in the atmosphere of friendship, mutual understanding. Today we made even more progress than I expected. I would like to thank President Clinton, those officials who have held talks with us, and all of you who have gathered here in this magnificent palace for your hospitality, sincerity and friendliness.

As an independent state, Azerbaijan is building beneficial bilateral relations with many countries, and we have already achieved a great deal in this field. The independent state is a historic event and achievement for our people. We are proud of and



rejoice in this accomplishment. We are happy that the independent nationhood we longed for years and centuries has come true.

Today, in this majestic palace of historic architecture, in the capital of the United States, when I saw the Azerbaijani State Flag and watched it enter the hall along with the U.S. flag, when I heard the Azerbaijani State Hymn along with the U.S. National Hymn, I was so elated, I could not speak. One can only imagine how dear are the freedom and independence for every Azeri, every citizen of Azerbaijan. Today we can witness the wonderful results of this achievement. The fact that one can witness the consequences of our freedom in the capital of the United States, the most powerful state in the world, is cause for special pride and honor.

We have come to your country with good intentions. We have arrived to further develop and grow US-Azerbaijani relations. I hope and feel confident that the progress we have made so far will continue, that our meetings will fulfill our wishes and plans. I am confident that President Clinton and I will meet and sign important contracts that will expand the US-Azeri cooperation and friendship, and raise them to a higher level. This is our intention and the top priority of our foreign policy. I wish that we would achieve all these results.

For the past few years, our bilateral relations were evolving very positively. I believe that our economic relations have attained considerable results. We are building law-based, democratic and secular state in Azerbaijan. We are determined to establish a market economy in Azerbaijan. We are doing all in our power to open Azerbaijani markets to the foreign investments. I can confidently state that we have



made significant strides in this direction. The participation of many U.S. firms, especially energy companies in Azerbaijani economy, their close cooperation with their Azeri counterparts and their substantial investments in Azeri industries are evidence of our productive economic relations.

This is just the beginning of our work. The contracts that we have already signed and the ones pending will ensure the close US-Azerbaijani cooperation for many decades to come. I can assert that the 21st century will demonstrate the enormous progress in the US-Azerbaijani relations, especially in developing the energy resources in the Azeri sector of the Caspian Sea. We are laying the foundation of that grand future.

I am proud that independent Azerbaijan is making such benevolent steps for both its own and the American interests. You can be assured that we will be consistent in our policies, and no one, no power, will be able to stop us or alter our direction. We are erecting a great monument for future generations. It will be the monument of the American-Azerbaijani friendship.

The young and independent Azerbaijani state faces a number of intractable problems. We are in the process of solving these problems. We realize now, and we understood then when we gained our independence, that the road of freedom would be very difficult. I was very glad when Ambassador Armitage reminded me of a few words that I said during the years of the former Soviet Union in 1991. Those were truly my words. Then I declared that the Soviet Union was disintegrating, and it had to collapse, that the Communist Party had to step down and leave the world stage altogether. I said that Azerbaijan had to become an independent state and win its freedom. I maintained then that we needed to gain our independence at all costs. This path would be a very difficult one, but it is the only correct way. If we did not choose this path, history would not forgive us for that blunder. Future generations would opt for this strategy at any rate, however, it might be too late. We would have lost a great deal.

I uttered these words seven years ago. I am proud that my words came true. Azerbaijan is an independent state. Nevertheless, I stated it then, and I am repeating today that the road of independence is an arduous one. We are travelling along this hard path. If we are not going in the right direction, we will not reach the freeway. But I am sanguine that we will reach the freeway of independence, Azerbaijan will live as an independent country, and Azerbaijani nationhood will be eternal and irreversible. No one will be able to impair our national freedom in any way.

We manage to overcome most of these hurdles. At the same time, we need assistance in solving some other problems. The Armenian-Azerbaijan, Nagorno-Karabakh conflict is the largest of all obstacles. We have never started this conflict. I just want



to reiterate this again for the sake of history. However, let bygones be bygones. This conflict began nine years ago. We have suffered great losses, numerous Azeris fell in this war, 20% of the Azeri lands have been occupied by the Armenian armed forces. One million of our citizens have been ousted and deported from the occupied lands. These refugees now live under distressing conditions in tent cities throughout Azerbaijan.

We have lived with this, and we are still putting up with it. Despite all these losses and blows we have suffered, we still want peace. We intend to solve the issue peacefully. That's why we signed a cease-fire agreement three years ago. We have maintained the cease-fire regime for three years. I declare here again that we will maintain the cease-fire until a comprehensive peace accord is reached. We will never allow the resumption of hostilities. We will never let the war resume on our part since we sincerely desire to find a peaceful solution to the conflict.

However, we need help in resolving the issue. You know the history of these efforts. The Minsk Group has done a lot of work in past years, but it has failed to achieve its objective. The Lisbon Summit of the OSCE held last year determined three principles that would guide the peaceful settlement of the problem. These were: guaranteeing the territorial integrity of the Azerbaijani and Armenian Republics, granting a high degree of autonomy to Nagorno Karabakh within Azerbaijan, and guaranteeing the security of the entire population of Nagorno Karabakh.

We have accepted these principles. Although this compromise damages our state sovereignty, we have still adopted these three principles. We would like Armenia to accept them as well. So far, Armenia refuses to accept them. The Minsk Group, its co-chairs the U.S., Russia and France, must strive to settle the conflict based on these principles. I am certain that if three great powers and presidents of these three power-



ful countries - President Bill Clinton, President Boris Yeltsin, President Jacques Chirac - have taken on this responsibility and given a joint statement on this issue in Denver on June 20th, then they will make sure that the problem is resolved. I believe in that; the Azerbaijani people believe in it and lay great hopes on them.

When the Azeris saw me off to Washington, they all lived with one burning question: what news would President Heydar Aliyev bring back from Washington? What they expect is that the United States and U.S. President Bill Clinton will take serious measures to solve the problem. The United States and its president have all the resources to take the necessary steps. I would very much like to see these wishes of the Azerbaijani people come true. I do not say that it must be done today. However, the presidents promised that this issue would be resolved in 1997. I hope that when I return to Baku, I could declare that I was told in Washington that this conflict would be settled this year, and Azerbaijan would gain true peace.

Esteemed Americans, I can assure you that everyone in Azerbaijan desires peace. We want peace in Azerbaijan, the Caucasus and entire region. We support a long-lasting and secure peace with Armenia. This is the most important and complex objective we are facing today. I would like to express my hope that our friendship and cooperation with the United States would help us in the settlement of this conflict. We live with these hopes.

In the meetings held these days, we also brought up the issue of lifting the Section 907 passed by the U.S. Senate in 1992. We have also found out during our stay here that the idea of removing this amendment has already been formed in America. I am content that today Secretary of Energy Mr. Pena expressed that opinion from this rostrum. I am hopeful that this issue will be taken care of soon.



Our talks in the Congress and Senate gave us some hope. Mr. Bill Clinton has repeatedly stated that he supported repealing this article. Mrs. Albright raised the issue of revoking this section in her inaugural speech at the Senate. I am satisfied that I met with a number of past and current prominent political figures during my visit. I highly value these meetings. All these politicians also support the elimination of this article. That's why I hope that when we return to Azerbaijan, we will bring good news to the Azeri people.

With these hopes, I am eagerly anticipating my meeting with Bill Clinton. I am hopeful that this meeting will be very fruitful and productive.

We are expanding our cooperation with U.S. oil firms, and the drafts of several contracts have been drawn up. If we reach agreement on these documents, then they will be signed here in Washington. This will be very symbolic since these contracts will be signed in Washington, the U.S. capital, and they will be implemented in Azerbaijan, in the Caspian Sea.

I would like to bring another point to your attention that Azerbaijan began the oil production in the Caspian Sea fifty years ago. The Azerbaijanis are the pioneers in offshore oil production. Fifty years later in the end of the twentieth century, Azerbaijan initiated a new stage in the Caspian Sea production. Azerbaijan has proposed to explore the deep-water oil deposits in the Caspian jointly with the large world energy companies, including the firms from the United States of America. Today, the international community has recognized the Caspian Sea as one holding the largest deposits of energy resources, and the world attention is riveted to this place. The Azerbaijani people and Republic have made major contributions to this recognition. I



an optimistic that our decisions will further the prosperity of all the peoples including the Americans.

These days, we are thumbing through the American history once again. The U.S.A. has gone a long way historically. The United States has immensely contributed to the humanity in protecting and strengthening the democracy and human rights in the world, and it is known as a great example of the world democracy. This experience of the United States is a great model for many countries and peoples that have chosen the path of democracy and progress. It is a vital example for us, as well. We are benefiting from this experience and will continue to do so in future. American democracy, political pluralism and freedom, are an important example and source of experience for us. I highly appreciate the historic achievements of the American people and express my deference to them.

Today, everyone is gathered here in this splendid hall with the desire to promote and strengthen the American-Azerbaijani relations. The U.S.-Azerbaijani Chamber of Commerce that has organized this banquet has already contributed a great deal to these relations. The Chamber has been working hard and considerably promoted the U.S.-Azerbaijani economic cooperation. I support and approve of the work of the U.S.-Azerbaijani Chamber of Commerce and would like to thank the leadership and executive team of the Chamber for their hard work. I would like to express my confidence that all these joint efforts will continue and drive our affairs even further.

Here, in this magnificent palace in Washington, I would like to convey my sincere respect and admiration to the American people and government. I express my respect to the historic achievements of the American people.

I would like to ask you to raise your glasses to salute the United States of America, the American people, American-Azerbaijani friendship and President Mr. Bill Clinton of the United States. Thank you.

As soon as the event ended, the politicians and businessmen of the United States praised President Aliyev's services in strengthening Azerbaijan's independence, in advancing Azerbaijan on the path of democracy, and on enhancement of U.S.-Azerbaijani relations. They also highly appreciated the success of President Aliyev's official visit to the United States.

One of the American ladies who participated at the meeting approached President Aliyev and said that her husband took a photo with Heydar Aliyev when he worked at the U.S. embassy in U.S.S.R. in the 1970s. She kept and treasured for many years. She asked President Aliyev to sign the photo, saying she considered his signature to be a most precious gift and historic event in her life.

#### HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC OF AZERBAIJAN, VISITS THE TOMB OF UNKNOWN SOLDIER

On July 31, Heydar Aliyev, President of the Republic of Azerbaijan, visited the Tomb of the Unknown Soldier in Arlington National Cemetery in Washington.

High-ranking officials of the State Department and General Robert Folli, commander of the Washington military detachment, welcomed President Aliyev. An honor guard brought the national flag of Azerbaijan. As a sign of respect Heydar Aliyev,



leader of our Republic, stopped in front of the Tomb of the Unknown Soldier while the national anthems of Azerbaijan and the United States played.

President of Azerbaijan visited the museum at the Arlington cemetery<sup>13</sup>, and was given information about valuable documents and exhibits in the museum. President Aliyev then presented a gift of an Azerbaijani dagger to the museum and said:

«In the past, Azerbaijani fighters used this dagger as a weapon. It is also a piece of national art of our people. I present this dagger as a gift to the Arlington Cemetery.»

The President of Azerbaijan thanked the leadership of the complex for the respect shown to him.





**HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC  
OF AZERBAIJAN, VISITS THE GRAVES THE LATE PRESIDENT  
JOHN KENNEDY AND HIS BROTHER ROBERT KENNEDY**

On July 31, Heydar Aliyev, President of the Republic of Azerbaijan, visited graves of the late President John Kennedy and his brother Robert Kennedy in Arlington National Cemetery in Washington. He laid wreaths on their tombs.

John Kennedy is famous for his great service to the United States of America.

Great tribute has to be paid to his efforts in protecting human rights. Kennedy was a great statesman who played a crucial role in settling international problems through peaceful means. During his tenure as the President of the United States, he initiated a program aimed at pursuing a balanced foreign policy in international arena. To prevent the spread of communism, he strengthened the military power of the United States. John Kennedy was assassinated in the autumn of 1963.

He also visited tomb of John Kennedy's brother, the late Robert Kennedy. One of the famous statesmen in the United States Robert, Kennedy served as Attorney General during the Kennedy and the Johnson Administrations. While Robert Kennedy running for the President of the United States in 1968, he was also assassinated during election campaign.



**MEETING OF HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC  
OF AZERBAIJAN WITH WILLIAM COHEN,  
SECRETARY OF DEFENSE OF THE UNITED STATES**

On July 31, Heydar Aliyev, President of the Republic of Azerbaijan, met with William Cohen, Secretary of Defense of the United States in Washington.

Mr. Cohen warmly welcomed President Aliyev in front of Pentagon, which houses the Department of Defense. He signed the honorary book of the Department of Defense. Mr. Cohen presented a gift to the Azerbaijani president in recognition of his visit to Pentagon. The head of our state in his turn presented a sword covered with national ornaments.



Secretary Cohen highly praised the first visit of President Aliyev to the United States. He expressed his assurance that this historical visit will play crucial role in strengthening cooperation between our two countries.

Secretary Cohen stressed the necessity for establishing closer ties between the Department of Defense of the United States and Azerbaijan, who has joined the Partnership for Peace<sup>14</sup> Program of NATO and has become a member of Council for Euro-Atlantic Cooperation. He also emphasized the importance of a joint statement between America and Azerbaijan called the Flank Agreement of the Treaty on Conventional Forces in Europe.

Mr. Cohen said the process of building a democratic state with rule of law in Azerbaijan under the leadership of the head of our nation and successful implementation of reforms are closely watched and supported in America.

President Aliyev thanked Secretary Cohen for his kind words and expressed his satisfaction on the current status of relations between Azerbaijan and America. President Aliyev expressed his pleasure concerning Azerbaijan's ties with the Department of Defense established during recent years. He stressed that Azerbaijan attached special importance to these relations.

President Aliyev emphasized that, after joining Partnership for Peace Program of NATO, Azerbaijan began seriously involved in enhancing and strengthening its ties with different structures of this international organization. He also stressed his personal relationship with Javier Solano, the Secretary General of NATO, and talked with satisfaction about the latter's visit to Baku.



Praising the results of Madrid Summit of heads of states and governments of member countries of NATO and Council for Euro-Atlantic Cooperation, the leader of Azerbaijan also discussed meetings he held during that Summit.

President Aliyev talked about the consequences of the conflict between Armenia and Azerbaijan. He emphasized that, as a result of aggression, 20% of the territory of Azerbaijan remains occupied by Armenia. More than one million Azerbaijanis have been ousted from their homes and now live as refugees under dire straits. He especially stressed the importance that Azerbaijan attaches to a peaceful settlement of the conflict within the frame of the OSCE Minsk Group. He underlined the importance of co-chairmanship of the U.S., France and Russia at the Minsk Group, as well as the joint statement signed by Presidents Clinton, Yeltsin and Chirac in Denver in June, 1997.

President Aliyev commented widely on three main principles of achieving peaceful settlement to the conflict between Armenia and Azerbaijan, which was adopted in Lisbon Summit of the OSCE in December of 1996. He emphasized Azerbaijan's willingness and desire to achieve settlement of the conflict as soon as possible.

The head of our nation expressed his serious concern about illegal and massive delivery of modern weapons to Armenia by Russia. He specially underlined that Armenia's massive armament is a serious threat to creating peace in whole the region.

President Aliyev also stressed that, among the newly independent states, only Azerbaijan did not have foreign troops. He said that Azerbaijan was doing everything to preserve its independence and would continue to do so in future as well. He emphasized that the independence of Azerbaijan was irreversible, eternal and inviolable.



Mr. Cohen and Mr. Aliyev signed a joint statement during the meeting on future relations between United States and Azerbaijan in defense and military spheres.

**MEETING OF HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC OF AZERBAIJAN, WITH JOURNALISTS AT THE PENTAGON**

Journalists attended the meeting of Heydar Aliyev, President of Azerbaijan with William Cohen, Secretary of Defense of the United States in Pentagon and watched with great interest. Many correspondents gathered in front of Pentagon that day. Mr. Aliyev and Mr. Cohen answered journalists' questions after the meeting.

**QUESTION:** Mr. President, would you share your views about your official visit to the United States?

**HEYDAR ALIYEV:** I am very pleased of this visit. The meeting I just had with William Cohen, Secretary of Defense of the United States, was also very important. We signed a very important document on expansion of our cooperation. I am hopeful that our cooperation will be enhanced and strengthened.

**QUESTION:** Russia's illegal arms shipment to Armenia is a violation of Treaty on Conventional Weapons in Europe. Did you discuss Russia's illegal arms shipment to Armenia during your meeting?

**WILLIAM COHEN:** President Aliyev talked in detail about Russia's illegal arms shipment to Armenia. We exchanged views on this matter during our meeting. I would like to stress that the United States is also concerned about that issue, and both the



Congress and Administration watch it closely. We are hopeful that this issue will be cleared up soon and progress will be made toward a peaceful settlement of the conflict between Armenia and Azerbaijan.

I was honored to meet with distinguished statesman Heydar Aliyev and hear his great wisdom.

**MEETING OF HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC OF AZERBAIJAN WITH STROB TALBOTT, FIRST DEPUTY SECRETARY OF STATE, CO-CHAIRMAN OF OSCE MINSK CONFERENCE, AND LINN PASCO, CO-CHAIRMAN OF MINSK GROUP**

On July 31, Heydar Aliyev, President of Azerbaijan met with Strob Talbott, the First Deputy Secretary of State, Co-Chairman of OSCE Minsk Conference, and Linn Pasco, Co-Chairman of Minsk Group in his residence in the Blair House in Washington. Richard Kozlarich, Ambassador of the United States to Azerbaijan, also participated in the meeting.

Mr. Talbott expressed his assurance that the first official visit of President Heydar Aliyev to the United States would play important role in strengthening relations between America and Azerbaijan. He said that United States watched closely and supported the process of building a democratic state in Azerbaijan and the successful implementing of reforms under the leadership of an outstanding statesman, Heydar Aliyev.



Mr. Talbott emphasized the need to facilitate negotiations within the frame of the OSCE Minsk Group in order to reach a peaceful settlement of conflict between Armenia and Azerbaijan. He also talked about the new proposals made for putting an end to this conflict. He added that the co-chairmen of Minsk Conference would increase their efforts to achieve settlement to this conflict during 1997.

Mr. Talbott talked with pleasure about measures taken by President Aliyev in preserving Azerbaijan's independence and sovereignty, and expressed his assurance that Azerbaijan's sovereignty would be eternal and irreversible. He stressed the importance of restoring the territorial integrity and inviolability of frontiers of Azerbaijan in accordance to the norms of international law and principles of the OSCE. He expressed his hope that the conflict would be peacefully settled in 1997 so that Azerbaijani refugees could return to their homes.

The head of our nation expressed his gratitude to Mr. Talbott for his kind words about Azerbaijan. He felt assured that his first visit to the United States would give strong impetus to the enhancement and strengthening of relations between our countries and people.

President Aliyev expressed his pleasure that the powerful U.S. nation closely watched and supported development of democratic processes in Azerbaijan. He emphasized the need for increasing efforts by co-chairmen of the Minsk Group to achieve settlement to the most painful problem for Azerbaijan, namely the conflict between Armenia and Azerbaijan. He underlined that the three main principles

adopted at the OSCE Lisbon Summit in December of 1996 was a good basis for a peaceful settlement of this conflict. The Azerbaijan government is carefully studying proposals made by co-chairmen of Minsk Group. President Aliyev emphasized the importance of the co-chairmanship of U.S., Russia and France at the Minsk Conference and praised the joint statement signed by Presidents Clinton, Yeltsin and Chirac in Denver.

President Aliyev also stressed that illegal shipment of arms to Armenia by Russia was a serious obstacle and threat to settlement of the conflict, which would help ensure peace and stability in whole the region. He emphasized the need for the U.S. Administration and Congress to pay serious attention to this matter.

The head of our nation also talked about Section 907 of the Freedom Support Act passed by the U.S. Congress in 1992 and stressed the need to repeal this Section.

Emphasizing the inviolability of Azerbaijan's territorial integrity and sovereignty, Mr. Talbott and Mr. Linn Pasco said they would do their utmost to help achieve peaceful settlement to the conflict between Armenia and Azerbaijan in accordance to norms of international law and principles of OSCE Lisbon Summit.

**MEETING OF HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC  
OF AZERBAIJAN WITH JAMES HARMAN,  
PRESIDENT OF THE U.S. EXPORT-IMPORT BANK**

On July 31, Heydar Aliyev, President of the Republic of Azerbaijan, met with James Harman, President of Eximbank of America in his residency in Blair House in Washington. Mr. Harman said that he was pleased to learn that President Aliyev's first official visit was continuing with great success. The President of Bank expressed his gratitude to President Aliyev for finding time to meet him despite a very tight schedule.



President Aliyev praised the expansion of U.S.-Azerbaijan relations in every sphere. He talked about the developments in Azerbaijan, the process of building a democratic secular state with the rule of law, and the implementation of reforms aimed at creating market economy in the country as well as its privatization program. The head of our state stressed that, to achieve the set goals successfully, Azerbaijan has been cooperating largely with international financial institutions, particularly with the IMF and the World Bank<sup>16</sup>. The country is trying to attract foreign investments and taking measures to integrate the economy of Azerbaijan into the world economy.

It was underlined that these issues have resulted in stopping the decline in the economy of Azerbaijan, which suffered degradation for recent years. The country is achieving positive changes in the development of its economy. Decline in the economy has been stopped, inflation has been brought down to zero, and the national currency, the manat, has appreciated.

President Aliyev said that Azerbaijan opened its doors to the world economy. We are trying to establish beneficial economic relations with all countries of the world. The head of our nation particularly emphasized the role of oil contracts signed with major oil companies of the United States. These contracts, which are aimed at joint development of rich oil and gas reserves at the Azerbaijani sector of the Caspian Sea, play important role in strengthening and enhancing cooperation between our two countries.

At the same time, it was stressed that Section 907 of the Freedom Support Act adopted by the U.S. Congress five years ago, which prohibits direct economic assistance to Azerbaijan, continues to impede relations between America and Azerbaijan. President Aliyev underlined the need to repeal this discriminating article against Azerbaijan.

They also dealt with conflict between Armenia and Azerbaijan, the most painful problem for our country. The conflict, which started as a result of military aggression of Armenia, continues to remain unsolved due to the unconstructive position of Armenia. This jeopardizes peace and stability in the whole Caucasus region.

President Aliyev gave detailed information about steps taken by Azerbaijan to achieve peaceful settlement to the conflict, as well as talked about the activities of the OSCE Minsk Group.

The president of the bank welcomed achievements in pursuing economic reforms in Azerbaijan. Mr. Harman stressed the importance of taking existing opportunities to enhance cooperation with our country. He expressed hope that Azerbaijan would overcome the difficulties it faced, and benefit from its economic and natural potential and improve the welfare and well-being of the people of Azerbaijan.

#### SIGNING THE GENERAL PROJECT INCENTIVE AGREEMENT BETWEEN THE NATIONAL BANK OF THE REPUBLIC OF AZERBAIJAN AND EXPORT-IMPORT BANK OF THE UNITED STATES

After the meeting between Heydar Aliyev, President of Azerbaijan, and James Harman, President of Eximbank the general project incentive agreement was signed between the National Bank of the Republic of Azerbaijan and Export-Import Bank of America. On behalf of America, the agreement was signed by James Harman, President of the Eximbank and on behalf of Azerbaijan, by Fikret Yusifov, Minister of Finance, and Elman Rustamov, Chairman of the Board of the National Bank of Azerbaijan.



James Harman, President of Eximbank, who made a statement during the signing ceremony said, «I believe it is a very historic event and I am very pleased to sign this agreement. We would appreciate if you could keep the pens with the Eximbank mark on it as a memory from this solemn ceremony. We might sign more important agreements with these pens in the future. Thank you.»

Then Heydar Aliyev, President of Azerbaijan, made a statement.

#### Statement of Heydar Aliyev President of the Republic of Azerbaijan

I thank you and the Eximbank of America for signing this agreement. I think that our cooperation will be as successful as it has been so far.

Azerbaijan has begun developing its economy based on market principles. It has created favorable conditions for foreign investments in the country. Azerbaijan guarantees the influx of investments and began liberalizing the foreign trade and exports operations. After having implemented a broad program of privatization, Azerbaijan feels the acute need for establishing ties with important financial centers of the world including close working relations with the United States and Eximbank in particular. The documents signed today will help speed up many of these processes.

I wish good luck in our cooperation with Eximbank and declare that Azerbaijan will be true to this contract and fulfill all its obligations. I accept your gift with great pleasure. Thank you.

**MEETING OF HEYDAR ALIYEV,  
PRESIDENT OF THE REPUBLIC OF AZERBAIJAN WITH  
ROBERT RUBIN, SECRETARY OF THE TREASURY**

On July 31, President Aliyev met with Robert Rubin, U.S. Secretary of the Treasury, in his residence at Blair House in Washington.

Mr. Rubin said they had been looking forward to the official visit of Heydar Aliyev to the United States, and was glad that his visit was successful from the very first day.

The president of Azerbaijan thanked Mr. Rubin for his kind words and emphasized a special role of the Treasury Department in strengthening ties between our two countries. He said that it would be useful for our state to learn and benefit from the experience of this Department.

Mr. Rubin said there is much interest in America toward Azerbaijan, and they were ready to help our country in any way possible.

Talking about America-Azerbaijan relations, President Aliyev observed that American companies were gradually increasing their investment in Azerbaijan's economy. In this respect, participation of major American energy companies in oil contracts signed since 1994 have special importance. The new oil contracts that are expected to be signed during the official visit of Azerbaijan's president will be another step in this direction and will open opportunities for other U.S. companies to invest in Azerbaijan. President Aliyev emphasized that very favorable conditions have been created for foreign investors in Azerbaijan. Laws have ensured all rights for foreign investors and there are no obstacles in the country for their free activities. Foreign trade has been liberalized, the privatization program is underway, and citizens of foreign countries can also participate in privatization.

President Aliyev also talked about measures taken in Azerbaijan and their positive results in ensuring macro economic stabilization in the economy. As a result of the right steps taken, the decline in production has been stopped, and inflation has been reduced. Economic indexes started to change in a positive direction and the manat, the national currency, has stabilized. This has created an opportunity to pursue reforms continually to improve the living standards of population gradually.

Then President Aliyev talked about difficulties faced by Azerbaijan. He said its most painful problem over the last nine years was the conflict created between Armenia and Azerbaijan, a result of military aggression of Armenia to occupy lands of Azerbaijan. Azerbaijan has suffered many losses and damages during this conflict. But despite that, Azerbaijan was trying to use every opportunity to achieve peaceful settlement to this conflict, to ensure the territorial integrity of our country, and to make sure that more than one million refugees who have been ousted from their homes return to their homes.

President Aliyev explained his views about conflict on the map and clarified the true essence of the problem. Azerbaijan pins great hopes on the United States as a super power and as one of the co-chairmen of the Minsk Group in bringing peaceful solution to the conflict. The head of our nation also praised the joint statement of the presidents of United States, Russia and France, three co-chair countries of the OSCE Minsk Group, on their work in Denver on July 20. He expressed his hope that the co-



chairmen would implement their mediator's responsibility and the conflict would be solved in 1997.

At the end of the meeting, President Aliyev noted that, about half a century ago, oil workers and scientists of Azerbaijan explored rich natural resources in the Caspian Sea and started to develop them. At present, Azerbaijan has started to develop these rich energy resources jointly with the major oil and gas companies of the world.

Mr. Rubin emphasized that, to efficiently use enormous economic potential and rich natural resources of Azerbaijan, it was important to achieve settlement to the conflict with Armenia, and promised his full support to our country in this respect.

President Aliyev invited the Secretary of Treasury to visit Azerbaijan. Mr. Rubin accepted the invitation with pleasure said he would travel to Azerbaijan by all means.

**MEETING OF HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC  
OF AZERBAIJAN WITH FEDERICO PENA,  
SECRETARY OF ENERGY OF THE UNITED STATES**

On July 31, Heydar Aliyev, President of Azerbaijan met with Federico Pena, Secretary of Energy of the United States in his residence at Blair House in Washington.

Mr. Pena highly praised the official visit of Heydar Aliyev to the United States. He said the visit would have very important impact on development and strengthening comprehensive cooperation between our countries.

During the conversation, they exchanged detailed views on several issues of mutual interest, particularly in energy and communications. President Aliyev talked





about the joint development of energy resources at the Azerbaijan sector of the Caspian Sea, about routes for secure and reliable export of oil to world markets, as well as about a close cooperation with energy companies of the United States. They also exchanged views on exporting oil from Central Asia to Europe through the Caspian Sea, and about the legal status of the Caspian Sea.

The U.S. Secretary of Energy praised the successful policy of Azerbaijan in enhancing cooperation with major world energy companies, including the largest energy companies of the United States, to develop rich energy resources at the Azerbaijan sector of the Caspian Sea. Mr. Pena emphasized his appreciation for wise, farsighted policy of Heydar Aliyev as a great politician. He noted the president's ability to understand details of the most difficult problems and thus his ability to make timely decisions.

President Aliyev also gave information about problems faced by Azerbaijan. While efforts were made to achieve a peaceful settlement of the most painful conflict between Armenia and Azerbaijan, high ranking officials of Russia had illegally delivered large amounts of modern military weapons to Armenia. These shipments of weapons with enormous destruction power created grave danger to peace in the region. Such illegal actions from certain circles in Russia should seriously concern not only Azerbaijan but all peace-loving people in the world.

Explaining the essence of the conflict between Armenia and Azerbaijan, the head of our nation blamed the Republic of Armenia for this problem. In 1988, Armenia

started military aggression against Azerbaijan to occupy the ancient land and the region of Nagorno Karabakh. Later on, that region - as well as surrounding areas totaling 20 % of Azerbaijan's territory - was occupied by armed forces of Armenia. More than one million citizens of Azerbaijan were forcefully ousted from their homes there. Most continue to live as refugees under dire straits in tent camps in different regions of our country. Everything has been ruined and devastated in the occupied lands.

President Aliyev said despite all that, Azerbaijan wants to achieve a peaceful settlement to the conflict on the basis of the principles adopted in Lisbon Summit of the OSCE. He said that Azerbaijan pinned great hopes on the mediation efforts of the U.S., Russia and France, as co-chairmen of the Minsk Group, and on the activities of the presidents of these countries.

Mr. Pena said he would do his best to help Azerbaijan solve the problems it faces, including repealing Section 907 of the Freedom Support Act. President Aliyev invited the U.S. Secretary of Energy to visit Azerbaijan. Mr. Pena accepted this invitation with great pleasure and said he would find time to visit Azerbaijan.

#### MEETINGS OF HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC OF AZERBAIJAN, WITH REPRESENTATIVES OF U.S. BUSINESS CIRCLES AT THE DEPARTMENT OF COMMERCE OF THE UNITED STATES

On July 31, Heydar Aliyev, President of Azerbaijan met with representatives of business circles of the United States at the Department of Commerce.

High-ranking officials of Clinton Administration, well-known politicians of America, outstanding statesmen, and heads of various companies warmly welcomed the president of Azerbaijan in front of the Department of Commerce.

Those who were present in the hall welcomed President Aliyev with warm and continuous applause. Yan Kalitski, coordinator for newly independent countries on energy and commercial affairs and special counselor to the Department of Commerce, opened the meeting.

#### Statement of Yan Kalitski

Mr. President,

On behalf of Secretary Daily and Department of Commerce I am honored to welcome you and the delegation of Azerbaijan.

Participation of great number of companies from various sectors demonstrates importance of relations between America and Azerbaijan. Signing of important agreements aimed at strengthening economic ties between our countries was a very solemn event. We welcome the contracts signed between Chevron, Exxon, Mobil, Amoco and State Oil Company of the Republic of Azerbaijan. We support establishment of more closer cooperation between the American and Azerbaijani companies.

Continuous dialog between our countries related to commercial issues and energy dialog which will be officially founded this week are bright examples to our cooperation. All these steps once more demonstrate that Azerbaijan indeed has a rich market and deserves to attract the interest of American companies.

I had an honor to meet President Aliyev and discuss several issues with him on several occasions. I always admire him for his commitment to establish strong relations between the United States and Azerbaijan not only in economic sphere but in many other areas as well.



We highly appreciate and welcome President Aliyev's commitment and efforts to achieve a goal of reviving the new silk road from the Central Asia to the Black Sea to the West through the Caspian Sea and the Caucasus with a heart in Baku.

American companies doing business in Azerbaijan has also played an important role in achieving political and economic stability as well as high economic achievements in the country. American companies were among the first to enter this market since the independence of Azerbaijan. Creation of US-Azerbaijan Chamber of Commerce in the United States and Azerbaijan and America Chamber of Commerce in Baku demonstrates the increase of American companies willing to invest and do business in Azerbaijan. The Department of Commerce is ready to support in every way the American companies in their efforts to be successful in a such an important market like Azerbaijan and to expand their activities.

We will open the office of the Department of Commerce in Baku, Azerbaijan by the end of this year which will be the only mission in whole Caucasus region.

President Aliyev has agreed to share his views about investment opportunities in Azerbaijan. Mr. President we look forward to your remarks and answers to questions of participants of this meeting.

I ask the participants of the meeting to write down their questions and pass on to me.

Now I would like to introduce Richard Kauzlarich who served as an Ambassador of the United States to Azerbaijan.

#### Statement of Ambassador Richard Kauzlarich

Allow me also to join Mr. Kalitski's kind words about Azerbaijan. It is always pleasure for me to see great interest of American companies to invest in Azerbaijan.

In addition to the work they do Ambassadors also get paid for praising the Presidents of countries where they are accredited. But I would like to step away from a diplomatic courtesy and turn my face to those of you who is not familiar with Azerbaijan and say that the main reason for great interest of foreign companies to Azerbaijan is a support and care of President Aliyev to foreign investors.

Most of you have witnessed great support of President Aliyev to foreign investors. The number of American companies have increased to 70 where as you could have counted them by fingers three years ago. The reason for these companies to open their offices in Baku and do joint business with Azerbaijan is a favorable conditions created by President Aliyev for foreign companies and successful policy pursued by him.

As an US Ambassador to Azerbaijan I would like to extend my sincere thanks to the Department of Commerce for their support to our embassy and US companies doing business in Azerbaijan. I am confident that support of US companies by the government structures will make enormous contribution to development of America Azerbaijan cooperation.

Now with great pleasure I would like to introduce true friend of American businesses in Azerbaijan President Aliyev.

#### Statement of Heydar Aliyev, President of the Republic of Azerbaijan

Distinguished Mr. Yan Kalitski  
Esteemed Ambassador  
Esteemed Ladies and Gentlemen

I sincerely greet you here and welcome this business meeting today.

I have been in the United States for a few days now. As you know, I have arrived in the U.S. at the official invitation of President Bill Clinton. I have held a number of meetings and signed several documents. I consider all these meetings and talks very productive and important. Since we have arrived in New York City, we have encountered kindness, friendliness and hospitality at every step. I can feel the great interest and attention of the United States toward Azerbaijan everywhere. All these factors encourage the U.S. to further our relations and cooperation.

The economic cooperation bears special importance in our bilateral relations. For the past few years, the United States and Azerbaijan have made serious moves in this direction. At the same time, I would like to stress that we would prefer to see more of the involvement on the part of diverse U.S. business entities - large, medium and small companies - in the Azerbaijani economy.

If we compare the current situation to the conditions that existed three or four years ago, the progress is, undoubtedly, immense. The U.S. government has never before been represented in Azerbaijan in such a way. However, if we take into consideration the vast resources of the United States, the U.S.-Azerbaijani relations and the fact that the Azeris greatly desire a larger and stronger U.S. presence in our country, the work done so far is not sufficient.

First of all, the participation of the American energy firms in the exploration and production of the Azeri oil and gas deposits, including those in the Caspian Sea, is significant. I can say with a great sense of satisfaction that the share of the U.S. firms in the first large oil contract signed in 1994 dubbed «The Contract of Century» was substantial. The American companies of AMOCO, Pennzoil<sup>17</sup>, UNOCAL<sup>18</sup> and McDermott<sup>19</sup> form the core of this consortium. Later, Exxon joined the consortium. The American firms have come to constitute the majority in the consortium. Even after that agreement, new contracts were concluded with the U.S. firms. We signed the second contract with Pennzoil. Then came the fourth contract with AMOCO on Dan Ulduzu and Ashrafi. That is the fourth according to our count and third in the American count. Finally, a few more contracts have been prepared, and hopefully they will be signed tomorrow. These are the contracts with Chevron, Exxon and Mobil, and intent for a joint work with AMOCO.

I am confident that these agreements will be signed. They will call for \$8 billion of U.S. investments in Azerbaijan. In total, all the contracts with Azerbaijan will add up to \$30 billion in investments.

I am satisfied that these agreements are already implemented rapidly, and we will witness the fruits of the first contract in September of this year when the first oil is expected to flow. The construction of two pipelines has begun to expedite the exports of this oil. One of them - going from Baku via Russia to the Black Sea port of Novorossiysk - has already been built. Russia had certain problems on the pipeline section traversing Chechnya. As a result of my visit to Moscow in early July and numerous talks with the Chechen and Russian representatives in Baku, we managed to solve those issues. I expect this pipeline to be fully operable within a month so that we can export the first oil.

The second pipeline is being built in the western direction through Georgia to the Black Sea port of Supsa. This pipeline is expected to function by September or October of the next year.

Nevertheless, these efforts are not adequate. We need a much larger pipeline to export the bulk of the oil to the West. This issue was reflected in the contract, and we already have proposals on this matter. I think we will shortly hold tender on the main pipeline after a series of consultations, and the construction of the pipeline may be underway. This main pipeline should go from Azerbaijan to Turkey, then reach the Mediterranean port of Ceyhan.

We are also working to arrange the delivery of the Central Asian oil and gas to the West via Azerbaijan. When I was on an official visit to Kazakhstan last June, I signed an agreement with the Kazakh President Nazarbayev on the transportation of the Kazakh oil produced jointly with the U.S. Chevron from Tengiz deposit to Turkey via Azerbaijan. According to this agreement, the Tengiz-Chevron oil will arrive in Baku via the underwater pipeline built across the Caspian Sea. Then we will transport the oil to Turkey's Mediterranean port through our main pipeline.

However, until the pipeline is constructed, we have considered Chevron's request and agreed to transport the Tengiz oil to Baku on tankers, ship it to the Georgian sea-



port of Batumi on trains, then export the oil to the West. For the last three months, 300 thousand tons of oil has been exported via this route. We plan to export 3 or 4 million tons of the Chevron oil from Tengiz, Kazakhstan, via this route next year. For this purpose, it is recommended that a short pipeline of 45 to 50 km long be built on our territory. We have done all this work and still are working hard. All these examples indicate the vast potential of the Caspian Sea and the efforts we have exerted in exporting the Caspian oil to the world markets.

I should also emphasize that Azerbaijan has a diverse economy, and the potential in other industries is large. That's why the American firms and businessmen should get involved not only in the oil and gas sector but also in other fields of our economy. We know that, along with the U.S. oil firms, other American companies participate in implementation of these contracts. This is wonderful. The number of the American firms operating in Azerbaijan has increased several fold in the last several years. I would also like to inform you that the ratio of the U.S. companies to the number of all foreign firms in Azerbaijan is only 45%. I believe that it is not expedient for such a great power as the United States to have only 45% representation in the Azerbaijani economy.

I want to give you extensive information about the opportunities in Azerbaijan at this meeting. Such opportunities are abundant in our industries. For instance, one can start a venture in chemical, equipment manufacturing, agricultural processing, textile, metallurgy, and many other industries. The U.S. companies can participate in all these industries. You should know we have passed a number of effective laws to facilitate

the inflow of foreign investments, their efficient use and return on investment. Due to the executive acts and decrees I have issued, the Azerbaijani economy is experiencing serious and considerable changes. You may know that we have chosen the market-oriented economy in our country. The privatization program is being carried out very intensively. We are also implementing land reform.

We are planning to privatize all the properties. The foreign citizens have the equal rights as the Azerbaijani citizens and enterprises to participate in the privatization program. This is a great opportunity. We have substantially liberalized the foreign trade and customs system. As a result of these drastic economic reforms, the decrease of our economic output has come to halt for the first time. For the last years, our GDP was diminishing at an average rate of 18 to 20% annually. The production of industrial goods was decreasing 25% per annum. The situation in the agricultural industry was similar.

We managed to alter this situation in 1996. Not only did we succeed in stopping the downward trend in our economy, but also made some progress. In the first six months of this year our GDP increased 5.2% including the industrial output. The production of agricultural goods grew 3%, and the foreign trade increased 40%. While last year imports exceeded exports by \$150 million, this year we had a trade surplus of \$30 million.

Yes, it was the first time we achieved a trade surplus. We have also instituted major reforms in our customs office. We have set the lowest customs taxes of only 15%. We have also adopted a law on protecting the foreign investments in Azerbaijan in order to ensure more investments. I have issued numerous executive acts in this regard. The crux of these legislative acts was to guarantee the protection of foreign investments and providing immunity to the investments. This law means that regardless of any legislative changes in Azerbaijan, the foreign investors are not subject to any new laws for ten years. In other words, they can operate their business under the original conditions when they began their firms and continue to do so for ten years. The law on the protection of foreign investments also includes special articles on repatriating the profits. That's foreign investors can transfer their income to home countries without any barrier.

We have some other important laws as well. We have opened all our doors in order to encourage more investments in the country. Foreign investors can participate in privatization, and some are already in the program with positive results. For example, we have transferred the management of an aluminum-producing plant to the foreign firm. Or take the example of the tobacco factory that became a joint U.S.-Azerbaijani venture under the U.S. management. There are many ways to establish a business in Azerbaijan. Currently, there are fully owned foreign companies, joint ventures and enterprises owned jointly by Azeris and foreigners with an equal share. They are functioning successfully and making progress. These successes are the results of the step that we have taken in order to promote the integration of the Azeri economy in the world economy.

I repeat: the doors of our economy are open to foreign investors. We have opened these gates for the U.S. investors as our first priority. That's why I invite you all to Azerbaijan. The people who arrived in Azerbaijan a year ago are already witnessing the major changes. Those who came to Azerbaijan two years ago see the complete transformation of the situation in Azerbaijan, especially in Baku. The social and political situation in Azerbaijan is totally stable, and people live and work safely and comfortably. Azerbaijan enjoys a great number of foreign citizens. There are so many for-

eign citizens who work for these consortiums and companies in Azerbaijan, and these people are content with their living conditions in Azerbaijan. We want their numbers to grow and are doing all we can in order to create favorable conditions for such a growth.

The climate in Azerbaijan is marvelous too. The people are hospitable and show incredible respect to guests. Baku is a beautiful city that has developed as a large world-class metropolis. All these factors create an agreeable and productive atmosphere for both working and living. That's why I invite all of you to Azerbaijan.

I do not want to take much of your time and look forward to your questions.

YAN KALITSKI: Mr. President, thank you for your valuable and informative speech. Your ideas about the trade and investment opportunities in Azerbaijan are extremely interesting to us. We will continue our meeting with your permission and begin the questions session. Our first question is about privatization. How is the privatization program proceeding in Azerbaijan, and what conditions were created in Azerbaijan for U.S. firms to participate in the process?

ANSWER: As I have already mentioned any legal or physical entity can take part in the privatization program in Azerbaijan. Anyone can come to Azerbaijan and benefit from privatization if he or she so desires. Do I need to elaborate in more detail, or is this clear? I think there is nothing else to add in this respect. Azerbaijan already has all the necessary laws, and our law on privatization has incorporated all the appropriate bills and conditions.

QUESTION: Mr. President, you are known to be a strong backer the idea of developing the communications and telecommunications industries. What can you say about the privatization prospects of such Azerbaijani State enterprises as Aztelecom and Azerbaijani State Television and Radio?

ANSWER: A few joint ventures are already operating in this industry. Thus, we cooperate with U.S. Motorola. We have also set up several joint ventures with Turkish companies, Erikson and Russian LukOil<sup>20</sup>. I would also like to note that state-owned enterprises will be privatized. I cannot specify the time we will carry out this plan, however, this will be done shortly, not in the distant future. We will start this privatization this year.

QUESTION: Mr. President, what specific plans do you intend to implement in order to develop the infrastructure in Azerbaijan? For instance, do you have any plans to switch the Azerbaijani national television to the digital system or establish an Internet network in the country?

ANSWER: We do have such plans, but they require extensive capital investment. We can not accomplish these plans in a short period by tapping into the state budget. That's why if any firm approaches us with an offer to cooperate in this area, we will be glad to work together.

QUESTION: Mr. President, the next several questions pertain to the issues of the protection of the foreign investments and implementation of contracts in Azerbaijan. We would like to know the state of affairs in this area. In general, has Azerbaijan decided to join the convention on international arbitration of business disputes that was signed in New York?

ANSWER: I have accentuated that the Azerbaijani law on foreign investments fully guarantees the rights of foreign capital in the country. I have pointed out that a plethora of rights are guaranteed by the Azerbaijani legislation including the immunity of foreign capital. I would like to reiterate that, regardless of the possible changes in the Azerbaijani legislation for the next 10 years, if those laws are detrimental to the



investors' interests, then new laws will not apply to these investors. For ten years, such investors will operate only on the basis of the laws that were in existence at the time of initial entry to the market. I think that these conditions are very beneficial.

You have touched on the possibility of establishing an international arbitration court to facilitate the flow of capital to Azerbaijan. Frankly, this is something new to me. I have never heard of it before. Therefore, before I answer this question, I need to find out what this concept is about. I am being prompted here that when Azerbaijan became a member of the World Bank and IMF, we pledged to conduct business according to international laws, and the international laws fully apply to our country.

YAN KALITSKI: Mr. President, I am receiving a large number of questions. Regrettably, you do not have enough time to respond to all of them. However, I believe you can find time to answer two questions.

A few questions concern the development of the energy sector, the Azerbaijani natural gas industry in particular. Mr. President, I would like to ask you to share your thoughts on the production, transportation, storing and exports of natural gas in Azerbaijan?

HEYDAR ALIYEV: There are myriad gas fields in Azerbaijan including the Azeri sector of the Caspian Sea. We have signed a contract to develop the «Shahdeniz» field. No U.S. firm participates in this contract that we signed with BP, Statoil<sup>22</sup>, Elf Aquitaine<sup>23</sup> and others. The experts estimate the production of 450 billion cubic meters of natural gas. But I believe the field contains more gas than this estimate.

Exxon is conducting successful exploration work in the Azeri gas fields. Exxon executives told me during our meeting that the deep-water gas reserves in the Caspian are vast. They promised to submit their offer shortly. I have accepted this offer and now am waiting for the completion of the project by Exxon. I assume these estimates coincide with the calculations of our scientists and geologists. Under such circumstances, we could start a major project in developing natural gas fields. It goes without saying that all these efforts will create conditions for producing large quantities of natural gas in Azerbaijan.

Azerbaijan has to meet its internal demand. Our country's demand for gas is approximately 11 to 12 billion cubic meters per year. Any excess gas production over this quantity should be exported. I think we will be able to produce more gas than this and sell it abroad. Since our path is directed toward the West, then we will export the gas to the western countries.

If we can start this venture with Exxon, then together we will determine the conditions of the contract.

QUESTION: Mr. President, the last question concerns the peace process in the Caucasus. Do you expect positive results from the peace negotiations with Armenia? Generally speaking, how could the trade and investments affect the establishment of peace in the region?

ANSWER: First, I would like to inform you that the conflict between Armenia and Azerbaijan has been stopped for three years. We signed a cease-fire accord in May 1994, and have been maintaining cease-fire since then. We will continue it into the future as well. After the cease-fire agreement and the stabilization of the political situation in Azerbaijan, we signed the first contract on cooperation on the Azerbaijani oil fields in the Caspian in September 1994. For the three years that followed the first contract, Azerbaijan experienced a solid influx of foreign investments.

I want to point out that the military conflict does not prevent foreign capital from flowing into Azerbaijan. On the other hand, I think that if we manage to settle the con-

flict, establish peace between Armenia and Azerbaijan, then the ensuing peace in the region will create a more secure and reliable environment for the long-term foreign investments in Azerbaijan.

We are working in this direction. As you know the Minsk Group of the OSCE is charged with the peace negotiations in this conflict. The Lisbon Summit of the OSCE held last December laid out the principles for the peaceful settlement of the Armenian-Azerbaijani conflict. These three principles are: first, the recognition of the territorial integrity of the Armenian and Azerbaijani Republics; second, granting broad autonomy to Nagorno-Karabakh within Azerbaijan; third, the guarantee of the security of the entire population of Nagorno-Karabakh, both Armenian and Azerbaijani communities.

We have accepted these principles and are conducting talks on this basis. I am pleased to note that, early this year, the co-chairs of the Minsk Group were replaced. Now three countries, Russia, the United States and France, co-chair the Group. Three great powers took on this responsibility, and the presidents of three major powers accepted this duty. That's why this development led us to hope that the military conflict would be settled in 1997.

As you are aware, the presidents of three countries, Bill Clinton, Boris Yeltsin, and Jacques Chirac, made a joint statement on a peaceful settlement of the Armenian-Azerbaijani, Nagorno-Karabakh conflict on June 20th, in the American city of Denver. I have recently met with the presidents of America, Russia and France. When I was in Madrid I met with President Clinton and President Chirac. Before that I met with Russian President Yeltsin during my official visit to Moscow. They all expressed the same opinion. All three presidents stated that they discussed the issue in Denver and shared the same view that they should coordinate their efforts and solve the problem.

During my current visit to the United States, I have also held talks with members of the Congress, state figures, and high-ranking administration officials in this regard. Tomorrow, the peaceful settlement of the Armenian-Azerbaijani conflict will be the top issue in my talks with President Clinton at the White House. I hope that the United States, especially its Congress, and most importantly President Clinton, will exert every effort to settle the conflict as soon as possible.

We want long-lasting peace in the Caucasus. We are against resuming the hostilities and will not allow that. We stand for the establishment of stable and lasting peace between Armenia and Azerbaijan. We hope that the United States and President Clinton will assist us in resolving this matter.

The participants displayed great attention and frequently applauded during Azeri President Heydar Aliyev's speech and answers.

YAN KALITSKI: Many questions addressed to you came in. Unfortunately, you do not have enough time to respond to them all. Mr. President, I would like to thank you for your informative and valuable speech, and comprehensive answers to questions. We value your efforts directed at the strong development of economic and other relations between our two countries, and we also applaud your aspiration to establish peace in the region. Mr. President, we would like to thank you again for making time to visit the US Department of Commerce.

U.S. government officials, prominent politicians, state figures and business executives approached President Aliyev and expressed their satisfaction with his speech. The parties talked extensively on the ways to further improve the U.S.-Azerbaijani relationship. President Aliyev invited the businessmen to our country, once more stressing significant opportunities for conducting business in Azerbaijan.



**MEETING OF HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC  
OF AZERBAIJAN, WITH JAMES WOLFONSON,  
PRESIDENT OF THE WORLD BANK**

On July 31, Heydar Aliyev, President of Azerbaijan met with James Wolfonson, President of the World Bank, one of the largest financial institutions in the world. President of the World Bank said that he was aware of the successful visit of President Aliyev. He added that this visit raised big interest in official and business circles of the United States and was closely watched.

The head of our state talked in details about recent economic policies and said that the government was rebuilding the economy in accordance to market principles. Large-scale program of economic reforms was underway and legislative basis for reforms were being set. Radical law on land reforms was adopted and continuous activities were carried out for its implementation. Privatization is underway with full speed. Together with citizens of our countries, foreign nationals can also participate in this process.

President Aliyev also talked about financial stability in Azerbaijan. It was mentioned that it was impossible to reduce inflation in 1994, which was at a rate of 1800 per cent per year. As a result of serious measures taken, this figure was brought down to 85 per cent the following year, and to 65 per cent in 1996. In accordance with the results of the first half-year of 1997, inflation is at zero level in Azerbaijan. Our

national currency, the manat, has appreciated 10 per cent in terms of the U.S. dollars.

Mr. Wolfonson who, as a professional financier, understands well what these numbers are all about, emphasized that it gave a chance to look with confidence to the future of Azerbaijani economy. The president of the World Bank said that the current status of the economy of Azerbaijan, in accordance to terms of the International Development Association, is allowed to adopt important decision to increase extending loans to Azerbaijan with low interest rates. More concretely, Mr. Wolfonson stressed that an additional \$50 million of credit per year was allocated for Azerbaijan.

The president of the World Bank said that Azerbaijan is also known as a country with a rich historical and cultural heritage. He added that it is an internationally important matter to preserve that heritage and convey it to the future generations. Therefore, the World Bank has been thinking about this area, and intends to allocate some credit for these issues as well.

President Aliyev expressed his gratitude to Mr. Wolfonson for his great care in protecting historical and cultural monuments, and the heritage of Azerbaijani people that has contributed enormously to development of civilization. He praised his proposal in this respect.

At the end of the meeting, President of Azerbaijan invited the leader of the World Bank to visit Azerbaijan. Mr. Wolfonson expressed his pleasure at meeting President Aliyev and accepted his kind invitation.

After the meeting, they signed a document about allocating \$70 million in credit to Azerbaijan at a low interest rate. It is worthwhile to remember that the credit was extended with a 0.6-0.7 per cent interest rate for 35 years. Until today, the World Bank has extended \$300 million of credit to Azerbaijan in total.

**THE OFFICIAL RECEPTION IN HONOR OF THE AZERI HEAD  
OF STATE AT THE OLD SENATE SUITE OF THE US CONGRESS**

US Secretary of Commerce Mr. William Daily and Secretary of Energy Federico Pena prepared an official reception ceremony in honor of the Azerbaijani President Heydar Aliyev at the Old Senate Suite of the US Congress on July 31st in Washington DC.

The high-ranking US officials, prominent politicians, statesmen, Congressmen and Senators, various public figures and business executives attended the official ceremony.

Before the commencement of the official reception Azeri President Heydar Aliyev personally met and talked with the participants who were introduced to him. He cordially thanked them for their friendly relations with our country. They expressed their honor to meet with such an outstanding politician as Heydar Aliyev. They informed our head of state that they were closely following the process of democratization and successful economic reforms conducted under the leadership of Heydar Aliyev. The meeting participants were confident that the far-sighted policies of Heydar Aliyev, the renowned politician of our time, will soon lead to independent Azerbaijan's joining the group of developed nations.

Former US Ambassador to Azerbaijan Richard Kauzlarich commenced the ceremony with his introduction speech.

### The Speech of Ambassador Richard Kauzlarich

Esteemed President Heydar Aliyev!  
Esteemed Secretaries, members of Congress!  
Dear friends!

Most Americans seated here are aware of the wonderful tradition the Azeris have. They always designate a leader at every party and confer the title of a toastmaster on that person. This person makes toasts in addition to directing the gathering. We are lucky today as we have two toastmasters: Secretary of Energy Mr. Federico Pena and Secretary of Commerce Mr. William Daily.

President Heydar Aliyev knows that I have not mastered the art of a toastmaster. Therefore, I am transferring the responsibility to more professional people. With great sense of satisfaction I give a word to Secretary Pena.

### The speech of US Secretary of Energy Federico Pena

Thank you, Mr. Ambassador. I was not aware that I qualified as a professional toastmaster. However, I will do my best to perform those duties.

Esteemed President Heydar Aliyev,  
Esteemed Ambassador Pashayev, Secretary Daily, Congressman Wildon!  
Ladies and Gentlemen!

Mr. President, someone mentioned the other day that I had spent so much time with you that it seemed I was a member of your state delegation as well. Please, do not let President Bill Clinton tomorrow when you meet with him.

We are glad that Departments of Energy and Commerce have this official reception in your honor at the historic building of our Congress. This is the reflection of very significant relations between the US and Azerbaijan. The economies of our countries are built on the basis of solid, sound, diverse and secure energy supplies. If we lacked the fuel needed for our factories, plants, equipment and homes, the United States could not have attained the current level of economic prosperity. It is quite logical that Azerbaijan considers its energy sector to be the backbone of its economy.

Esteemed President, we stand for the cooperation with You and your colleagues on the implementation of energy policies and projects that would benefit both our countries.

Mr. President, I would like to note that we highly value the courage, intrepidity and leadership that you displayed during our joint work. Please, allow me to share my thoughts on some building blocks that I consider critical to the future development and prosperity of Azerbaijan. These factors stem from the close cooperation between the US and Azerbaijan, our support to your policies, the stability in your country, that is the stable government, steady economic development and expansion of regional cooperation.



As the supporter and friend of Azerbaijan, the US Department of Energy takes great pride on participating in the implementation of your policies. We will further develop and expand the relations between our nations. We will provide all the needed support to the US firms that operate in Azerbaijan.

Mr. President, I pledge that I personally will not spare an effort to remove any obstacles on the way of further growth of the US-Azerbaijani relations. I specifically mean the abolishment of the Section 907. The Section 907 impedes our technical aid to the market reforms and democratic processes that you conduct in Azerbaijan. I reiterate the Section 907 has to be lifted. I personally will work very hard to achieve this objective.

Mr. President, you have earned deep respect in the United States by establishing stable government and economy in Azerbaijan. We welcome your efforts in this direction.

Mr. President, the cooperation between the US and Azeri oil firms has also contributed to this success. The executives of major American corporations who are present at this reception are already loyal supporters of Azerbaijan. Most of these businesspeople have made considerable investments in your country and participate in the building of prosperous future for Azerbaijan. They are also prominently displayed in the list of "Who is who?" of the corporate America. Whether it is AMOCO, Chevron, Exxon, Mobil, Pennzoil, Texaco<sup>24</sup> or any of tens of other firms, they are all close friends of Azerbaijan.

Mr. President, Azerbaijan is in the center of the US strategy towards the Caspian region. You have been our ally and supporter in this effort. We thank you for this stance as well.

Along with assisting you in protecting the independence and sovereignty of the Caspian states, helping the peoples of this region to master the democratic values, developing the rich oil and gas reserves, the United States has numerous reasons to be involved in this corner of the world and participate in its progress. These factors make the Caspian region one of the most important and valuable places in the world. Since the beginning of the civilization this region has been critical to the world, and its utmost importance will continue to be the reality.

Esteemed Mr. President, I will make my official toast with your permission. Let us cheer for closer cooperation between our countries, economic prosperity of your powerful nation, stability, peace and security in your region, the promising future of the Azerbaijan-American friendship and the strong Azerbaijani people and state.

Then Secretary of Commerce Mr. William Daily gave his speech.

### The speech of US Secretary of Commerce William Daily

Esteemed President Heydar Aliyev,  
Esteemed Secretary Pena, Congressman Wildon!  
Dear guests!





I would like to mention three individuals who immensely contributed to the formulation of the current strategy of our government, Department of Commerce, and the trade administration. Those three people who are present today at this reception are Mr. James Harman, the President of Eximbank, Mr. Milac Kilya, the executive chairman of the OPEC<sup>25</sup>, Mr. John Grumman, the President of Trade and Development Agency. I join my close friend Secretary Pena's words and cordially welcome you all here in Washington. I am deeply gratified to witness the first official visit of the Azerbaijani President to the United States.

The intensive activities that preceded your visit manifested the serious interest of the US leadership to your beautiful country once again. We at the Department of Commerce are also seriously interested in Azerbaijan.

We have tremendous opportunities for broadening mutually beneficial relations and close cooperation between our nations. The efforts to increase trade and investments, develop the Eurasian transport corridor, long-term, joint and productive use of the ample oil and gas reserves in the Caspian Sea, create new jobs, grow incomes, raise the living standards, foster large capital investments are praiseworthy and will benefit the economies of both countries.

We welcome Azerbaijan's accomplishments in developing its energy resources and economic stabilization program implemented jointly with the IMF after Azerbaijan restored its state independence.

The US companies consistently back Azerbaijan's economic and political independence. When Azerbaijan opened its doors to the world and decided to export its natural resources it was the American firms who became the first supporters of these policies. We have prepared a number of programs aimed at incentivizing the US firms who intend to invest in the region. As a next step we will establish a representative office of the Department of Commerce in Baku. Our office that is to be opened this year will be the first representative office of its kind in the Caucasus.

President Bill Clinton pays a special attention to further improvement of our relations that are based on a solid foundation. Our states have common interests in many issues. It is not accidental that the joint operations in the energy sector played a crucial role in bilateral discussions directed at developing economic cooperation that took place in the last two years.

From the very beginning the Departments of Energy and Commerce began coordinating their efforts in order to assist the US businesses that participated in the implementation of various energy projects in the newly independent states. Our governments will sign important agreement that would deepen the US-Azerbaijani cooperation. These documents will be pivotal to the successful implementation of energy policies, environmental protection and development of regional cooperation.

As Azerbaijan strengthens its eternal independence our government will provide more assistance to your nation. The US companies will continue their active participation in democratic processes, economic revival programs, and development of abundant natural resources, telecommunications and infrastructure of Azerbaijan.

Mr. President, 80 years ago it was the first time that Your country chose the path of a democratic and secular state. At that time late US President Mr. Wilson stated that the facts that Azerbaijan had such progressive concepts as human rights and justice earned this country great respect. Today you and your people are indefatigably working to realize that dream by making sure that Azerbaijan takes its deserved place in the world community, preserves its independence, ensures the security, peace and economic prosperity.

We would like to express our hope that your cordial meeting with US President Bill Clinton tomorrow and the personal friendship that has been established between you will contribute to strengthening the US friendship with Azerbaijan, establishing peace and stability of your state and neighbors.

Let us raise our glasses to the continuation of Azerbaijan's achievements, bright future of the country, peace, stability, democracy and prosperity of your region.

Richard Kauzlarich: It is my honor to introduce Azerbaijani President, Mr. Heydar Aliyev.

**Statement of Heydar Aliyev  
President of the Republic of Azerbaijan**

Esteemed Mr. Secretary Daily  
Esteemed Mr. Secretary Pena  
Esteemed Congressmen, Ambassadors  
Ladies and gentlemen



I sincerely greet you here in the building of the United States Congress, the building that witnessed many historic events. I express my deep respect to you and the government, state and people of the United States of America who you represent.

I would like to thank all of you for this important meeting and express my gratitude to Secretary Daily and Secretary Pena for their warm words about our country and U.S.-Azerbaijani relations.

I feel very happy that I have a chance to visit the United States. This is the first official visit of the president of independent Azerbaijan to the United States of America. This visit was possible thanks to the official invitation of the U.S. president, Mr. Bill Clinton.

I am grateful to President Clinton for this invitation and hospitality, and for the friendliness and kindness that have been demonstrated to our delegation during our stay in the United States.

After gaining its independence, Azerbaijan established good working relations with the United States, and the bilateral relations are moving forward in all areas. My official visit and numerous talks, meetings and conversations are indicative of grow-



ing U.S.-Azerbaijani relations, their qualitatively new stage of development. I am eagerly waiting to meet with President Clinton tomorrow. I think that our meeting, talks and documents to be signed will become a historic event in the U.S.-Azerbaijani relations. We are proud that young and independent Azerbaijan Republic has established equal relations with the most powerful country of the world, the United States of America. These relations are expanding and benefiting both sides. We are proud that the Azerbaijani government delegation and the Azerbaijani president are in Washington, the capital of the United States.

We deem that the American-Azerbaijani relations should broaden and acquire a total partnership character. We sincerely desire this. I believe that, during the meeting with President Clinton, we will be able to take those serious steps. Our meetings and negotiations in the United States demonstrated that we can truly achieve new heights in our cooperation.

My meetings with various U.S. Secretaries including Secretaries of Defense and Energy, my talks with the Secretary of Commerce, meetings and conversations with Congressmen and Senators, other high-ranking U.S. officials and the great political

figures who have certain influence on shaping the policies of this country, have created an impression that there is a great interest in the U.S. toward Azerbaijan.

My meeting with President Clinton will be the highlight of my visit to America. This meeting will summarize all the talks and meetings up to that moment, and hopefully will implement our wishes.

Both Secretary Pena and Secretary Daily noted here that the United States of America has a vast interest in the Caucasus, the Caspian basin states in general, and Azerbaijan in particular. These thoughts are well justified. I am convinced that, due to geopolitical and strategic location of our region including Azerbaijan and the prolific natural resources of Azerbaijan and our region, the United States should increase its interest to and relations with our region, especially with our Republic.

We are ready to create such interest and ensure these efforts. You can be assured that Azerbaijan can be your reliable partner in this respect.

Our economic relations are bearing fruit. The large U.S. oil companies are already operating in Azerbaijan. I state with great pride that the oil contract signed in September of 1994 has been successfully carried out. Thanks to the work of the international consortium in charge of the contract implementation, we will produce the first oil in September of this year.

We are consistently implementing all the contracts, including those concluded with U.S. firms. Tomorrow, we will witness the conclusion of yet another set of contracts. We will sign very important contracts with Chevron, Exxon and Mobil. AMOCO is the first American company to have arrived in Azerbaijan. It was one of the original companies that signed the contract in 1994. AMOCO signed a new contract with Azerbaijan on developing the «Dan Ulduz» and «Ashrafi» prospects. We will conclude another agreement with AMOCO on developing another oil prospect and generally expanding our cooperation.

We highly value the projects implemented so far. We can be proud of them. At the same time, we can notice the rapid growth of our cooperation. However, this is not the last limit. Even larger opportunities are awaiting us.

I would like to hope that, along with the U.S. oil companies already established in Azerbaijan, other U.S. oil firms would actively join the growing cooperation. A number of them have already arrived in Azerbaijan. I was content to meet with their representatives here. Nevertheless, I wish more American companies would come to Azerbaijan. The doors of Azerbaijan are open to everyone, especially to every American businessman and firm.

Secretary Daily and Secretary Pena spoke highly of the economic reforms, the democratic processes, the transition to market economy and other efforts that we have been exerting in Azerbaijan. Thank you for your words.

I assure you that Azerbaijan will continue on its path of independence, and no one can jeopardize our nationhood.

We are building a democratic, law-governed and secular state in Azerbaijan, and this process is ongoing. We will attempt to use the American experience in this process and elevate our country to the level of progressive countries of the world.

The market economy is currently developing in Azerbaijan, and the transition to it will be completed soon. We will achieve serious improvements in the Azerbaijani economy and the welfare of the people through market economy and economic reforms. This is a strategic direction in building our state and economy, and solving the social problems. We will not renege on this path. That's why we feel a tremendous need for cooperation with the United States.



The United States of America is the most developed country in all respects - the economy, state building, democracy, and human rights. The accomplishments and experience of the United States are a great example for us. Today, we observe that the United States makes new progress in both domestic and foreign policies. We, as a friendly country, congratulate the United States on these accomplishments, and wish the American people continuous success on this road.

The recent successes of American diplomacy are many. They include such achievements at home as improving the economic sphere including the reduction of the budget deficit and its complete elimination, creating jobs for more than ten million people, and directing efforts at bettering the social conditions of the people. These are the result of leadership of President Clinton. I congratulate you all on these successes and wish for more in the future.

The United States is our friend. We would like you to consider the U.S. to be your friends. We, the Azerbaijani people, are very faithful to this friendship. We intend to solve many difficult problems that our country faces with the help of this friendship.

One of those complex problems is the aggression of Armenia against our Republic. As a result of this aggression, 20% of our lands were occupied, over one million people were ousted from their homes, and today we witness their deplorable living conditions. Armenia has violated the territorial integrity of our country. You know that this aggression dealt a terrible blow at the Azerbaijani people, causing human casualties and destruction. One million out of total seven million of our citizens are refugees who live in tent cities. Despite this situation, we still intend to settle the conflict peace-

fully. We want peace. We want solid peace in our country and the entire region. We want to establish and live in peace, and have good neighborly relations with Armenia.

Now it is the right time to achieve peace. We reached a cease-fire three years ago, and we still live under the cease-fire regime. I assure you that we will preserve the cease-fire from now on, as well.

At the summit in Lisbon last December, the heads of member-states of OSCE determined the principles that would guide the peaceful settlement of the Armenian-Azerbaijani conflict. We can achieve peace based on these principles.

The United States, along with France and Russia, took the responsibility of heading the OSCE Minsk Group. Presidents Bill Clinton, Boris Yeltsin and Jacques Chirac issued a joint statement on peaceful settlement of the Nagorno-Karabakh conflict on June 20th, 1997 in Denver. All these efforts have created very favorable conditions for concluding peace.

The Azerbaijani lands occupied by the Armenian armed forces have to be freed in order to solve the conflict in a peaceful manner. The armed forces of Armenia must leave Azerbaijani lands. The Azerbaijani citizens who became refugees as a result of the Armenian aggression must return to their homes in the occupied lands. The territorial integrity of Azerbaijan must be restored. Nagorno-Karabakh must be given a high degree of autonomy within Azerbaijan. We can achieve peace only through these means.

The United States and its president can accomplish a great deal in this direction. I came to your country with these wishes, and I will go to meet with Mr. Clinton with these desires and plans. I would very much like that I leave that meeting with good news for both you and us.

The public and government of the United States have already agreed that the unjust Section 907 adopted against Azerbaijan in 1992 must be lifted. Section 907 has tremendously damaged Azerbaijan and is considered discriminatory against Azerbaijan. This law has also been a significant obstacle in Azerbaijani-American economic relations.

After my meetings with Speaker Gingrich and other Congressmen, Senators and U.S. government officials, I have concluded that lifting the 907 has become realistic. However, I also understand that, in order to remove this law, more work is.

I invite all of you to assist U.S. in this respect. I would like to express my hope that, thanks to your help, we will finally be able to get rid of Section 907.

In this official visit, the meetings bear good news for Azerbaijan and its people. You should know that all the citizens in Azerbaijan are closely watching my visit to the United States. I am hopeful that, together with you, we will work hard these days and make the wishes and hopes of the Azerbaijani people come true.

In today's meeting, the mood that reigns in this magnificent banquet room and the hospitality that was shown to us lead us to believe that these plans will be implemented.

I thank you again. I wish the people of the United States peace, stability and prosperity.

I would like to congratulate the United States of America, the American people, the growth of the American-Azerbaijani relations, the American state, the American President Bill Clinton.

Thank you.

#### Statement of Congressman Kurt Weldon

Dear Mr. President, thank you for your remarkable statement.  
Mr. President!  
Distinguished ministers, ambassadors!  
Ladies and Gentlemen!

Mr. President, may I say you are welcome. I would like to thank secretaries of energy and commerce for their statements. Mr. President if you see smiling people in streets of Washington these days it is because the Congress is in recess.

Mr. President, I am pleased to note that President Clinton attaches special attention to development of relations with Azerbaijan. You will meet President Clinton tomorrow and sign several important agreements. Your personal friendship with President Clinton and close cooperation with American companies are very important.

I would like to say that members of Congress new very little about Azerbaijan when Congress passed Section 907. Now more than half of the Congress are new members. Quite often some of the members of Congress fail to get enough information about issues. Therefore we need to establish official contacts between Parliament of Azerbaijan and the US Congress. We should benefit from the experience of similar relations between Congress and Russian Duma. I made this proposal to delegation from Azerbaijani Parliament some time ago during their visit to the United States.

As a chairman of Energy Committee of the Congress I would like once again to make this initiative to establish closer ties between Milli Mejlis of Azerbaijan and the US Congress. Our relations should not be limited only by energy sector. Our great countries both have rich resources and support each other in many areas. Azerbaijan

is a country which has strategic importance for us. You have long and rich history. We need to use peoples diplomacy and improve relations between our countries and peoples.

On behalf of the US Congress, both Democrats and Republicans I would like to say "You are Welcome!". I would like to see establishment of long term relations between the Congress and Azerbaijani Parliament.

Mr. President, on behalf of the Congress I would like to present a small gift to you. It has a picture of Congress on it. Let it be a symbol of friendship between the US Congress and President of Azerbaijan.

High government officials, famous politicians, Congressmen, outstanding public figures, leaders of various American companies who participated at the meeting once again shook hands with President Aliyev and expressed their assurance that Azerbaijan-America relations will continue to strengthen and develop.



**MEETING OF HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC  
OF AZERBAIJAN, WITH MADELINE ALBRIGHT, SECRETARY  
OF STATE OF THE UNITED STATES**

On August 1, Mrs. Madeline Albright, the Secretary of State of the United States, visited Heydar Aliyev, President of the Republic of Azerbaijan at his residency in Blair House.

Mrs. Albright greeted President Aliyev very warmly and sincerely, and said that his visit to the United States has been very successful.

The Secretary of State mentioned that President Clinton was very pleased to welcome President Aliyev. She added that, during her tenure in Washington, she had not seen the second president to be welcomed at such a high level and to have such a successful visit as President Aliyev did.

Mrs. Albright stressed that she was meeting President Aliyev at the instruction of President Clinton. She expressed her intent to summarize the issues discussed during President Aliyev's meetings in the White House, in Congress and with members of the Cabinet during his visit to Washington.

The Secretary of State expressed her satisfaction of the development of friendly relations between our two countries. Mrs. Albright emphasized that, after signing joint statements by Presidents Clinton and Aliyev as well as several other agreements and treaties signed during the Washington visit to enhance cooperation and partnership between our countries, U.S.-Azerbaijan relations have entered into a new and important stage.

The Secretary of State praised President Aliyev's achievements in preserving and strengthening independence of Azerbaijan. She also expressed her appreciation of building democratic state with the rule of law in Azerbaijan and carrying out radical economic reforms in the country. She welcomed the development of Azerbaijan's economy on the basis of market economy principles, and very successful cooperation of Azerbaijan with international organizations, financial institutions, particularly the World Bank, International Monetary Fund<sup>15</sup>. She also extended her support for attracting foreign investments to Azerbaijan. These investments help develop rich energy resources of the Caspian Sea jointly with major international energy companies, to ensure the country's progress, and to integrate the economy of Azerbaijan to the world economy.

Mrs. Albright compared President Aliyev with George Washington and said that United States would extend every kind of support to Azerbaijan and to President Aliyev personally for maintaining Azerbaijan's independence and ensuring its security.

Mrs. Albright said she considered President Aliyev a great friend of America and expressed her gratitude to him for close cooperation with American energy companies in joint development of Azerbaijan's rich energy resources and for exporting the oil to the Western markets by secure and reliable routes.

Then Mrs. Albright stressed the importance of achieving a peaceful settlement with the Nagorno Karabakh conflict, which is a tragic problem for ensuring stability in whole the region. She said the United States would increase its efforts within the frame of the OSCE Minsk Group to achieve a just and lasting settlement to the conflict.

The Secretary of State emphasized that the joint statement signed by two presidents the United States favors settlement of this conflict based on three principles



adopted in Lisbon Summit of the OSCE. Creation of lasting peace between Armenia and Azerbaijan has become one of the priorities of U.S. foreign policy.

Talking about the Section 907 of the Freedom Support Act, the Secretary of State emphasized that the Clinton Administration has been against it since the very beginning. She promised she would make serious efforts to repeal it.

President Aliyev expressed his satisfaction of his first official visit to the United States and expressed his gratitude to Mrs. Albright for her warm and genuine hospitality, as well as the care and respect extended to him everywhere during his stay in America.

President Aliyev said he fully shared the views of Mrs. Albright and thanked her for praising the positive developments in Azerbaijan and for her kind words about our country.

The head of our nation said that achievement of independence was a great historic event for the people of Azerbaijan at the end of the twentieth century. President Aliyev once more declared he would continue to work tirelessly to maintain and protect the independence of Azerbaijan, and to make it eternal and irreversible. President Aliyev declared that Azerbaijan would continue to be committed to democracy.

President Aliyev said the people of Azerbaijan attached great hope to the United States of America, and to its activities within the frame of the OSCE Minsk Group. They hope to achieve a peaceful settlement of the conflict between Armenia and Azerbaijan, to restore the territorial integrity of Azerbaijan, and to ensure the return of

more than one million Azerbaijani refugees to their homes. The head of our nation praised the joint statement of Presidents of United States, Russia and France signed in Denver, and expressed his hope that the conflict would be settled peacefully this year.

President Aliyev welcomed the efforts of the Administration aimed at repealing the unfair section 907 of the Freedom Support Act, and gave detailed information to Mrs. Albright about his discussions with the leadership and members of the Congress about this issue.

The president of our country noted that Azerbaijan first started oil production at the Caspian Sea fifty years ago. At the end of the twentieth century, Azerbaijan opened Caspian Sea's rich energy resources to the world. He stressed the special role of American companies in joint development of Azerbaijan's rich energy resources, and in exporting oil to the world markets. President Aliyev expressed Azerbaijan's intent to continue this cooperation.

Secretary Albright said she had a great respect, the highest consideration and personal sympathy toward President Aliyev. She asked him to pick up the phone anytime he wished, and call her irrespective of where she was.

They reached general agreements during the meeting, which was held in an atmosphere of friendship and openness about further development and enhancement of strategic partnership relations between our two countries.

#### THE WASHINGTON MEETINGS OF THE LEADER OF AZERBAIJAN COME TO AN END

Heydar Aliyev, President of Azerbaijan, had a very friendly meeting with the personnel of Blair House before his departure for Houston after the completion of his meetings in Washington.

The head of our state said the building was beautiful, and was very well looked after, saying he could see that all historical traditions were preserved. «This creates feeling of great respect. The fact that you have preserved historical exponents here demonstrates your great respect to your own history. I applaud this.»

President Aliyev continued his conversation about the residency where he lived for four days. He said he felt comfortable there and slept very well at nights. «It is true that, in general, I sleep fewer hours but sometimes I cannot sleep when I visit other places. However, I slept very well here. It is very beautiful and comfortable. The weather and overall atmosphere was also good.

«Thank you for everything. I am grateful to all of you. If you have a chance to come and visit our country, Azerbaijan, we would be very pleased.»

Before leaving the residency, President Aliyev signed the book of honor for Blair House with these words:



*«This beautiful house being an example of architecture of American people at the same time has preserved history of people and the state. It creates enormous feelings of respect. During my stay in this house, I felt great hospitality, respect and attention. I am grateful for that. I wish every success to those who preserve this historic house.*

*With best regards,*

*Heydar Aliyev  
President of the Republic  
of Azerbaijan  
August 1, 1997»*

The staff of the residency thanked President Aliyev and said that nobody wrote such beautiful words about them until today.

President Aliyev presented books as a gift to the residency. He was told that Blair House had very beautiful



library, and these books would be given to that library.

The head of our state once again expressed his gratitude to the staff of the Blair House and said good-bye to them.

#### CEREMONY FOR SEEING PRESIDENT ALIYEV OFF IN WASHINGTON

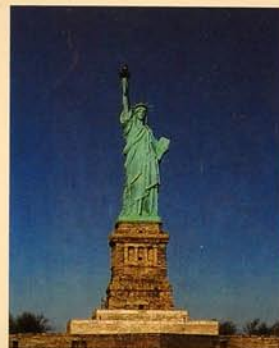
Heydar Aliyev, President of the Republic of Azerbaijan and the delegation accompanying him, left Blair House for the George Washington Monument.

The head of our nation met with residents of Washington and had a very friendly conversation with them. He expressed his great satisfaction about his first official visit to the United States.

Then President Aliyev flew to Andrews Air Force Base in President Clinton's personal helicopter. The national flags of Azerbaijan and the United States were flying at the military airport.

President Aliyev shook hands with high-ranking officials of the State Department and other government officials who came to see him off, and said good-bye to them.





## MEETINGS IN NEW YORK

### ARRIVAL CEREMONY IN NEW YORK

On July 27th, the President of the Republic of Azerbaijan Heydar Aliyev and the delegation accompanying him during his first official visit to the U.S. arrived in New York.

The high-ranking officials of the United States, Hafiz Pashayev, Extraordinary and Plenipotentiary Ambassador of the Republic of Azerbaijan, officials of the United Nations Organization, Eldar Gouliyev, Permanent Representative of Azerbaijan at United Nations, Ilham Aliyev, First Vice-President of SOCAR, Reza Vaziri and Don Stacey, co-chairmen of the United States-Azerbaijan Chamber of Commerce, and other officials met Heydar Aliyev, President of the Republic of Azerbaijan, at the John F. Kennedy International Airport in New York.

Shortly after, the leader of our country left the airport for his accommodations.

### INTERVIEW OF HEYDAR ALIYEV, PRESIDENT OF AZERBAIJAN, WITH REPRESENTATIVES OF "INSTITUTIONAL INVESTOR" MAGAZINE OF AMERICA

The first official visit of President of the Republic of Azerbaijan Heydar Aliyev to the United States of America was the focus of attention of members of the U.S. media. Upon the arrival of the leader of our country in New York, they looked forward to meeting him. In spite of the long flight, President Heydar Aliyev expressed his pleasure and desire to meet the journalists. He appreciated meeting with journalists in particular during his trips to foreign countries. This extends him an exclusive opportunity to give the media representatives detailed information about Azerbaijan.

On July 27th, he gave an interview to Steven Quinck, Editor-in-chief of the American Institutional Investor magazine, and Sisal Moran, sponsor of the magazine.

**JOURNALIST:** Mr. President, thank you very much for your time to meet us. We are very happy and it is a great honor to meet you.

**HEYDAR ALIYEV:** Thank you very much.

**JOURNALIST:** Mr. President, with your kind permission before the interview, I will talk a little bit about myself. I have been to Baku for 10 days, a short period of time. My participation at the conference held in Washington dedicated to Banking and Financial



Issues in Azerbaijan was the reason for my trip to Baku. At that conference I met people who represented Azerbaijan, and got information about the economical situation in your Republic.

We have an opportunity to inform our readers about your region and Azerbaijan. As I have previously mentioned, I have been to Baku for 10 days, and during that period of time, I met the representatives of different companies and visited some ministries. I was able to get some general information about your country.

In September, we are going to publish a report about Azerbaijan. This report will be published for the International Monetary Fund and the World Bank. We will write make other publications about financial issues. The total number of our readers is up to 140,000.

The progress of the economy in Azerbaijan creates a wonderful opportunity to make such a report. I believe our readers will be pretty much interested in it. I do not want to take too much of your time. Let us get started.

QUESTION: Mr. President you are welcome in the United States of America! I want to ask you couple questions. This question is about economical and financial opportunities, the process of the involvement of investment in Azerbaijan.

Mr. President, my first question is: What is your main goal during your visit to the United States of America?

ANSWER: Thank you. I have some information about your magazine, and I also know that you have been to Azerbaijan. I believe that your magazine is very prestigious. If you want to publish the information about Azerbaijan in your magazine, I accept it with pleasure.

Answering your question, I would like to note that I have come to the United States of America on an official visit as a result of President Bill Clinton's invitation. The meeting with you is my first one in New York.

QUESTION: My second question is: Azerbaijan has great opportunities. Azerbaijan is rich in oil; there are many discovered oil fields. Your country has great opportunities in industry, agriculture, and energy. It is known that now Azerbaijan is attracting many investors. Your State oil company has signed a number of agreements with numerous foreign oil companies. How are you going to develop this cooperation?

ANSWER: We would like to develop it the way you see. That is, we use our domestic resources for ourselves. But now, we consider the flow of the foreign investment to Azerbaijan very important, since it helps to develop an economic potential. It is profitable for our Republic.

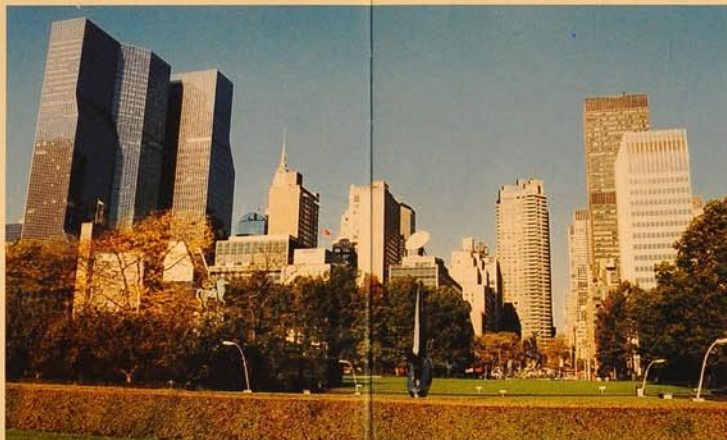
Our economy is multi-structured. A lot of these structures have already attracted foreign investors. We come up with our proposals in response to their interest. The oil and gas fields of our country have attracted even more foreign investors. As you may know, we have signed numerous production-sharing agreements with many foreign companies on the joint development of oil and gas fields.

QUESTION: As far as I know, you have signed three agreements, have you not?

ANSWER: No, we have signed six big agreements. That is, these are agreements signed with consortiums of many foreign companies.

QUESTION: Will your foreign partners invest enough capital, or you will have to find other ways out?

ANSWER: No, there is no need to look for the other options. Those who want to have a business with us are willing to invest in our country and are already investing. Every agreement has its own terms. The key aspect of these terms is that the foreign companies are investing and, as a result of this investment, we build our cooperation. The received



profit is being distributed based on production-sharing principles. At present, a lot of investment has been made in our country. There was approximately three billion dollars invested in the agreements signed with the numerous countries of the world.

QUESTION: Most likely, is it only the beginning?

ANSWER: Yes. We signed the first agreement at the end of the 1994. It is only the beginning of that investment.

QUESTION: Some people call your country the "Second Kuwait." Is that true?

ANSWER: As you may know, our country has its own name. It is called Azerbaijan. In the past, during the Soviet time, Azerbaijan was the first, the only, and the biggest country in oil production. Later, in the '40s, '50s, and '60s, there were new oil fields discovered in other parts of the Soviet Union. Azerbaijan oilmen, scientists, and geologists were involved in production and development of those oil fields. They were discovered in Tataristan, Bashkiristan, later in such Russian domains as Orenburg, Siberia, and Tumen. They were called as the "Second Baku," the "Third Baku," the "Fourth Baku." That was why the name of our country has been immortalized in other places. Being famous as an old oil-producing country, we cannot change our name to Kuwait or any other name.

I understand why you are asking this question. Probably you are saying that because of the amount of oil that will be produced. In this regard, we probably will produce oil even more than Kuwait does.

QUESTION: Scanning the last numbers, I see there are some discussions about oil production of three billion barrels, there are even some rumors about bringing it up to four billion barrels. Are these numbers realistic?

ANSWER: As you know, we have enormous oil reserves. I can tell you only one fact. In the first agreement - it is also called the "Contract of the Century" signed in September 1994 - it is estimated we could produce 511 million tons of oil in three oil fields. But after doing some drilling, we realized we could have produced 640 million tons of oil. It is the production capacity of only one agreement. But I have told you that we had six agreements. That is why we can tell you the precise number now. But based on our observations, we estimated there would be more oil produced than the amount that has been forecasted by our geologists. In any case, we have a lot of oil in the Azerbaijan sector of the Caspian Sea. Talking about the overall Caspian Sea, the oil reserves are big. In the future, it will be one of the biggest oil production places of the world.

QUESTION: Honorable President, your answer leads me to another question about division of the Caspian Sea. There are some debates that the Caspian Sea is a lake. How will these misunderstandings and contradictions be solved between these countries?

ANSWER: It is true, there are some debates about it. The thing is that, in the past, the Caspian Sea belonged to the Soviet Union. Except Iran, all pre-Caspian countries were Republics of the Soviet Union. But you should know that, in spite of the fact that back then we were within one country, and that the oil production was widely spread all over the Caspian Sea. In 1970, the government of the Soviet Union divided the Caspian Sea to sectors for oil production. In general, back then the only organization that dealt with the oil production was located in Azerbaijan. Besides the oil production in the Azerbaijan sector of the Caspian Sea, the oil was also produced in the Turkmenistan sector. It was controlled by the organization that belonged to Azerbaijan. But due to the fact that the Caspian Sea was divided into sectors, the oil produced in the Azerbaijan sector was debited to Azerbaijan, and the oil produced in Turkmenistan sector was debited to Turkmenistan.

This principle was followed until recent years. None of the pre-Caspian countries doubted it or expressed their displeasure. In September 1994, after Azerbaijan had signed a production-sharing agreement about the joined development of the oil fields on its own sector with the world biggest oil companies, some debates started about the status of the Caspian Sea.

In the past, nobody asked if the Caspian was a lake, sea or another water basin. But after we got started in this process, some of them realized this principle might not suit them. That is why this issue is being discussed. The representatives and experts of the pre-Caspian countries often meet and negotiate. They have different opinions on this issue. We think that mineral resources of the Caspian Sea - that is the resources under the sea - should be used based on the sectarian division. Kazakhstan shares our opinion. But Russia and Iran think differently. Turkmenistan shares the opinion of Russia and Iran. That is why this issue will be solved in future discussions. But for now we are taking advantage of the existing priority, enjoying the world experience. That is, as I have told you before, we use our sector of the Caspian Sea which was determined about 30 years ago.

QUESTION: Mr. President would you please tell me, to whom does this oil belong? Which sector is it in?

ANSWER: I am telling you, the oil in our sector belongs to us. So far it has belonged to us. I do believe that it should be the same today and will be in the future.

QUESTION: It should be noted that all the world companies are showing a great interest to the oil industry. How about the situation in other industries? Is the interest in them growing? Are the companies of the United States of America showing their interest in other industries? Are there any other countries that show their interest?

ANSWER: Yes, they are, they really are. Now we have other natural resources. We have natural gold reserves. The American companies are also interested in Azerbaijan's gold reserves. We had discussions with them, and it is possible we might sign a contract with them in the near future.

QUESTION: What are the other opportunities in different industries?

ANSWER: Industries related to the production of agricultural goods. There are a lot of opportunities in chemistry and metallurgy.

QUESTION: A general question: How can your country attract American investment?

ANSWER: What industry are you talking about? We have a lot of things that might attract the investment. First of all, mineral resources, many spheres of the industry - television and communication, infrastructure and many other spheres.

QUESTION: How do you attract the investors from the United States? What makes it different from other countries? Is the taxation system better there? Are the tax reforms being better implemented? Why are the investors more likely to come to Azerbaijan than to any other countries?

ANSWER: You know, I cannot tell you what makes us different from other countries. Every country has its own peculiar opportunities. But I can tell you one thing. Azerbaijan has advantageous factors. That is, it has natural resources, opportunities for economical potential and utilization of these opportunities. Another factor is the implementation of economic reforms, the fact that we're open to all the world investment, the suitability of a taxation system. For example, to give a special opportunity to foreign investors, there is a provision in our law that says "If a foreign investor invests in Azerbaijan and should there be any amendments to the Azerbaijan laws on investment that would hurt the investor, these amendments will not be applied to the investor for the next 10 years."



There are some special provisions for repatriation of the investors' income. For example, we have a very low custom tax. The tax on all goods is not more than 15 percent.

There are some other provisions. Privatization is being implemented in Azerbaijan. Every foreign company can participate in this privatization process; it can take over the Azerbaijan industrial enterprises. For example, we turned a clay-sand factory over to a company from Great Britain, and a big tobacco-producing plant was turned over to an American company.

QUESTION: Mr. President, you talked about privatization. It is known that, along with local companies, foreign companies can also participate in privatization. How important can be the participation of large and small U.S. companies in privatization?

ANSWER: As much as they want it to be. We are privatizing them, selling them, and those who meet these requirements of purchasing can purchase it.

QUESTION: Will this implementation of privatization be on the basis of "Production Services Limited?"

ANSWER: If the companies buy big enterprise, plant, factory, production institution, they will be their private properties.

QUESTION: Is it going to happen in an auction?

ANSWER: Yes, the auctions are being held now. The companies can come and participate.

QUESTION: Can any company participate?

ANSWER: Yes.

QUESTION: Mr. President, it is known that, as a result of the signed oil agreements and based on the production-sharing concept, Azerbaijan's income will enormously increase during the next five years. How are you going to use the received income?

ANSWER: If there is an income, it is not difficult to use it. In this area, there are no problems.

QUESTION: Which industries are you going to allocate more income to?

ANSWER: Without any doubt, some of this income will be allocated to establish new production. Now we are attracting foreign investments. But in the future when we will have plenty of income, most likely we will not need foreign investment. At the same time, it will be used for the progress of our economy and improving the lifestyle level of our population.

QUESTION: This question is about your trip. It is known that this is your first official visit to the White House. The question is about the Section 907. It is known that Section 907 had a negative impact on the investments of the United States. If this amendment is eliminated, how will the situation be different?

ANSWER: You know, it is our biggest request from the United States. Section 907 was passed against Azerbaijan in 1992. It shows an unfair attitude of Congress of the United States toward Azerbaijan. If Section 907 had not been in existence, our economic relations would have developed better, and U.S. companies and government would have received more profit from these economic relations. But recently the U.S. people, especially in the government and Congress itself, realized that Section 907 was unfair. In the United States, they made some proposals to eliminate this amendment. A couple of days ago, Congressman King presented a special draft on the elimination of Section 907. I extend my deep gratitude to Mr. King.

This issue will be the focus of attention at all forthcoming meetings, both in Congress and White House.

QUESTION: It is known that you arrived in America on an official visit. You will have official meetings in Washington. You will visit Chicago and Houston - two cities that have good relations with Azerbaijan. You will have discussions about the other industries you have previously mentioned.

ANSWER: We are not going to talk only about the oil industry. We will have discussions about the other industries as well.

QUESTION: Besides the oil industry, where would you like to allocate more investments?

ANSWER: You know, we would like to attract the investors to industries related to the production of agricultural goods. There are a lot of opportunities in chemistry and metallurgy.

QUESTION: As you know, the Soumgait project will be implemented in the near future.

ANSWER: Probably you are talking about the creation of the free economic zone in Soumgait. Yes, we consider it very important. We believe that is very realistic, and that it is possible to implement. Soumgait is a young city established 45 years ago. Constructing the big industrial enterprises was the reason for its foundation. There is a huge pipeline plant that produces pipes for the oil industry. The process of the plant's modernization and improvement of the production principles are very important. In particular, it is closely related to the fast development of the oil industry.

There is a big aluminum plant in Soumgait. Its development is also important. There is a big complex of refinery of the oil and gas products. In addition to that, we have a

chemical complex of producing chemical products. The reconstruction and modernization of these plants are of great importance for us. We also have weaving plants in Soumgait.

As you may see, there are many different industries in this city. We think that establishment of the free economic zone in Soumgait will create great opportunities for the development of these plants and factories. I also invite American companies to Soumgait. The companies from the different countries, in particular Japanese companies, are very much interested in this city. As you know, Japan is one of America's biggest competitors. Japanese companies are interested in our oil fields and other industries. They are making very good proposals. If American companies act too late, the Japanese companies will be the first to get the deal.

JOURNALIST: You are right. American companies should be aware of this.

HEYDAR ALIYEV: I am telling you and you may want to publish it in your magazine.

QUESTION: Mr. President, I know that we took too much of your time. But I would like to ask you one more sensitive question. What do you think: will the Armenian-Azerbaijan conflict distract the stability, or will there be a peaceful solution?

ANSWER: I assume you know the history of this conflict. Nine years ago, Armenia started military aggression against Azerbaijan. Armenia wanted to occupy the area that was called Nagorno Karabakh. As a result of this military aggression, the Armenian army occupied both Nagorno Karabakh and the area around it. I am talking about 20 percent of the Azerbaijan territory. More than one million Azerbaijan citizens were forced to leave their homes. Now they live in tents in a very extreme situation.

As you may know, we had large natural resources, fertile land and industrial enterprises on those occupied territories. They all have been destroyed. Huge financial damage was inflicted.

But in spite of all this we do not want to fight. We started a cease-fire three years ago. There is no shooting now. We want peace and want to get our occupied territory back. Our goal is to obtain the territorial integrity of Azerbaijan.

As you know, this issue has already been discussed in many international organizations. OSCE Minsk Group is in charge of the peaceful solution of this conflict. The United States of America is one of the co-chairmen of the Minsk group. The peaceful solution of this conflict will be the focus of our discussions at all meetings that will be held in the White House and in the United States in general.

I hope the United States of America will help us solve the Armenian-Azerbaijan conflict peacefully. We are all for peace.

QUESTION: What incentives make you feel confident that the United States will be involved in this issue?

ANSWER: President Clinton told me that he would personally consider this issue. He made this statement on July 8-9 in Madrid during our meeting with him.

JOURNALIST: Mr. President, thank you very much. And have a great trip.

MR. ALIYEV: Thank you very much.

**MEETING OF HEYDAR ALIYEV,  
PRESIDENT OF AZERBAIJAN, WITH JAVIER SOLANA,  
THE SECRETARY GENERAL OF NATO**

On July 27, Heydar Aliyev, President of the Republic of Azerbaijan met with Javier Solana, the Secretary General of NATO. The leader of our country was pleased to meet the Secretary General of NATO.





Mr. Solana praised every meeting with the outstanding politician Heydar Aliyev. He noted that he had arrived to New York from Washington today. As soon as he was informed that our leader was there, he decided to meet with him.

Mr. Solana, talking about his meeting with the President Clinton in Washington, noted that people were anxious to see President Aliyev there.

Mr. Solana praised the first official visit of the President Heydar Aliyev to America as a historical event. He emphasized that the visit would be important in the development and strengthening of the relations between Azerbaijan and the United States.

The Secretary General talked highly about the close cooperation between NATO and Azerbaijan, which joined the Partnership for Peace program of NATO and became a member of the European-Atlantic Council. He expressed his assurance that these relations would be further developed and strengthened, thanks to farsighted policies of President Aliyev.

Mr. Solana positively praised the protection of independence in Azerbaijan, its successful implementation of democratic processes, and economic reforms under the leadership of Heydar Aliyev. He expressed the support of all international organizations, including NATO, in all these processes.

The leader of our Republic praised the Secretary General for his sincere words, and he praised the visit of Mr. Solana to Azerbaijan as an important event for our country. President Aliyev expressed his pleasure on relations between NATO and Azerbaijan that were established recently and being developed consistently. He was pleased to talk about the personal friendly relations with the Secretary General.

Heydar Aliyev, President of the Republic of Azerbaijan, emphasized the forthcoming summit conference of the member-countries of NATO and the European-Atlantic Cooperation Council that would take place on July 8-9 in Madrid. He said it would play an important role in solution of numerous global problems and development of the cooperation between different structures of this international organization and our country.

The leader of our country emphasized the eternity of the independence in Azerbaijan. He talked about the current stable political and public situation in the Republic. He noted that the most harmful problem was the military aggression and that some works had been done toward the peaceful solution of this conflict.

The leader of our Republic expressed his pleasure on the agreement signed by co-chairmen of the Minsk Group from three big countries, Presidents Bill Clinton (U.S.), Boris Yeltsin (Russia) and Jack Shirack (France). Based on this agreement, the conflict had to be solved peacefully. President Aliyev expressed great hope that the military aggression would be stopped in 1997. He also expressed his intention about discussing all these with President Clinton in the White House.

Mr. Solana expressed his deep respect for the President Heydar Aliyev one more time. He noted he had good memories of his trip to Azerbaijan. He expressed his assurance that the first official visit of our leader to the U.S. would be successful and, thanks to the farsighted strategy of Heydar Aliyev, the problems facing Azerbaijan would be solved in the near future.

The leader of our country invited the Secretary General of NATO to Azerbaijan. Mr. Solana appreciated that invitation.

#### INTERVIEW OF HEYDAR ALIYEV, PRESIDENT OF AZERBAIJAN, WITH CORRESPONDENTS OF "THE WALL STREET JOURNAL"

On July 28, Heydar Aliyev, President of the Republic of Azerbaijan, gave an interview to the media representatives of the The Wall Street Journal.

QUESTION: Mr. President, thank you very much for your time to meet with us. We are interested in issues related to oil and gas production in the Azerbaijan sector of the Caspian Sea. The first question is: What is your mission in the United States and what goals you are pursuing here?

HEYDAR ALIYEV: Thank you. First, I express my respect and appreciation to your newspaper. If I am not mistaken, recently there was an article in your newspaper about Azerbaijan. Some good relations have been built between your newspaper and Azerbaijan. As you may know, today I start my first meeting in New York with you.

This is my first official visit to the United States. As the president of the Republic of Azerbaijan, I came to the United States on an official visit at the invitation of President Bill Clinton.

QUESTION: What goals did you set to follow during your official visit to the United States of America?

ANSWER: You know, the relations between countries are being built differently. The meetings of the leaders of countries and their official visits are very important in this process. It should be noted that I arrived in the U.S. on the first official visit based on an invitation from Mr. Bill Clinton. That means I have global goals.

Of course, the relations that have been built so far between our countries are very important for us. So far, I have met with President Clinton in New York twice, I would say. I also met with Mr. Clinton in different cities at the conferences of international organizations. But as the President of Azerbaijan, it is my first official visit to the U.S.

All the achievements made so far in developing the relations established between our two countries are important for us. But this visit creates a new step in the further development of these relations between the two countries. We are planning to sign some inter-governmental documents. It is a very important step in establishment of the relations between Azerbaijan and America, based on legal norms. Discussion of the important issues - both from the viewpoint of the bilateral relations and international processes that are taking place and the situation in our region, that is, in the Caucasian region and the overall situation on the territory of the former Soviet Union - is also crucial for us. The peaceful solution of the Armenian-Azerbaijan conflict is a very important issue.

As you may know, the United States of America is one of the co-chairmen of the OSCE Minsk Group that was formed to support the peaceful solution of the Armenian-Azerbaijan conflict. Along with that is the liquidation of the unfair Section 907 to "Freedom Support Act" made against Azerbaijan in 1992 by the American Congress, which will be discussed seriously. I believe the American side will also come up with issues of interest to the U.S.

QUESTION: Mr. President, do you hope that Section 907 will be eliminated?

ANSWER: You know, we do not only hope, but we also struggle. The only thing that encourages us is that the American government, Mr. Bill Clinton, State of Secretary Mrs. Albright, State Secretary First Deputy Mr. Talbott, and other officials made statements about eliminating Section 907. And finally, the Congressional member from New York, Mr. King, has presented the draft to eliminate Section 907 to Congress.

QUESTION: Are there any positive steps toward a peaceful solution of this conflict from Armenian side?

ANSWER: First, the good news is that we signed a cease fire agreement more than three years ago. Now the agreement is being followed. We have a cease-fire that has lasted more than three years. But unfortunately we could not achieve peace during this time. The main reason is the anti-constructive position of the Armenian side.

As you may know, in December of last year the leaders of the member-countries of OSCE Minsk Group determined certain principles on the peaceful solution of the Armenian-Azerbaijan conflict. Those principles were accepted. Though we were not quite happy with those principles, we accepted them to achieve peace. But the Armenian side does not accept these principles. Certainly, it makes no sense.

You know, these principles completely meet the requirements of international legal norms. It should be noted that they hurt the sovereignty of Azerbaijan to some extent. They put some limitations on the sovereignty of our country.

Most likely you have some information about these principles. These principles are concerned about recognition of the territorial integrity of the Armenian and Azerbaijan Republics, the guaranty of the rights on self-determination - that is superiority rights to Nagorno Karabakh within the Azerbaijan Republic - and guaranty of the security for entire population of Nagorno Karabakh.

As you see, there is nothing unfair here for Armenia and Nagorno Karabakh. The only compromise for us is that we guaranty the status of self-determination to a small region on our territory or, it's true to say, we agree to extend this status. But Armenia does not accept it. They want the status of an independent country for Nagorno Karabakh. Of course, it is absurd and we cannot accept it. It will both violate the sovereignty and independence of our country and contradict international legislation. I announce to you today that we want peace. In spite of all the damage caused by the Armenian side, we want to achieve peace and live in a peaceful condition, establishing good neighborhood relations. But unfortunately, Armenia still keeps on pursuing its unfair and illegal goals.



QUESTION: Is the trade embargo towards Armenia still in force?

ANSWER: You know, there is no embargo on our side towards Armenia. Armenia has occupied 20 percent of our territory. The railway on the occupied territories that used to connect Armenia with Azerbaijan has been destroyed. As a result, our Nakhichevan autonomous republic is completely blockaded. (President Aliyev explains the situation using a map.) The train used to go that way and came to Nakhichevan this way, and then went to Armenia. As you may see, this area is under occupation by the Armenian army. That means we lost this railway connection. All the communication lines going to Nakhichevan are blocked, and a part of Azerbaijan-Nakhichevan is under entire blockade. But there is absolutely no blockade in Armenia.

Armenia is very active in trade with Iran. Look. From here through Georgia, Poty-Armenia has access to the Batoumi harbor. The Armenian information about being in blockade is wrong.

QUESTION: Russia is a little bit jealous because of activities of the United States in Azerbaijan. Should there be established diplomatic relations between Russia and the United States to solve the Armenian-Azerbaijan conflict?

ANSWER: Russia together with the United States and France are co-chairmen of the Minsk Group that was established to solve the Armenian-Azerbaijan conflict. We want them to cooperate. But the United States of America and Russia are only a little active in this issue. There are another opportunities to solve the Armenian-Azerbaijan conflict.

As you may know, there are many big Russian military basements and divisions in Armenia. You also may know that Armenian borders with Turkey and Iran are under the control of Russian frontier troops. There are very special relations between Russia and Armenia, there is even a military union between them. Certainly, Russia can impact Armenia and put it on the right track. It should also be noted that the United States has close relations with Armenia and supports it financially.

We cooperate with America, but based on the Section 907, America does not provide us with any help. Of course, if America and Russia told Armenia to quit its illegal action, then the situation would be solved in the near future.

QUESTION: I think the Russians want to make the situation easy for you. What can you tell about it?

ANSWER: You would know that better than me.

QUESTION: The idea of the pipeline route that would go from Azerbaijan to Georgia, then Turkey and Mediterranean Sea was approved by Mr. Clinton. It is known there are some difficulties due to the conflict between Georgia and Abkhazia. How could the progress be achieved in this region during the construction of the pipe-line?

ANSWER: You know, I would like to make the whole picture clear. A decision was made to transport the oil produced in Azerbaijan through two pipelines. These oil pipelines have already been established. One of them goes through the territory of Russia to Novorossiysk. The second goes through the territory of Georgia to the Black Sea - Supsa. But you are talking about the big pipeline. We are carrying out the practical work for starting the implementation of its construction. But its route has not been determined yet. Turkey wants it to go through its territory to Ceyhan port at the Mediterranean Sea. Georgia wants it to go through the territory of Georgia. Mr. Clinton also supported that route, and we support this route. But you should know that this issue has not been solved yet because there are more alternative routes.

The Operating Consortium is discussing these issues. That is why I would not say it has been decided yet. I would like you to have a clear idea on this. But had this route been approved, there might arise some problems in Georgia. It is true that the planned route will not go through the territory of Abkhazia. It will go through another area of Georgia. But this issue should be discussed again.

QUESTION: As you may know, there are another options to the East - from Azerbaijan through the Caspian Sea to Kazakhstan, and then to Turkmenistan. There is also a suggestion about the southern option. Based on this idea, the pipeline should come to Indian Ocean. Can that be profitable for Azerbaijan?

ANSWER: You know, these options are suggestions only. They are not realistic. The following is the most realistic one. I went to Kazakhstan on an official visit in June of this year. We signed the contract between Kazakhstan and Azerbaijan about the construction of pipeline for transporting oil produced in Tengiz - Kazakhstan. The route is this: through the Caspian Sea to Azerbaijan, and then from Georgia to Turkey. I signed this agreement with President Nazarbayev. It is the most realistic alternative.

It should be noted that to build that route, we have started the real work. As you may know, the American company Chevron is currently producing oil in the Tengiz-Kazakhstan oil field. We guarantee the request of Chevron company. The oil produced in Tengiz is transported through the Caspian Sea to Baku. From Baku, it is sent to Batumi, Georgia, by train. For the last couple of months, we have transported more than 300,000 tons of oil for Chevron. Some technical problems are being taken care of, for example, the construction of a pipeline 45 kilometers long. So we are planning to provide the world market with three to four million tons of Chevron oil every year.



We are also working on establishing a solid foundation for future transportation of oil from Kazakhstan, located on the eastern shore of the Caspian Sea to Mediterranean Sea - Turkey. That is why I consider this route more realistic.

I do not consider the transportation of the oil from the Caspian Sea through Turkmenistan to Indian Ocean realistic. There are a lot of people talking about this hypothesis. But, first, it should be determined what is realistic and what is not realistic.

QUESTION: How are you going to allocate the income received from oil?

ANSWER: First we have to get that income, then we can think about how to spend it. It is important to get an income. Then it is easy to allocate it.

Of course, the profit received from oil will primarily be used to develop the economy of our country. We are building a legitimate country in Azerbaijan, and we are implementing economic reforms. We are willing to develop the Azerbaijan economy as a market economy develops. We are implementing privatization on a big scale. We want to integrate the Azerbaijan economy with the world economy. We want to improve the way of life for our people. As I have told you, 20 percent of our territory has been occupied. All our wealth from that territory has been destroyed. We have more than one million refugees from the occupied territory. They are living in tents, in a very extreme financial situation. After the occupied territories will be released, we will have to reconstruct it, take the people back to their lands, and establish the conditions of normal life there. Everything is money-consuming.

I am telling you one more time, it is very important for us to improve the way of life for our people. We want to pull Azerbaijan to the level of economically well-developed countries of the world. All this is money-consuming. That is why we have many places to allocate it. But you should know that all this income will be allocated for peaceful purposes.

QUESTION: As we know, corruption is one of the main factors that created an obstacle in developing the economy. American companies working in Azerbaijan have their commerce and investment plans. What are the plans of Azerbaijan to fight with corruption? Are you willing to build a strong, legitimate system, or are you going to fight with corruption?

ANSWER: You know, corruption is everywhere, including the United States of America. That is why none of the countries can say there is no corruption in their countries. Corruption is a factor that hurts both from financial and moral viewpoints. We are fighting against corruption, and we will do our best to continue to fight against it. We announced that corruption is the factor that first hurts our morale, and secondly hurts the principles of building a free economy and legitimate country. There are many ways to fight it. Of course, it needs to be done within the framework of legal norms and by means of setting necessary regulations and implementing them. To greet the free economy and initiatives, it should be interrelated with the guarantee of legal norms. We are using all these means and we will be using them in the future. In any case, fighting corruption we will not fall behind other countries.

JOURNALIST: Mr. President, thank you very much.

HEYDAR ALIYEV: Thank you, I am very pleased to meet you. I invite you to Azerbaijan. Your newspaper is a very prestigious and honorable one. We also read your newspaper, especially the articles related to Azerbaijan and our region. We want to have a close cooperation with you. From this viewpoint, if you want to visit Azerbaijan, our cooperation will be much stronger. Thank you.

At the end of the meeting Heydar Aliyev, President of the Republic of Azerbaijan, gave his books to the representatives of the newspaper as a gift. The following issues



were highlighted in that book: key events of current public and political life in Azerbaijan, democratic processes taken place in our country, implementation of economic reforms, development of the oil industry in Azerbaijan, attraction of the foreign investment to the country, and numerous oil agreements signed to improve these relations.

**MEETING OF HEYDAR ALIYEV, PRESIDENT OF AZERBAIJAN,  
WITH WILLIAM RICHARDSON, PERMANENT REPRESENTATIVE  
OF THE UNITED STATES AT THE UNITED NATIONS**

On July 28, in his residency, the President of the Republic of Azerbaijan Heydar Aliyev met with William Richardson, U.S. Ambassador to United Nations. (Mrs. Madeleine Albright held that position before Mr. Richardson.)

President Heydar Aliyev greeted the U.S. diplomat, and said:

I am very pleased to come to the United States of America. As president of the Republic of Azerbaijan, it is my first official visit to the United States of America. I am on this trip based on the invitation received from President Bill Clinton. Of course, I am expecting a lot from this trip and my main goal is to make new steps in the development of American-Azerbaijan relations. I believe that our relations are on a good level. So far I had a lot of meetings both in the United States, in Azerbaijan, and in international orga-

nizations. I had meetings and negotiations with President Clinton, Vice-President Albert Gore, Secretary of State Madeleine Albright and other officials. Of course, during this visit I will have more meetings and negotiations, and I hope we will sign many inter-governmental agreements.

The meeting with you is also special for me. I know that being a U.S. representative in UN is very important in the life of America. That is why I am pleased to meet you, and I believe you also will make your own contribution in our cooperation.

William Richardson praised the leader of our country for that meeting, and said the following:

Mr. President, you are welcome to the United States of America.

You are a good friend of America. The President is anxious to see you. The Secretary of State and all the other high rank officials are waiting for you. As the first high-ranking official of the United States, it is a great honor to meet you.

We are always happy when we hear about reforms that you started in your country. I know that you are working hard to establish the peace in Nagorno Karabakh. As far as I know, you are going to discuss this issue today at the meeting with the UN Security Council. You are active in the Minsk Group, and I think this is very important for the peace process. Peace for your country is the key to the future. OSCE plays a very important role in this process, and we encourage it.

Mr. President, I would like to let you know that Mr. Clinton is sending me to Central Asia. I will discuss a couple of important issues with the leaders of those countries. I respect you for all the efforts you have made. But first of all I would like to tell you "Welcome to the United States of America" because you are a good friend of the U.S. Your country has a great future and we want to build a close relationship with you.

President Aliyev expressed his gratitude to American diplomat and said:

I feel honored to be a friend of America. I am very pleased that you appreciate my friendship with America, and everything I have done so far. As you have mentioned I am a good friend of America. I also consider America a good friend of Azerbaijan, and a good friend of mine. Of course, this friendship is based on the personal relations of the politicians. From this viewpoint, I would like to establish personal relations with you, and I would like to cooperate with you. I know that you are playing an important role both in the life of the United States of America and in foreign strategy. I remember Mrs. Albright who took this position before you paid a special visit to Azerbaijan. Since then, we have built a very strong and sincere friendship. I believe it is a good tradition. I also invite you to Azerbaijan.

You have mentioned that the president was going to send you to Asian countries. I hope you will have a successful trip. It would be very important for us if such an experienced and honorable individual like you came to Azerbaijan. Please make time in your schedule to visit Azerbaijan. We are really trying to solve Armenian-Azerbaijan conflict in Nagorno Karabakh peacefully. I think after the United States of America became one of co-chairmen, the activity of the Minsk group will be strengthened. I will also tell my opinion later today at the meeting with the members of the Security Council. I think, personally you can do a lot of things toward solution of this conflict. It would also be important for us if you as a representative of the United States of America and an outstanding politician joined in the process to the solution of this issue.

In Azerbaijan, we implement many reforms. We want to transform Azerbaijan into a legitimate democratic country that drives the world economy. In this regard, we need support of the United States of America. My desire is to see your personal contribution

to the process of elimination of the Section 907, adopted by the Congress that impedes our relations.

Mr. Richardson expressed his appreciation to the Azerbaijan president for his sincere words. He expressed his desire to hear the opinion of President Aliyev about the peace in the region at all the Security Council meetings. The United Nations Security Council knows that the Minsk Group will bring peace to the region. That is why we always want you to continue your cooperation. As you know, Presidents Clinton, Shirack and Yeltsin expressed their support at the summit conference in Denver. I am sure you make a very positive contribution to these efforts. In spite of the fact that you will most likely meet with the President before I will see him, I am going to tell him your opinion on this issue. I am also considering your invitation to Azerbaijan.

Thank you.

After the meeting, Mr. Richardson answered questions from journalists about his meeting with President Aliyev. He said the following:

President Heydar Aliyev is a good friend of the United States. America has built a good relationship with Azerbaijan, and an excellent relationship with President Aliyev. He is our friend and we cordially welcome him to Washington.



#### HEYDAR ALIYEV, PRESIDENT OF AZERBAIJAN, SIGNED THE TREATY ON PROHIBITION OF NUCLEAR WEAPON TESTS<sup>26</sup>

On July 28, President of the Republic of Azerbaijan Heydar Aliyev came to the headquarters of the United Nations Organizations in New York.

The UN Headquarters is located in Manhattan, which is one of the five districts of New York. The complex consists of the following buildings: building of General Assembly, Conference building, and Dag Hammarskjöld Library. American architect Wallace Harrison designed the United Nations buildings. An international consulting group of famous architects including Korbuzye from France, Nimeyri from Brazil, and Bassov from the U.S.S.R. assisted him in this project. The complex is on 18 hectares, including a garden. The flags of all member countries of the UN, including Azerbaijan, hang in alphabetical order in front of the United Nations Square. The seats of the representatives in the UN General Assembly are in the same order.

The high-ranking officials of the UN welcomed the leader of Azerbaijan.

Later, President Heydar Aliyev, on behalf of the Azerbaijan country, signed the treaty banning nuclear weapon tests. After the signing ceremony, the president of Azerbaijan attended a number of meetings in the UN headquarters.

#### MEETING OF HEYDAR ALIYEV, PRESIDENT OF AZERBAIJAN, WITH KOFFI ANNAN, THE SECRETARY GENERAL OF THE UNITED NATIONS

On July 28, the President of the Republic of Azerbaijan Heydar Aliyev met with Koffi Annan, the Secretary General of the United Nations.

Mr. Annan cordially welcomed the leader of our country and expressed his pleasure in meeting President Aliyev. He praised the official visit of the President of the Republic of Azerbaijan to the United States of America.







The Secretary General emphasized that he was anxious to see the leader of our Republic on his official trip to the UN. He was pleased about the developing relationship between Azerbaijan and the United Nations organization.

The Secretary General emphasized they were closely watching the protection of the Azerbaijan's independence, the process of building a democratic, legitimate country, and the successful implementation of reforms under the leadership of the famous politician, Heydar Aliyev. He expressed their approval and support for all these processes.

President Aliyev expressed his appreciation to Secretary General Annan for his sincere words. He expressed pleasure at visiting the U.S. at the invitation of President Bill Clinton and meeting with the Secretary General of United Nations in New York. The leader of our Republic congratulated Mr. Annan on the occasion of his election to this high position. He wished the Secretary General good luck in establishing unity and cooperation between the nations of the world, and successful solution of the global problems



toward guarantying peace.

The leader of our country was pleased to be welcomed by such a prestigious international organization. He appreciated the process of signing the agreement about the prohibition of the nuclear weapon tests as a historical event. He noted that the Azerbaijan Republic was a peace-loving country, and he expressed his respect to the legal norms accepted by the world community.

President Heydar Aliyev talked about the most harmful problem facing Azerbaijan. He emphasized the Armenian military aggression to Azerbaijan. He also noted that 20 percent of our territory had been occupied, and more than one million people had been forced to leave their homes. They are living in tents in extreme situations. The leader of our country mentioned the resolutions of the UN about the solution of the Armenian-Azerbaijan conflict. He expressed his disappointment about Armenia's negligent attitude to these resolutions.

The leader of our Republic highlighted the summit conference held in Lisbon in December, 1996. He gave a detailed interpretation of the main principles accepted by the member countries of OSCE Minsk Group. He noted that we wanted the soonest liberation of all Azerbaijan occupied territories, the guarantee of the territorial integrity of our independent country, and the return of our refugees to their homes. He said Azerbaijan always based our efforts on peace initiatives, but Armenia did not want to stop its aggressive intentions, and was being negligent towards the implementation of principles accepted by the world countries.

President Aliyev was pleased that three prestigious countries - the U.S., Russia and France are co-chairmen of OSCE Minsk Group. He appreciated resolution signed by the Presidents Bill Clinton, Boris Yeltsin and Jacques Shirack as an important step in the soonest solution of the conflict.

The leader of our country also talked about the efforts the Minsk Group co-chairmen made toward a quick solution of the conflict. He highlighted their proposals.

President Aliyev gave the Secretary General detailed information about damages made to our country as a result of the aggression of the Armenian military. He backed up all the stated facts showing everything on the map, and he introduced the Secretary General with the real importance of the issues. President Aliyev highlighted all the efforts Azerbaijan has made toward the peaceful solution of this conflict.

Mr. Annan expressed his gratitude to the leader of our Republic for detailed information on the conflict that had been lasting for a long time. He stated that territorial integrity of the sovereign Azerbaijan, recognized by the UN, had to be ensured. The occupied territories had to be released and the refugees had to go back to their homes.

The leader of our country noted the illegal supply of weapons to Armenia from Russia. He emphasized the importance of considering this fact by international organizations, especially the United Nations. President Aliyev mentioned that a cease-fire had been in effect for long time, yet the supply of Armenia with many weapons threatened a peaceful solution to this conflict and to stability in the whole region.

The leader of our country highlighted the fact that Azerbaijan was the only country among the former Republics of the Soviet Union that did not have any foreign troops or a military base on its territory. He emphasized the longevity and invincibility of the sovereign Azerbaijan.

The leader of our Republic talked about the social political situation in Azerbaijan, the establishment of legitimate democratic country, and the implementation of reforms. He also talked about the achievements made in the economy since choosing to adopt the market principles of the world community.

President Aliyev emphasized the agreements signed with the most prestigious companies from all over the world about the joint development of the oil fields located in the Azerbaijan sector of the Caspian Sea. He stated that our Republic had an open door policy to foreign investments, and it has created a good environment for foreign investment in Azerbaijan.

The leader of our Republic expressed his pleasure on current cooperation between different structures of UN and our country. He praised the work done within the UN development program, and he emphasized the importance of efforts made as a result of announcing Soumgait as a free economic zone.

Mr. Annan emphasized the UN's special interest in developing these relations. He expressed his assurance that, in the near future, the Azerbaijan Republic would be transformed into one of the most developed countries, thanks to the leadership of such politicians as Heydar Aliyev.



President Aliyev invited the UN Secretary General to Azerbaijan. Mr. Annan accepted this invitation and he wished good luck to the leader of Azerbaijan in his official visit to the U.S.

On behalf of Azerbaijan, the leader of our country gave the Secretary General an Azerbaijani carpet as a gift. Mr. Annan accepted this present with great pleasure.

#### HEYDAR ALIYEV, PRESIDENT OF AZERBAIJAN, GOT ACQUAINTED WITH THE GIFTS GIVEN TO THE UNITED NATIONS

On July 28, the President of the Republic of Azerbaijan admired the gifts given by the member countries to the United Nations. They were displayed in one of the beautiful corners of that magnificent building.

The leader of our country Heydar Aliyev viewed all the gifts - carpets, ceramics, unique masterpieces of art - that were displayed. UN high-ranking officials told him about the history of every gift.

The leader of our country was pleased to see gifts from different nations, people, countries and appreciated the importance of having them on display.

#### MEETING OF HEYDAR ALIYEV, PRESIDENT OF AZERBAIJAN, WITH MEMBERS OF EDITORIAL BOARD OF THE "NEW YORK TIMES"

On July 28, President Heydar Aliyev met with Philip Taugman, Tina Rosenberg, James Greenfield and Karl Mayor, members of editorial board of the New York Times daily newspaper.

The leader of our country cordially and sincerely greeted the journalists. He was pleased to meet editorial staff members of such prestigious newspaper as the New York Times.

The leader of our Republic noted he had certain information about this newspaper. He talked about the New York Times as a very famous media organization, and expressed his pleasure on its coverage of world events and the lives of different nations by professional journalists working there.



The editorial staff members expressed their gratitude to President Aliyev for the time and opportunity to see him. The leader of our Republic talked about his first official visit to America at the invitation of President Bill Clinton. He praised the consistent development of the relations between Azerbaijan and the United States of America. He emphasized the importance of the personal and friendly relationship established between Mr. Clinton, other high-ranking officials, and himself in consistent development of the relations between Azerbaijan and America.

President Aliyev highlighted the process of democratic development, the establishment of the legitimate democratic country, and development of the relations with the world community. He noted that we opened the doors of our Republic for all business people, and that companies from different countries had already started their business in our country.

President Aliyev talked about enormous natural resources in our country and the agreements signed with the companies of different countries about the joint development of the oil fields in the Azerbaijan sector of the Caspian Sea. He mentioned the advantage of the strategic location of our country, and talked about problems that Azerbaijanis face.

President Aliyev emphasized the Armenian military aggression that had been continuing since 1988. He noted that, as a result of that aggression, 20 percent of the Azerbaijan territory had been occupied. More than one million people were forced to leave their homes and had to leave in tents in extreme conditions.

The leader of our country showed the occupied territories on the map. He said that Nagorno Karabakh was an autonomous region within Azerbaijan, and 30 percent of the 170,000 people of Karabakh were Azerbaijanis. Armenian military forces had occupied not only Nagorno Karabakh, but they also occupied six another regions. He stated that all our wealth, historic and art monuments had been vandalized in the occupied territories.

President Aliyev noted that, from 1988 until June 1993, the world community had been misinformed about this conflict. Later, he talked about the negotiations held within the framework of OSCE Minsk Group. The leader of our country talked about resolutions made by international organizations that disapproved of the Armenian aggression toward Azerbaijan. But in spite all of that, Armenia still neglected all these documents.

President Aliyev emphasized the principles that were accepted at the summit conference held in Lisbon in December, 1996, by the member countries of OSCE Minsk Group concerning a peaceful solution of Armenian-Azerbaijan conflict. Though 53 countries approved those principles, Armenia again showed negligence.

The leader of our country Heydar Aliyev expressed the importance of the U.S., Russia and France to be co-chairmen of Minsk Group. He appreciated the resolution signed by the Presidents Bill Clinton, Boris Yeltsin, and Jacques Shirack as an important step in a quick solution of the conflict.

President Aliyev noted that an immediate and peaceful solution of that conflict was very important for the economic development of the independent Azerbaijan Republic. He said that we would never let a second Armenia be established on the territory of the Azerbaijan Republic. The world community had to support Azerbaijan's position on that issue, and prevent such an unfair claim. President Aliyev emphasized the importance of such a prestigious newspaper as the New York Times, and President Aliyev expressed his assurance that the editorial staff members support Azerbaijan in its struggle.

President Aliyev showed on the map how the statement from the Armenian lobby about them being in blockade was false. He reassured the editorial staff members one more time with his well justified facts. In fact, it was the other way round. Azerbaijan, especially its Nakhichevan autonomous republic, had been forced to be in blockade for a long time.

The leader of our Republic noted that the unfair Section 907 to the Independence Protection Act was made by the U.S. Congress under the influence of the Armenian lobby. While the aggressor Armenia receives more than 100 million dollars in support from the U.S. government every year, Azerbaijan was deprived of that support. President Aliyev highlighted the importance of eliminating this amendment made by the Congress of the most democratic country in the world. He noted that American journalists might play an important role in solving this problem. President Aliyev said he would discuss the issue in detail at his forthcoming meetings with members of Congress, and he expressed his assurance that this amendment would be eliminated soon.

President Aliyev considered his forthcoming meeting with President Bill Clinton in the White House the top meeting of his first official visit to the U.S. He informed the journalists about the meetings that would be held in the White House, as well as important documents expected to be signed on the development of Azerbaijan-American relations.

The leader of our country answered the questions of the journalists, and he invited them to Azerbaijan. Once again, the New York Times editorial staff members expressed their pleasure in meeting such an outstanding politician as Heydar Aliyev. They promised that all the information received from that meeting would be covered in their newspaper.

**PRESS CONFERENCE OF HEYDAR ALIYEV, PRESIDENT  
OF THE REPUBLIC OF AZERBAIJAN, WITH FOREIGN  
CORRESPONDENTS ACCREDITED AT THE UNITED NATIONS**

On July 28, Heydar Aliyev, President of the Republic of Azerbaijan, held a press conference at the headquarters of the United Nations in New York for foreign correspondents accredited at the United Nations. Samir Sambar, advisor to the Secretary General on public information, opened the meeting.

**Statement of Samir Sambar**

Ladies and Gentlemen, Welcome

It is a great pleasure for me to introduce to you His Excellency Heydar Aliyev, President of the Republic of Azerbaijan.

Mr. Aliyev is a statesman who has done great services for his nation. He has held high public offices in Azerbaijan and in the former Soviet Union in the past, and was elected President of the Republic of Azerbaijan in October of 1993 in a nationwide election.

Mr. President, once again, it is a great pleasure to welcome you here.

His Excellency President Aliyev will make a short statement. Then the first question goes to Ms. Daran, Press Secretary of the United Nations. After that, you are welcome to ask questions.



**STATEMENT OF HEYDAR ALIYEV  
PRESIDENT OF THE REPUBLIC OF AZERBAIJAN**

Esteemed Ladies and Gentlemen,

I sincerely greet all of you here today. I am very happy to hold a press conference at the United Nations.

I am on an official visit in the United States at the invitation of President Bill Clinton. I included the visit to the UN in my itinerary as a very important event.

As the President of the Azerbaijani Republic, I am on my first official visit to the United States. Tomorrow I will leave for Washington. I will conduct a number of meetings there - at the White House, Congress, State Department and Pentagon. The purpose of my visit is to take new steps in growing the U.S.-Azerbaijani relations. Azerbaijan gained its independence after the disintegration of the Soviet Union. The process of building a democratic, law-based and secular state is underway in Azerbaijan. Azerbaijan is experiencing the democratization of its society. Azerbaijani's economy is being built based on market-oriented principles.

In November of 1995, Azerbaijan adopted its first democratic constitution. In 1995, the democratic parliamentary elections based on a multi-party system were carried out. Broad economic reforms, privatization programs, land reform, land privatization, and other measures are undertaken in Azerbaijan today. These reforms are yielding positive results. Azerbaijan began these reforms later than other countries. Despite this fact, we are witnessing the rapid implementation of these plans within a short period of time.

Our economy has been growing since last year. Inflation is effectively under control, and foreign trade has been liberalized. The private sector accounts for 80% of the agricultural production in the country. The GDP grew by 5.2% in the first half of this year. Industrial and agricultural output is increasing as well. The implementation of these reforms is consistent and will continue to be so.



Azerbaijan is a truly independent state, and it considers the protection of its freedom the most important goal. There are no military bases or armed forces of any foreign country on our soil. Azerbaijan defends its borders as any other independent country.

Azerbaijan also faces complex problems. Since 1988, we have been a subject of the military aggression of Armenia. The objective of the Armenian aggression was to annex our territory of Nagorno-Karabakh. This aggression turned into a war, and battles were fought. Many people lost their lives, and the Armenian armed forces occupied 20% of Azerbaijan's lands. More than one million Azerbaijani citizens have been forced out of their homes in the occupied lands. The majority of them live under harsh conditions in tent cities.

Three years ago, a cease-fire agreement was signed between Armenia and Azerbaijan. There are no battles occurring today. We adhere to the cease-fire regime and want to settle the Armenian-Azerbaijani, Nagorno-Karabakh conflict peacefully. The Minsk Group of OSCE is engaged in solving this issue. Since the beginning of this year three countries - Russia, the United States and France - have been co-chairing this group.

The Lisbon Summit of the OSCE held last year agreed on the principles that would be the basis for the peaceful settlement of the Armenian-Azerbaijani conflict. These principles include guaranteeing the territorial integrity of the Azerbaijani and Armenian Republics, granting a high degree of autonomy to Nagorno-Karabakh within Azerbaijan, guarantee of the security of the entire population of Nagorno-Karabakh. We agreed to these principles for the sake of peace. 53 out of 54 members of this international organization supported these principles at the Lisbon Summit. Armenia was the only country that opposed the principles.

The Minsk Group co-chairs, the Presidents of Russia, America and France issued a joint statement on peaceful settlement of the Nagorno-Karabakh conflict on June 20th, 1997 in Denver. They promised to exert their effort in the resolution of the conflict.

Our relations with the United States are developing very positively. However, there are even larger opportunities to expand these relations. These matters will be the subject of my discussions in Washington. The need to lift the unjust Section 907 passed against Azerbaijan by the Congress in 1992 will be discussed as well.

I attach great significance to the coming meetings and talks. I think that the meetings in Washington will initiate a new stage of bilateral relations. I have great hopes for this visit.

Today I met with Mr. Koffi Annan, the General Secretary of the UN. I am very satisfied with the results of this meeting. I could feel the General Secretary's positive appreciation of the problems facing Azerbaijan, and especially our desire to settle the Armenian-Azeri conflict peacefully. He stated that he would support the efforts of the Minsk Group of OSCE.

Unfortunately, we are running out of time. I am ready to answer your questions.

QUESTION: Mr. President, I represent Al-Hayat newspaper. I am the chairman of the Press Association at the United Nations as well.

My first question is: did you discuss the question of deploying the peace-keeping forces of the UN in the region and particularly involving the UN forces in protecting the pipeline to be constructed through the region during your meeting with Koffi Annan?

The second question is: Tonight you will attend the banquet arranged by the Jewish organizations in the United States in your honor. Is that an indication that you will attempt to exclude Iran from participating in the pipeline competition?

ANSWER: First, I would like to emphasize that my meeting with Koffi Annan was extremely important. However, we have not asked the UN to provide peacekeeping forces. The Budapest summit of OSCE held in December 1994 made a decision to form the peacekeeping units of this international organization. We should make use of OSCE peacekeeping forces in solving the conflict between Azerbaijan and Armenia. Mr. Annan reiterated his support to this idea.

The pipelines have not been built yet. It is too early to arrange for their security. I believe that there will be no need to engage the peacekeeping forces in this area. I have accepted the invitation of the Conference of the Presidents of the Jewish Organizations to the banquet with great pleasure, and I will most certainly attend the event. A great number of Jewish people live in Azerbaijan. The Jews as well as other minorities have equal rights in Azerbaijan. Azerbaijan has never experienced any animosity towards Jews or conducted any anti-Semitic policies. That's why this invitation is quite natural. This event is not directed against the interests of any country. Thank you.

QUESTION: Mr. President, I would like to continue my question. The real purpose of my question is to ask you about your stance in respect to Iran. That is, numerous groups oppose laying the pipeline through the Iranian territory. I would like to know your position on this issue.

ANSWER: You should ask those who have objections. We have not opposed the idea of constructing the pipeline via Iran. However, it is not us who are building the pipeline. Large companies who are the participants of major consortiums and contracts are involved in this project. When the Consortium makes a decision regarding the route of the pipeline, then we will express our opinion on the pipeline route.

QUESTION: Esteemed President Heydar Aliyev, I represent the Turkish Milliyet newspaper. I would like to ask you the following question. An agreement on transport-



ing the Caspian oil from Baku to Novorossiysk via Chechnya was recently signed in Baku. Esteemed President, do you believe in the construction of Baku-Ceyhan oil pipeline? When do you think this pipeline, which will cross the Turkish land, will be built?

ANSWER: Early this month, Azerbaijan together with officials from Russia and Chechnya indeed signed a contract on transporting the first Azerbaijani oil via Russia to the Black Sea port of Novorossiysk.

This pipeline is already operational. We simply needed this agreement to make sure that it went through Chechnya.

When I was in Turkey last May, I was asked many questions regarding the construction of the main pipeline via Turkey to the Mediterranean port of Ceyhan. I told them then, and I am answering your question today, that I personally want the oil pipeline to traverse the Turkish territory to Ceyhan. I will do all I can to attain this objective.

QUESTION: Mr. President, my name is Avakian. I represent the Armenian press. I am a reporter of the Armenian radio in New Jersey. I have the following question for you. You have consistently spoken against the independence of Nagorno-Karabakh. How can the residents of Nagorno-Karabakh trust your statements about the high-degree autonomy after the events in Sumqait, Genje and Baku, nine years of the blockade of Armenia? My second question is: why doesn't the Azerbaijani government allow the humanitarian aid to Nagorno-Karabakh to pass through its territory while Armenia permits the humanitarian aid to reach Nakhichevan through the Armenian territory?

ANSWER: Esteemed lady, your question is based on biased information. It was not Azerbaijan who began the Armenian-Azerbaijani conflict, but Armenia ignited the war. Azerbaijan and Armenia lived peacefully in 1988 when Armenia launched a military aggression with the goal of annexing the Azeri land of Nagorno-Karabakh. As a result of this military confrontation and Armenian aggression, 20% of Azerbaijani lands have been occupied. The Armenian armed forces have occupied these lands. More than one million Azeris who lived on these lands have been ousted from their homes.

When the conflict erupted in 1988, the number of residents in Nagorno-Karabakh was 170,000. Armenians comprised only 70% of this number, while Azeris constituted 30%. They lived quietly and peacefully next to each other. After the outbreak of the conflict, the Azeris who lived in Nagorno-Karabakh were driven out of their homeland. Seven administrative regions adjacent to Nagorno-Karabakh have been occupied. Azerbaijanis comprised 100% of these regions' population. During this aggression, tens of thousands of Azerbaijanis were killed. Our residential buildings, schools, hospitals, kindergartens, cultural centers, historical monuments and industrial facilities have been completely destroyed.

Azerbaijan has not seized one inch of the Armenian territory. Under such circumstances, you are asking me "... how can they believe your guarantees of autonomy to Nagorno-Karabakh?"

You mentioned the incidents in Sumqayit and Genje. During the conflict in the past, something happened everywhere. However, the occupation of 20% of Azerbaijan's territory and the plight of more than one million Azerbaijani refugees - most of whom were killed by the aggressors - cannot be compared with anything. But I think that, despite all of this, we should not look to the past.

Armenia and Azerbaijan are destined to be neighbors, and we have to be in good neighborly relations. Our countries should establish peace between themselves, and our people ought to be friendly to each other.

I notice a booklet in your hands. The booklet describes the plight of the Azerbaijani refugees who were driven out of their homeland by the Armenian armed forces. I believe that after you read that booklet and watch the video tape that I will advise our delegation to hand over to you, after seeing the desperate conditions of these refugees, you will change your opinion. I invite you to make peace. I ask you to convey this message to the Armenians who reside in America. I invite all of you to create peace.

**QUESTION:** Could you briefly describe the oil contracts to be signed during your official visit?

**ANSWER:** I can give you information about the contracts that have already been signed. Azerbaijan has signed six major oil contracts with transnational companies so far. The signatories to these contracts are firms from the United States, Great Britain, France, Germany, Italy, Norway, Turkey, Iran, Saudi Arabia, and Japan. These contracts are being implemented. The drafts of several other contracts have been prepared as well. We might sign these agreements in Washington. Wait for two more days, and you will find out as soon as these contracts are endorsed.

Thank you very much. Good-bye!

#### MEETING OF HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC OF AZERBAIJAN, WITH AMBASSADORS OF MEMBER COUNTRIES OF THE UNITED NATIONS' SECURITY COUNCIL

On July 28, Heydar Aliyev, President of the Republic of Azerbaijan, met with Ambassadors of member countries of the United Nations' Security Council in the headquarters of the United Nations in New York. The head of our nation made a statement in front of Ambassadors.

##### Statement of Heydar Aliyev President of the Republic of Azerbaijan

Distinguished Chairman, Esteemed Members of the Security Council of the United Nations Organization

I cordially greet you and consider the first meeting with the members of the Security Council of the UN to be a great event in my life. This is an important event for me as the President of Azerbaijan.

I have asked to hold this meeting to familiarize you with Azerbaijan, its situation, the complicated problems that we have faced and are still facing. Considering the short time we have, I would like to inform you about the situation in Azerbaijan briefly.

Immediately after the collapse of the Soviet Union, Azerbaijan regained its independence, established diplomatic relations with a number of countries, and became a member of the UN. Today, Azerbaijan is an equal member of world community. Establishment of an independent state is a historic event for Azerbaijan. The years after this event have been dedicated to preserving and strengthening Azerbaijani independence. Today I am proud to declare that the preservation of our independence has become our sacred mission. We will continue to exert every effort to solidify Azerbaijan's independence, and ensure more active and independent participation of our country in the international arena.

Azerbaijan is building a law-based and secular state, and we're carrying out the democratic reforms. The democratic principles constitute the basis of the Azerbaijani national statehood, and we are implementing concrete programs in this regard. In



November 1995, the citizens at the nationwide referendum voted for the first democratic constitution of the Azerbaijani Republic. At the same time, representatives were elected to the Azerbaijani Parliament on a multiparty basis. The Parliament is currently working to establish the legislative basis for the national state building.

The individual and human rights and political pluralism are guaranteed in Azerbaijan. The political parties, social organizations and movements operate freely in our country. The Azerbaijani citizens have equal rights regardless of their ethnic origin, language, religion and color of their skin. I repeat that Azerbaijan is building a secular state.

Azerbaijan is reconstructing its economy on market principles. With this goal in mind, we implement economic reforms and broad privatization programs. The land reform law is especially critical. According to this law, the land will be privatized. The market economy and market mechanisms are the fundamental and strategic objective of the entire Azerbaijani economy. The Azerbaijani economy is open to the entire world, and we actively encourage foreign investments in our country. I should inform you that the influx of foreign investments into Azerbaijan has begun, and we hope that these investments will rise in the future.

Azerbaijan has created highly favorable conditions for foreign investors. The most important thing is that we have passed necessary laws to this end. The Azerbaijani economy has experienced positive changes as a result of economic reforms, openness of the country to foreign capital, and in particular, the liberalization of foreign trade. After the disintegration of the Soviet Union, Azerbaijan's economy went through years of recession. However, our economy began growing last year. Inflation was curbed and is almost non-existent. The national currency - Azerbaijani manat - has appreciated against other currencies, especially the U.S. Dollar. The current year's indicators make us believe that our economic reforms will produce more positive results.

On the other hand, Azerbaijan encountered numerous complex problems during its independence. The most significant of these problems is the military aggression launched by Armenia aimed at annexing the Azerbaijani land of Nagorno-Karabakh since 1988 when both Armenia and Azerbaijan were still republics of the Soviet Union. This aggression led to terrible tragedy and a large-scale war. We suffered huge casualties; many people were killed. Due to certain reasons, the military aggression against our country resulted in the Armenian military occupation of 20% of Azerbaijan's lands including Nagorno-Karabakh. More than one million Azeris were ousted from their homeland in the occupied territories. They have been living in harsh conditions in tents scattered across Azerbaijan. The wealth accumulated by the citizens for centuries in the currently occupied territories has been looted or destroyed. Everything people had built and cherished - houses, industrial enterprises, schools, hospitals, cultural centers, and holy places - was devastated and leveled. The atrocities and barbarity committed on our lands are beyond imagination.

Despite all these facts, we agreed to a cease-fire in 1994. The cease-fire agreement was signed in 1994, and we have maintained quiet on the front since then. At the same time, there is no real peace because 20% of the Azerbaijani lands remain under the Armenian occupation, and more than one million refugees live under severe conditions. During these years, we held negotiations to find a peaceful solution to the conflict. As you know, the Minsk Group of OSCE is responsible for this issue. Although this group has done some work in this direction, the problem is still unresolved.

Let me touch on the history of the cease-fire accord. The Security Council did discuss the Armenian aggression against Azerbaijan, or what it called the Nagorno-Karabakh conflict. The Security Council adopted four resolutions on this matter, and the

six or seven statements of the Security Council Chairman were approved. All four resolutions of the Security Council - 822, 853, 874 and finally 884 - were passed concerning the occupation of different regions of Azerbaijan. The first resolution was adopted after Lachin and Shusha were occupied. Then a large district of Kelbajar followed by Agdam, Fuzuli, Zengilan were seized as well. You passed the resolution instructing the aggressor to stop the aggression. Unfortunately, these resolutions remained on paper without being implemented. The aggressor continued its actions. Note that half a year passed between your first resolution in 1992 and the last one adopted in November 1993. During this period, the Armenian armed groups managed to occupy 6 or 7 districts of Azerbaijan.

As I have already mentioned, the occupation of 20 percent of our territories resulted from these events. The Minsk Group of OSCE is working in the direction of a peaceful settlement. The Budapest Summit of OSCE held in December 1994 adopted a very important decision in this regard - to speed up the talks, and create and use the peacekeeping forces of OSCE in the settlement of the Nagorno-Karabakh conflict. Finally, in December 1996 the Lisbon Summit of OSCE approved the current OSCE chairman's statement on the peaceful settlement of the Armenian-Azerbaijani, Nagorno-Karabakh conflict. This document is remarkable since it defines three underlying principles for peaceful resolution of the conflict - recognition of the territorial integrity of the Azerbaijani and Armenian Republics, granting a high-degree autonomy to Nagorno-Karabakh and, finally, guaranteeing the security of the entire population of Nagorno-Karabakh. Although this document is detrimental to Azerbaijan's sovereignty, and it doesn't satisfy us completely, we still agreed to accept this accord for the sake of a peaceful settlement. However, the Armenian side did not assume a constructive position toward the document. Armenia was the only state out of 54 OSCE member countries represented that voted against the resolution.

After the Lisbon Summit, the Minsk Group of OSCE had new co-chairs. Until then Russia and Finland were the co-chairs of this group. Since January this year, the U.S., Russia and France took over the chair of the group. This change gave rise to great optimism in Azerbaijan. The fact that three permanent members of the UN Security Council, three great powers, took over the responsibility of resolving the conflict peacefully was the cause for both hope and confidence. On June 20th at the meeting of the Great Eight in Denver, the presidents of Russia, U.S. and France, Boris Yeltsin, Bill Clinton and Jacques Chirac, issued a statement about the need to negotiate the peaceful settlement of the Nagorno-Karabakh conflict in a short period of time. This statement is another reason to be optimistic and hopeful.

The Minsk Group has submitted concrete proposals, and we have given them a serious consideration. Obviously, these plans contain sections that do not suit us at all. The package consists of two parts. The first section refers to the exigency of withdrawing the troops from the occupied Azeri lands, from six Azerbaijani administrative districts adjacent to Nagorno-Karabakh, and returning the Azerbaijani refugees who were expelled from their homes to these lands. The second component of the plan calls for the determination of the status of Nagorno-Karabakh within Azerbaijan and liberating the districts of Lachin and Shusha from the occupying forces.

As you can see, this map very vividly depicts the Azerbaijani territory with the occupied lands. The territory of the dissolved Nagorno-Karabakh autonomous region is in red; the Azeri lands that were not part of the Nagorno Karabakh but were completely populated by the Azerbaijanis and now militarily occupied by the Armenian armed forces are shown in green. The territory of Lachin district that lies on the route connecting Nagorno-Karabakh with Armenia and the Azerbaijani-populated Shusha district, which



has a tremendous historic significance to Azerbaijan, are colored in yellow. Both these districts are currently occupied by the Armenian armed forces. The Minsk Group proposals envisage considering the fate of these districts simultaneously as they determine of the status of Nagorno-Karabakh.

I repeat that these proposals need further work and clarification. We cannot accept many aspects in them. Nevertheless, we can consider these proposals as a basis for negotiations. I declare before you today that we are ready to conduct talks in this framework to ensure the liberation of these six districts that are in green on the map and safe return of the refugees to their homeland. We are willing to continue the negotiations on the second stage in order to liberate Lachin and Shusha, then solve the issue of the Nagorno-Karabakh status. This stage would require the deployment of the peacekeeping troops of OSCE.

As I mentioned earlier at the Budapest Summit of OSCE in December of 1994, we adopted a resolution on creating peacekeeping forces for the settlement of the Nagorno-Karabakh conflict. We were roughly at this stage at that time.

Regrettably, the Armenian side insists on and demands the independent status for Nagorno-Karabakh. I should mention here that during the OSCE Lisbon Summit in December of 1996, the Armenian delegation had almost the same position. We have stated before, and today I declare again to you, the members of the Security Council, that to liberate the occupied lands, ensure the return of one million refugees to their homeland, and establish long-lasting peace between Armenia and Azerbaijan, we are ready to make compromises. We are open to compromise but cannot allow the creation of a second Armenian state on the Azerbaijani territory. We think a high autonomy can be granted to Nagorno-Karabakh. However, from territorial, state-building and legal standpoints, Nagorno-Karabakh must remain a part of Azerbaijan.

At the same time according to the plan we suggest, Nagorno-Karabakh will have broad authority over its foreign economic, cultural, humanitarian relations, and close relations with Armenia. However, we respect the inviolability of state principles. The Armenian side, nevertheless, attempts to achieve the independence of Nagorno-Karabakh. I repeat it is impossible. It is impossible not only because of our stance, but also because it will be the violation of the charters and principles of the United Nations, OSCE, and international laws. I believe that no one including the Security Council, United Nations and OSCE should put up with the violation of the international laws. Otherwise, such an action would cause terrible harm not only to Azerbaijan, but also to a great number of other countries.

This problem is the main obstacle to our comprehensive effort to implement economic and nation-building reforms.

I want to accentuate that we are in normal and beneficial relations with our neighbors. We maintain friendly relations with Georgia and Russia. Our relations with Iran are normal, while Azerbaijan's relations with Turkey can be characterized as very friendly. Azerbaijan is protecting its sovereignty and independence in a very serious manner. Unlike our neighbors, especially Armenia, we have no foreign troops on our soil. Azerbaijan's own border troops guard the state borders of Azerbaijan. As is known, Armenia has a large number of Russian armed forces and Russian military bases. The Russian troops are also present in Georgia, and they are planning to set up a Russian military base in that country. We have none of this and we believe there is no need for foreign military presence.

What worries us most is that, during three years of cease-fire, the officials from the Russian Defense Ministry (as it has become public recently) have illegally been supply-

ing large quantities of heavy weaponry and military equipment to Armenia. The figures are known, and we have the complete list of arms that have been transferred to Armenia. The weaponry transferred was in the amount of \$1 billion and included long-range missiles, modern tanks, GRAD rockets, and other heavy military equipment and supplies. I would like to reiterate that we have the full list of items that Armenia received from Russia. The Russian Defense Ministry made this list public, and the Russian Prosecutor's Office has begun the investigation into the illegal operation.

This terrible act creates new obstacles. At the time when we hope that Russia, as a co-chair of the Minsk Group, is helping to settle the conflict peacefully, we uncover the covert arms transfer from Russia to Armenia. Back in March, I sent a special letter to Russian President Boris Yeltsin. When I was on an official visit to Russia recently, I discussed this issue with him again. He informed me that the Prosecutor General had begun an investigation, and the culprits would be punished. We not only need the punishment of the criminals, but we also need the weaponry to be found and returned to Russia. The presence of large quantities of illegal arms in Armenia threatens not only Azerbaijan, but also all neighboring countries.

These are the most important issues I wanted to touch on. I could speak of many others, but we do not have much time. I would like to leave some time for your questions as well. Thank you for your attention.

Then the ambassadors of the member countries of Security Council made statements. Alexander Gorelik, the first deputy Russia's representative, took the floor first.

ALEXANDER GORELIK: Esteemed Heydar Aliyev, we are glad to welcome you, the president of the friendly Azerbaijani Republic at the United Nations. I am very happy you are with us today. We wish you a successful visit.

I think I do not need to stress our concern about the situation in Nagorno-Karabakh and surrounding areas. However, we have reasons to hope there will be progress in this direction. For example, we commend the cease-fire that has been maintained by the warring parties for over three years now. The cease-fire sets the stage for further efforts aimed at the peaceful settlement of the conflict in the region.

As is known, the Russian Federation along with the United States and France, other two co-chairs of the Minsk Group of the OSCE, work to intensify the talks on comprehensive peace plan for the region. With this purpose, the co-chairs submitted new proposals to the parties. The proposals that you alluded to today do take the legitimate interests and concerns of the sides into consideration. We are confident that these proposals will serve as a good common ground for both sides to reach an agreement.

Mr. President, the international community is critical. I would suggest that negotiating parties take the major responsibility for the success of the talks. It will depend on the flexibility and realistic approach of the sides whether the latest proposals of the Minsk Group will be accepted. They will create productive basis for further negotiations. On our part, we would like to hope for such a development.

As you know, according to the decision of the Security Council, the co-chairs of the Minsk Group plan to submit a report to the Security Council on their activities regarding the settlement of the Nagorno-Karabakh conflict. Today's meeting is quite timely, beneficial and relevant in this regard. We believe the members of the Security Council will obtain valuable information from this meeting, and this information will assist us in our future work in this area.



Lastly, President Aliyev, you touched on the Russian arms transfers to Armenia. You correctly noted that the office of the prosecutor general of Russia had launched a serious investigation into the matter. During your recent visit to Moscow, three countries decided to set up a tripartite (Russia-Armenia-Azerbaijan) commission at the deputy foreign minister level. Its mission is to investigate the arms transfers. The Commission will investigate the sources of the Russian arms supply to either Armenia or Azerbaijan in a very detailed manner. Thank you very much.

HEYDAR ALIYEV: Thank you for your speech. We lay great hopes on Russia as a co-chair of the Minsk Group and will continue cooperating with Russia.

As far as your last remark is concerned, it is true that during my last visit, we did decide to establish an Russian-Azerbaijani-Armenian commission to investigate the matter. The purpose of this commission is to find out two things. First, it is to determine how the Russian military could deliver such a massive quantity of weaponry to Armenia illegally. The second task is to ascertain the quantities of the arms left in Armenia and Azerbaijan after the break-up of the Soviet Union.

I would like to clarify the issue. The point is that during January and February, the officials of the Russian Defense Ministry and the Ministry for the CIS affairs raised the question of illegal arms transfers from Russia to Armenia. Initially everyone denied the report. However, the facts surfaced and were published in the media. During my meeting with President Boris Yeltsin and other Russian leaders in Moscow last July, it was brought to my attention that after the dissolution of the U.S.S.R., Azerbaijan inherited more arms than Armenia. I, naturally, said that the facts should be checked. Secondly, I stressed that this fact had no pertinence to the illegal shipments of weaponry from Russia to Armenia in the period of 1994 to 1997. These transfers could not mean the compensation of Armenia for the higher number of weaponry in Azerbaijan. Despite that, we should still verify the real state of affairs. I, for instance, declare here that those facts do not correspond to the truth. However, since such an aspect was raised, we agreed to the inspection. I have to say that, on my part, I did submit the list of the members of the Azerbaijani delegation including the deputy foreign minister to be a part of the commission. I expect tangible results from the commission's work.

CHAIRMAN: Permanent Representative of France Alan De Jeanne now has the floor.

DE JEANNE: Three countries made an extraordinary effort on a highest level to speed up the settlement of the conflict. Thus, during the Summit of the Eight<sup>11</sup> meeting in Denver, the presidents of these countries, Yeltsin, Clinton and Chirak, issued a joint statement regarding the peaceful solution of the Nagorno-Karabakh conflict. You are also aware that the co-chairs of the Minsk Group are intensifying their efforts. They have recently traveled to the region. On July 18-20, they met with President Aliyev for the third time within a few months. The co-chairs of the Minsk Group sought to find a plan that would be acceptable to both sides. They have given their recommendations. They now expect the parties to demonstrate political will and necessary compromise in order to ensure a breakthrough in negotiations.

As to the co-chairs, they will not spare their efforts to assist the resolution of the conflict. I am certain that the co-chairs will express their opinions in this regard.

I mentioned in the beginning of my speech that the Security Council is closely and attentively following the situation. The co-chairs of the Minsk Group regularly report to President Aliyev and the Security Council on the state of the negotiations. The Security Council always supports the Minsk Group after their report, and urges it to continue their work according to the guidelines set by the Security Council and OSCE. The Minsk Group should become the main forum for settling this conflict. With the backing of the



Security Council, this group has done a tremendous work. I think these efforts should continue in order to solve the problem permanently.

I would like to thank you again for the information you provided. I suppose we can confidently state that the Minsk Group co-chairs are fully dedicated to the resolution of this issue peacefully and resolutely. Thank you.

CHAIRMAN: I thank Ambassador De Jeanne. It is the turn of Mr. Bill Wood, from the United States.

BILL WOOD: Mr. Chairman, thank you. I would like to welcome President Aliyev to New York on behalf of Ambassador Richardson, and thank Mr. Aliyev for meeting with us at this unofficial briefing. We can say that the Security Council follows the conflict in Nagorno-Karabakh with much attention. Undoubtedly, complex and serious problems in the region have tremendous political and human consequences. Thousands of refugees are still homeless, and the stability in the region is under threat.

In its resolutions, the Security Council has agreed that OSCE should play a leading role in a search for a peaceful settlement in the region. The conflict causes great concern to the co-chairs of the Minsk Group - the United States, Russia and France. Like other leaders, Presidents Chirak, Clinton and Yeltsin gave prevalent attention to the issue. Their joint statement in Denver attests to this fact. The co-chairs of the Minsk Group have recently submitted new proposals, and we have great hopes for these plans. However, in order to put an end to the conflict, the leadership of both sides needs to make concessions and display wisdom and political courage.

As noted in the resolutions of the Security Council, we call on Azerbaijan to continue its intensive cooperation with the Minsk Group aimed at the comprehensive settlement of the Nagorno-Karabakh conflict. Mr. President, I welcome you to New York again.

CHAIRMAN: I thank you. Next, Ambassador Park Su Chil of South Korea.

PARK SU CHIL: Mr. Coordinator, thank you. My delegation highly values the chance to listen to His Excellency President Heydar Aliyev's thoughts on the peace negotiations on the Nagorno-Karabakh conflict, the process of democratization and economic reforms in Azerbaijan.

We welcome the good news, and we are glad that, finally, there is some progress in the diplomatic front. We are also glad to see that the cease-fire is maintained. However, as it was appropriately pointed out in the statements of the Minsk Group and the joint statement of the presidents of three countries in Denver that it is not sufficient to just keep the cease-fire. We need to establish stable and long-lasting peace in the region. That's why we completely support the persistent diplomatic efforts of the Minsk Group of the OSCE directed at a comprehensive peace settlement in the Nagorno-Karabakh conflict. The political will of the parties is critical to the rapid resolution of the issue, and we welcome the promise made by President Aliyev to search for a political solution to the conflict. He emphasized this here again.

Korea gives great significance to the peaceful settlement of the conflict. The peace in the geostrategically crucial region that links all of Eurasia is critical to the stability in the region. Peace and stability are key ingredients for the reliable exports of energy reserves, and I hope that all citizens of Azerbaijan regardless of their ethnic background will benefit from the peace and wealth that will flow from the country's energy resources. We hope that the Minsk Group efforts will be successful in future.

CHAIRMAN: Thank you. Permanent Representative of China Tsin Hua Sun.

TSIN HUA SUN: Thank you, Mr. Chairman. The Chinese delegation would like to welcome President Heydar Aliyev on his arrival in New York and the United Nations. We are grateful to you for the information about Azerbaijan and the Nagorno-Karabakh



conflict. This information will help us better understand the latest developments in the region and the Azerbaijani position on the settlement of the Nagorno-Karabakh conflict.

I would like to accentuate one point. Like other members of the Security Council, China as a permanent member of the Security Council is quite concerned about the conflict in the Nagorno-Karabakh region. The Security Council adopted four resolutions on the conflict. We consider all them a sound basis for the political resolution of the Nagorno-Karabakh conflict.

All these resolutions have one common aspect, which is the need to recognize the territorial integrity and sovereignty of the Azerbaijani Republic. The issue of the Nagorno-Karabakh should be solved within this framework. President Aliyev has just stated that he is ready to make a compromise in order to reach a solution. We believe that if both sides could demonstrate the ability to compromise and show resilience, then we can facilitate the settlement of the conflict. Finally, I would like to thank President Heydar Aliyev for his valuable gifts.

CHAIRMAN: I thank His Excellency Ambassador Tsin. Next is John Weston, the permanent representative of Great Britain.

JOHN WESTON: I would like to echo the statements of other representatives and welcome President Aliyev. I am pleased with the great bilateral relations between his country and my home country, the joint work of the British companies in the production of the Azerbaijani and Caspian energy resources.

I have nothing left to add to the issue of the Nagorno-Karabakh. I share the words of my colleagues to a great degree. Since I have received literature and several maps on the Caspian Sea, I would like to ask the president, "What do you think about the recent developments in the Caspian Sea issues?" As you know, the United Kingdom's clear position is that the issue of the Caspian Sea must be handled by the Caspian states. No matter what agreement can be reached, the current contracts must be maintained. The involvement of the Iranian companies in the Lenkoran Consortium may lead to the

replacement of the legal positions of some countries by what we term as "commercial realism." That's why I would be grateful to the president if he could comment on the issue concerning Turkmenistan. Have you made any progress in the issue of the Turkmen claims to some Azeri oil fields? The last one was made to 'Kepez' field.

CHAIRMAN: I thank Ambassador Weston. Next, Peter Oswald, the permanent representative of Sweden.

PETER OSWALD: Mr. President, as you know, Sweden has striven to make its contribution to the settlement of the Nagorno-Karabakh conflict. We strongly back the process undertaken by the Minsk Group and the three countries. We hope that, in order to solve the issue, the parties will display political will and cooperate with three countries.

Maintaining the cease-fire regime is an important factor in the peace process. The mission of the UN and Security Council is to assist the efforts to settle the conflict.

Finally I would like to note that the humanitarian situation causes a great concern as before. The continuous close cooperation between Azerbaijani government and the UN High Commission on Refugees is key to alleviating the suffering of about one million refugees in Azerbaijan. I thank you.

CHAIRMAN: I thank you, Ambassador Oswald. Does anyone else want to speak? Your Excellency, President Aliyev, could you answer the questions directed to you?

HEYDAR ALIYEV: Actually, there was just one question from the Ambassador of Great Britain. First, I would like to express my satisfaction with this meeting. I thank you for gathering here and listening to me. I consider this attention to be the active involvement of the Security Council in the Azerbaijani problems, especially in the Armenian-Azeri, Nagorno-Karabakh conflict.

As I gather, the members of the Security Council who spoke at this meeting expressed their solidarity with the work carried by the OSCE, the Minsk Group and us. We are firm in our stance that the conflict can be resolved peacefully provided that the occupied Azeri lands are liberated, the territorial integrity of Azerbaijan is restored, and the Nagorno-Karabakh region is granted a broad autonomy within Azerbaijan. We will further cooperate with the co-chairs of the Minsk Group, all OSCE members and the UN Security Council in these matters.

I hope that the ambassadors of the Security Council member countries will also continue supporting and assisting us in these efforts. I thank you for all for this assistance.

In response to the question of the British Ambassador, I would like to say that we are operating oil and gas production on the basis of the sectoral division in the Caspian Sea that was established in the 1970s.

At that time, the Soviet Union almost completely dominated the Caspian Sea. During the Soviet era, Azerbaijan was responsible for all oil and gas exploration projects in the Caspian Sea. As a part of the Soviet Union, Azerbaijan could carry out these operations. But the scope of the work by the Azeri oil experts was increasing and began encompassing larger areas of the Sea. Such a situation affected the interests of Turkmenistan and Kazakhstan. In 1970, the Soviet government made a decision on a sectoral division of the Caspian Sea. We are operating within this sectoral division framework. I would like to inform you that we deem such a status of the Caspian Sea, that is the sectoral division, an acceptable basis for offshore natural resource exploration and production.

However, some countries do not agree with such a division and, instead, propose the condominium principle. This principle calls for the national sea borders up to 45 nautical miles from the coast, and the rest of the water body should belong to all the bordering states. The Caspian states have divergent views on this issue. Azerbaijan and Kazakhstan have one opinion, while Russia, Iran and, to a certain degree, Turkmenistan

have a different position. But I think we will continue talks and come to a common ground. Until then, we will operate according to the existing pattern.

As far as the newly surfaced claims of Turkmenistan, I would like to remind you again that we have been working in the Caspian Sea for more than 50 years. The original oil contract signed in September of 1994 included the oil fields of "Azeri" and "Chirag". Some American firms, British Petroleum<sup>21</sup>, Statoil, the Turkish oil company and others were signatories to that treaty. Now all of a sudden Turkmenistan claims that these oil fields belong to them. This is, undoubtedly, incorrect. According to the sectoral division that has been in effect in the Caspian Sea since 1970, these deposits are located in the Azeri sector of the Sea. Despite that, if they raised such a question, we can discuss it and determine who is a real owner of these deposits.

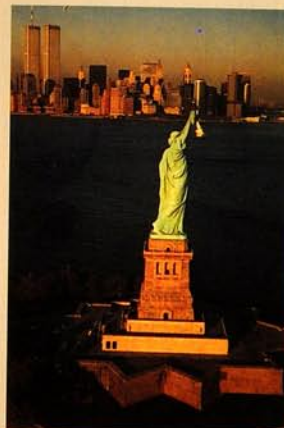
Regarding the "Kepez" oil field, it is situated right on the border between the Azeri and Turkmen sectors. We have not signed any contracts on this oil field. During my visit to Moscow, we signed an intent to cooperate on the production of this field with the Russian firms Lukoil and Rosneft. During that meeting, we did take into consideration the fact that the field was divided by the border and was located in both Azeri and Turkmen sectors. That's why during the existence of the U.S.S.R., it was named "Promezhutochni" in Russian to indicate the precarious location of the field. The Russian representative present here today can testify to that. Later Azerbaijan named the oil field "Kepez," and Turkmenistan called it "Serdar." The original name of the field is "Promezhutochni," which means "one located on the border". We are ready to cooperate with both Russian firms and Turkmenistan in developing this field.

This is the situation. By the way, Turkmenistan, in general, makes contradictory statements. Turkmenistan refuses to accept the sectoral division of the sea. Instead, they prefer the condominium principle. On the other hand, now Turkmenistan puts forward claims to 'Kepez' and other deposits, thus accepting the sectoral division de facto. If Turkmenistan truly backs the idea of the sectoral division, then it should clearly state its position, which is identical with ours. Then we can determine in whose sector the fields are precisely located. Without recognizing the sectoral division of the sea, Turkmenistan's claims that certain oil fields are not located in the Azeri sector, but the Turkmen sector are simply illogical. This is the crux of the issue.

I would like to thank you for listening to me, for personally meeting with you. I repeat that I am visiting the UN Security Council for the first time, and this is a great event for me. You were given the books that I brought. Please, try to take advantage of them.

NABIL EL-ARABI, THE EGYPTIAN AMBASSADOR (who chaired the meeting): I thank His Excellency, the Azerbaijani President, for his very interesting speech and detailed information he provided. I would like to accentuate the special character of the Azeri-Egyptian relationship. As you know we, the Egyptians and Azeris have the same roots. I thank you again on behalf of the Egyptian delegation.

HEYDAR ALIYEV: Thank you.



**MEETING OF HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC OF AZERBAIJAN, WITH MOURAD BASHASHCHIOGLY, MINISTER OF INTERNAL AFFAIRS OF TURKEY**

On July 28, Heydar Aliyev, President of the Republic of Azerbaijan, met with Mourad Bashashchiogly, Minister of Internal Affairs of Turkey, in New York.



Mr. Bashashchiogly, finding out about the first official visit of the head of our state to America in New York, visited President Aliyev to his residence.

Mr. Bashashchiogly was greatly honored to meet statesman Heydar Aliyev and he thanked President Aliyev for finding time to receive him. He extended sincere greetings of Suleyman Demirel, President of the Republic of Turkey, and Masud Yilmaz, Prime Minister of Turkey. The Minister emphasized that Turkey also attached great importance to President Aliyev's visit to America and expressed his assurance that this visit would play a crucial role in further strengthening relations between the United States and Azerbaijan.

Warmly welcoming the Minister of Internal Affairs of Turkey, the President of Azerbaijan also shared his view on the importance of his visit to the United States.

President Aliyev asked the Minister to extend his gratitude, warm wishes and highest respect to Mr. Demirel and Mr. Yilmaz for their sincere greetings and emphasized that he remembered his official visit to Turkey with immense pleasure.

They exchanged views about the current status of relations between Turkey and Azerbaijan, and President Aliyev invited Mr Mourad Bashashchiogly to visit Azerbaijan. The invitation was accepted with pleasure.

#### MEETING OF HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC OF AZERBAIJAN, WITH PERMANENT REPRESENTATIVES OF COUNTRIES ACCREDITED AT THE UNITED NATIONS

On July 29, Heydar Aliyev, President of Azerbaijan, met with the Permanent Representative of countries accredited at the United Nations in the headquarters of the UN in New York. Participants at the meeting warmly applauded the leader of Azerbaijan.

Engin Ansay, Permanent Representative of the Organization of Islamic Conference, opened the meeting. He welcomed President Aliyev and asked him to address the meeting. Heydar Aliyev, President of Azerbaijan, made a statement at the meeting.

#### Statement of Heydar Aliyev President of the Republic of Azerbaijan

Esteemed Chairman  
Esteemed Ambassadors, Ladies and Gentlemen

I cordially greet you and express my deep gratitude for the opportunity to speak before you. I am on an official visit to the U.S. at the invitation of President Clinton, the U.S. President. This is my first official visit to the U.S. as the President of Azerbaijan. I express my great respect to the UN and naturally speak about Azerbaijan's current situation. I have been in this most important international organization for the second day today.

I met with Mr. Kofi Annan, the General Secretary of the United Nations. Yesterday I met with the members of the Security Council of the UN, and today I am speaking in front of you, the permanent representatives of the member countries of the United Nations.

I highly appreciate this opportunity and thank the Islamic section of the UN for this initiative. I would like to use this chance to provide you with the information about Azerbaijan, its progress and challenges today and, naturally, leave sufficient time for your questions.

As with other republics of the former Soviet Union, Azerbaijan gained its independence after the disintegration of the U.S.S.R. The establishment of independence is a grandiose historic event for Azerbaijan, and we are determined to preserve our freedom and not allow any foreign domination over our country.

Since Azerbaijan became independent, our country has adopted the policies directed at building a law-based, democratic and secular state. We have been conducting democratic reforms in all spheres. The nationwide referendum chose the first democratic Constitution of Azerbaijan in 1995. In November of the same year, the country held its democratic parliamentary elections based on a multi-party system. Our fully functional Parliament has representatives of eight political parties. The Parliament is actively implementing its task as a legislative body.

The Azerbaijani constitution protects all human rights, and one third of the constitution describes these rights. Political pluralism and free press are established in Azerbaijan. More than 30 political parties, various movements and non-governmental organizations, are officially registered in Azerbaijan. There are more than 600 newspapers published in Azerbaijan, the vast majority of which belong to different organizations, private enterprises, and political parties. Most of them are publications of the opposition parties and organizations.

Azerbaijan is a multi-national state. We guarantee the religious freedom, and freedom of conscience and equal rights to all individuals regardless of their ethnic origin. The economic development in Azerbaijan proceeds along the path we have clearly determined. This principle is to build a market economy. All fields of our economy experience fundamental reforms. The state property and enterprises are being privatized; we have adopted a law on land according to which all the appropriate lands will be privatized. We have created all the favorable conditions for the development of the private sector in Azerbaijan. The creation and growth of the private sector is one of the main thrusts of our economic strategy.

Azerbaijan has open-door policies to the entire world for foreign capital. Recently, large foreign investments flowed into the country's oil and gas industry as well as other fields of our economy.

The law on privatization provides for the participation of foreign firms, foreign entities, and individuals. In other words, non-citizens of Azerbaijan are allowed to buy and own property in Azerbaijan. These economic, political and social reforms enabled us to lift the economic stagnation that began in the country in 1988 after the collapse of the Soviet Union. We managed to reverse the process in 1996. Judging by the indicators of the first half of 1997, the current year will be a year in which more progress in our economy and social development will be attained. This outcome is undoubtedly the consequence of the economic and social reforms that allow us to further raise the living standards of our population.

At the same time, Azerbaijan faces a number of serious problems. One of the most complex problems is the aggression of Armenia against our country. As you know, this conflict erupted in 1988 when both Azerbaijan and Armenia were part of the Soviet Union. The Armenians started annexing a part of Azerbaijan, the Nagorno-Karabakh autonomous region. The reasoning behind this aggression was that Armenians were residing in Nagorno-Karabakh, as well. Indeed, when the confrontation began, the population of Nagorno-Karabakh was 170,000, with 70% of them being Armenians and 30% Azerbaijanis. The Nagorno-Karabakh region within Azerbaijan had an autonomous status and took advantage of this right in developing its economic, social and political life. That's why there was no basis for any conflict. Nevertheless, the confrontation began. I think this was possible thanks to the protectionism of then Soviet leaders, and it seems that they did that to please the extremist and aggressive groups in Armenia.

Unfortunately, even during the Soviet era of 1988 to the end of 1991, efforts to stop the conflict failed, and it developed into a full-scale military confrontation. Due to various reasons and the support of different countries given to Armenia, the Armenian side gained an upper hand in the conflict and managed to occupy 20% of the Azeri lands.

First, the Nagorno-Karabakh residents of Azeri nationality were expelled from their homes, and the region was completely occupied. Then the occupants expanded their operations to capture 7 administrative districts that bordered Nagorno-Karabakh. In total 16,000 square kilometers of the total 86,000 square kilometers of Azerbaijan's territory. That is, 20% of our total lands was occupied. Only Azeris populated the districts around Nagorno-Karabakh. This occupation resulted in forcible expulsion of the Azeri population from their homeland. Now, most of them live in tent cities scattered all over Azerbaijan, naturally under harsh conditions.

The war inflicted huge economic losses on Azerbaijan; tens of thousands of people were killed, and the degree of damage to the people's morale is immeasurable. All the residential houses, administrative buildings, schools, hospitals, cultural centers, entire infrastructure of the region, sacred sites, national architecture, the masterpieces of art



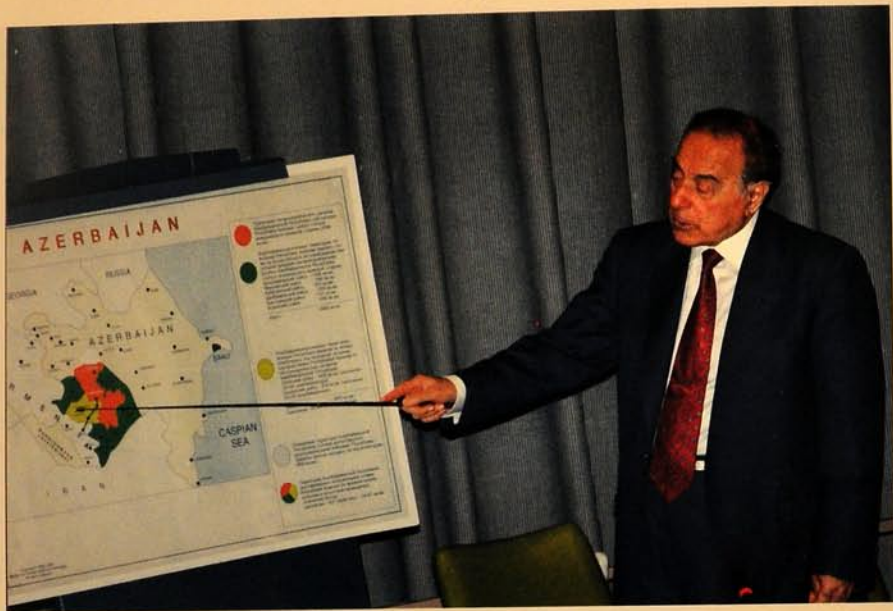
were either destroyed or looted. The atrocities and barbarism perpetrated on our lands are beyond the human imagination.

We attempted to stop this conflict and preserve our territorial integrity and sovereignty. Thus, in 1994 we agreed to a cease-fire. In May 1994, we signed an accord for a cease-fire between Armenia and Azerbaijan. The cease-fire regime is still in force, and I consider this event the most significant accomplishment of two sides since 1988 when the bloody war began. It is noteworthy that the cease-fire is maintained without the involvement of multinational peacekeeping force. The cease-fire remains in effect solely due to the agreement of the warring parties. This is a positive factor worthy of the attention.

The Minsk Group of OSCE, which was set up in 1992, is responsible for settling the conflict peacefully. The UN and Security Council of the UN were also engaged in resolving this issue. When the Armenians occupied the Azeri districts outside Nagorno-Karabakh, the Security Council of the United Nations discussed the matter several times. From late 1992, the Security Council passed four resolutions - 822, 853, 874 and 884. Besides these documents, the Chairman of the Security Council issued several statements regarding the conflict. All of these resolutions and statements unanimously and clearly demanded the immediate and unconditional withdrawal of the Armenian armed forces from the occupied Azeri lands. However, the Armenians who occupied those territories have not implemented the Security Council's resolutions and the statements of its chairman.

Still, the United Nations and Security Council authorized the OSCE to handle this conflict and, in 1992, OSCE set up the Minsk Group to settle the Armenian-Azeri, Nagorno-Karabakh conflict peacefully. During all this time, the Minsk Group has consistently been dealing with this issue. Regrettably, there have been no positive results. At the Budapest Summit of OSCE in 1994, delegates discussed the Armenian-Azerbaijani, Nagorno-Karabakh conflict. The OSCE adopted a resolution, which called for a rapid





and peaceful settlement of the conflict based on the principle of territorial integrity of Azerbaijan and withdrawal of the Armenian troops from the occupied Azeri lands. At this meeting, the OSCE decided to form multinational peacekeeping troops to implement the resolution of the conflict. The Armenian-Azerbaijani, Nagorno-Karabakh problem became the topic of discussion at the Lisbon Summit of the OSCE in December 1996. They adopted the principles of peaceful settlement of the conflict at that summit. These principles consisted of three parts. First, it was the recognition of the territorial integrity of the Azerbaijani and Armenian Republics. Second, Nagorno-Karabakh was to be granted a broad autonomy within Azerbaijan. Third, there would be security guarantees for the entire population of Nagorno-Karabakh. Unfortunately, the document that was supported by all the members of the OSCE - 53 countries voted for it - was rejected by Armenia. Armenia opposed this agreement. Thus, 53 countries out of 54 approved of these principles, and one, Armenia, opposed it. Unfortunately, Armenia is still in favor of granting independence to Nagorno-Karabakh.

We, of course, think that active measures are needed for the settlement of the Armenian-Azerbaijani, Nagorno-Karabakh conflict. Azerbaijan has always taken a conciliatory stance in this respect. The acceptance of the principles of peaceful settlement by Azerbaijan at the Lisbon Summit is also a clear sign of compromise on our part. The broad autonomy for Nagorno-Karabakh is also a significant compromise from the Azeri side since this arrangement is detrimental to the sovereignty of Azerbaijan as a unitary state. However, the Armenian side refuses to compromise and I repeat they still demand independence for Nagorno-Karabakh.

Even today, we are ready to make concessions, but we cannot allow the independence of Nagorno-Karabakh. We cannot permit the creation of the second Armenian state on the territory of Azerbaijan. That's why we demand the territorial integrity of Azerbaijan be restored.

After the Lisbon Summit, there were changes in the leadership of the Minsk Group. Today, Russia, U.S. and France are the co-chairs of this group. We welcome this change. We are glad because if three world powers take on the responsibility of settling this conflict, then they ought to help resolve the problem, and they are capable of doing so. That's why we welcome this change and have great hopes for it.

On June 20 during the meeting of Big Eight in Denver, Russian President Boris Yeltsin, U.S. President Bill Clinton and French President Jacques Chirac issued a joint statement on the necessity to settle the Armenian-Azerbaijani, Nagorno-Karabakh conflict peacefully. This is a positive step, and we are looking forward to the next measures.

In early June, the co-chairs of the Minsk Group proposed a new solution package. We considered their proposals and met with them in the region again. These recommendations consist of two components. The first part calls for the withdrawal of the Armenian forces from six occupied Azeri administrative districts and returning thousands of Azerbaijani refugees to their homeland. The second part provides the framework for the final determination of the political status of Nagorno-Karabakh and other two Azerbaijani districts of Shusha and Lachin. That is their liberation and it will bring the Azerbaijani residents of these districts back to their homeland.

These proposals undoubtedly contain some positive aspects compared to the previous ones, however there are still some points that need further elaboration. There are some things that we can not agree with. Despite that, we still responded positively to this offer since we thought it would be the basis for accelerating the negotiation process. Now we are expecting concrete steps in this direction.

I would like to demonstrate what the question is about. This is the map of Azerbaijan. (He brings out a map) Here, you see Armenia, here is the Nakhichevan autonomous republic that belongs to Azerbaijan. The Azerbaijani regions in different colors are the territories occupied by the Armenian armed forces. The territory of Nagorno-Karabakh is in red; the regions surrounding Nagorno-Karabakh that never were part of Nagorno-Karabakh and entirely populated by the ethnic Azerbaijanis are in green. The territories of Lachin and Shusha are depicted in yellow. Lachin is located between Armenia and Nagorno-Karabakh. The Armenian side considers the district of Lachin crucial to its communication and transportation links with Nagorno-Karabakh. The road that links Nagorno-Karabakh with Armenia and crosses Lachin is in black. This is the Shusha region that was inside Nagorno-Karabakh but was always populated by the Azeris. Shusha is a historical and cultural center of Azerbaijan. Shusha houses rare pieces of Azerbaijani national architecture and artwork. We colored these regions in yellow for the purpose of clarity. The latest proposals of the Minsk Group specified these green-colored territories. That is, according to the plan, the occupying forces will be pulled out of these regions, then the peacekeeping units of the OSCE will be deployed on the borders of the Nagorno-Karabakh and the Armenian-Azeri borders - I mean the occupied lands. Then the plan's second phase stipulates the determination of the status of Nagorno-Karabakh and the withdrawal of the occupying units from Lachin and Shusha.

The question constantly raised by Armenia concerns the corridor that links Armenia to Nagorno-Karabakh. We have always agreed to this corridor, and even today we are suggesting this corridor. It may be provided through the Lachin district under the control of the international peacekeeping forces. We have a concrete idea on the parameters of

the corridor. So, the corridor under the supervision of the peacekeeping forces will ensure the dependable communications between Nagorno-Karabakh and Armenia after the establishment of peace and stability.

As to the status of Nagorno-Karabakh, we have repeatedly stated we are ready to provide the autonomy status to the region on the basis of the existing principles and laws elsewhere in the world. There are such entities inside Russia. For instance, the Tartar Republic has broad self-governing rights within the boundaries of Russia. Such administrative units exist in Europe and other parts of the world. In other words, this has been practiced and shaped in world history. We may use any type of these structures and apply it to the status of Nagorno-Karabakh. However, I would like to reiterate that we will never agree with the independent status of Nagorno-Karabakh. I believe that the international community should not permit such actions either, since they violate the UN Charter, international laws and principles of OSCE.

Right now, various conflicts are taking place all over the world and some of them are caused by the ethnic groups that strive for independence. This demand has never been met in any of these conflicts. The demand for independence cannot and should not be satisfied in this case either because the Armenian people have long ago determined its destiny by creating the independent Armenian republic. The creation of the second, then possibly third and fourth Armenian republics completely contradicts the modern notion of international legal norms.

This is the main question that worries us most. Naturally, there are other problems that pose difficulties for Azerbaijan. For example, in 1992 the U.S. Congress passed a very unfair law against Azerbaijan that prohibited any U.S. assistance to Azerbaijan. This was based on the allegation that Azerbaijan had blockaded Armenia. But today the American society, Congress and government are realizing how unjust and unfair this law is. We are exerting effort to lift this ban. This question is also closely linked with the issue of the conflict. I should note that Azerbaijan did not blockade Armenia then and is not blockading it today. Armenia has sufficient communication capacity to access the Black Sea ports via Georgia and other countries through Iran. That's why the artificially concocted idea that Azerbaijan is guilty for Armenia's communication blockade is false. It was not true then, and it is not true now.

If we need to discuss the issue of blockade, let me tell you about the following. Azerbaijan used to have railroad communications with Armenia. The railroad begins in Baku and proceeds along Azerbaijani-Iranian border, then it crosses 40 kilometers of Armenian territory and reaches the Nakhichevan autonomous republic. After that, the railroad goes to Armenia again. The Armenian armed units occupied the Azerbaijani districts of Fuzuli, Jebraïl and Zengilan that were situated along the border on the railroad line. Then the Armenians dismantled the railroad, thus depriving themselves of any communication links. It is the Nakhichevan autonomous republic that is in blockade. Today Nakhichevan has neither automobile nor railroads with the rest of Azerbaijan. Nakhichevan maintains its links with Azerbaijan only via air. You can see who is blockaded. It is, of course, the Nakhichevan autonomous republic of Azerbaijan. This blockade is the result of the Armenian aggression against our country. I am providing this information about the realities in the region so you have the correct picture.

Having said all of this, I would like you to know that Azerbaijan is firmly supporting the idea of a peaceful settlement of the Armenian-Azeri conflict. We are committed to preserving the cease-fire accord until the resolution is achieved. We are resolutely declaring that we will never allow the resumption of the military operations. We do not want this. We want peace. We want to solve the conflict in a peaceful manner and establish

long-lasting and stable peace between Armenia and Azerbaijan. The peace will benefit Armenia, the Armenian people, Azerbaijan, and the Azerbaijani people.

Our destiny has been so that we have been living next to each other for centuries, millenniums and will still do so in the future. No one - be they Armenians or Azeris - plans to move to another part of the planet. We have to take this reality into account as a basis for any actions. No matter how traumatic this conflict may be, it has to be stopped. Peace needs to be established. This will be beneficial to Armenia since it will be able to conduct active trade with Azerbaijan. It is to the advantage of Azerbaijan as well. Nonetheless, all this will be possible with under the following condition: the territorial integrity of Azerbaijan must be restored; Azerbaijan's occupied lands must be evacuated by the Armenian armed units; one million Azeri refugees including those from Nagorno-Karabakh must return to their homeland; Nagorno-Karabakh must have a broad autonomy within Azerbaijan.

Our position is firm. However, we still consider it possible to compromise in the future in order to achieve peace. We have made concessions, and we are waiting for the Armenian side to take similar steps.

This is what I wanted to tell you. I could have spoken about many more issues, but I want to leave some room for your questions if you have any. Thank you for your attention.

ENGIN ANSAY: Esteemed Ambassadors, as you know, this is the extended meeting of the Islamic group at the Ambassadorial level with the participation of officials from several other countries. Esteemed President Heydar Aliyev has made a statement and asked you if you have any questions. If you have any questions, I will give you a word.

NABIL EL-ARABI (EGYPTIAN AMBASSADOR): I would like to join those who welcome the Azerbaijani President. I feel glad that I had an opportunity to listen to him today and yesterday at the UN Security Council meeting. At the meeting at the Security Council, he explained his government's position, the peace program, and the situation in his country. I would like to thank him again for allowing us to listen to his speech again. Thank you!

ENGIN ANSAY: Allow me to express my deep gratitude to the members of the Islamic group and President Aliyev for his speech. I would like to assure him that the Group will continue considering the issues that he raised during his speech.

HEYDAR ALIYEV: I would like to thank you all for coming to this meeting and listening to me with great attention. In this I see the attention and consideration to the Azerbaijani Republic, its problems and most importantly, the ways to solve the Armenian-Azerbaijani conflict that concerns all of us. I hope that my explanations, my sincere and open words, my description of our peace-loving stance will help you at the United Nations and in your respective countries to assist us in settling the Armenian-Azerbaijani conflict. We are utilizing the potential of OSCE and its Minsk Group. However, the United Nations as the principal organization of the world community, has much greater capabilities. You monitor our activities, and I would like you to always support the need for rapid, peaceful, just and objective resolution of the conflict.

I would like to thank the Egyptian Ambassador for his warm words about Azerbaijan. Mr. Chairman, thank you for your warm speech about Azerbaijan and your invitation to this meeting.

After the meeting Permanent Representatives of Macedonia, Iran, Russia, Belorussia, Ukraine, Kazakhstan, Kyrgistan, Turkmenistan and many other countries at the United Nations approached Heydar Aliyev. They expressed their pleasure in meeting him and



thanked him for a comprehensive and very meaningful speech in which he touched many issues. The ambassadors praised the first official visit of President Aliyev to the United States.

**MEETING OF HEYDAR ALIYEV,  
PRESIDENT OF AZERBAIJAN, WITH LEADERS  
OF THE INTERNATIONAL HUMANITARIAN ORGANIZATIONS**

On July 29, the Azerbaijan President Aliyev met with the leaders of International Humanitarian Organizations at the UN headquarters in New York.

The leaders of the following organizations participated at that meeting: International Support Committee, Save The Children, International Reconstruction Center, International Food Distribution Committee, United Methodical Committee of International Aid, Institute of Soviet-American Relations, Medicine San Frontier, International Red Cross Committee, Soros, American Aid Organization, International Red Cross and Red Moon Federation, American Red Cross Society, UNICEF. Currently these humanitarian organizations are very active in Azerbaijan.

The participants of the meeting welcomed Heydar Aliyev, the leader of our country. Yasuishi Akashi, UN Deputy Secretary General and Head of Humanitarian Affairs Department, welcomed President Aliyev on behalf of all participants of the meeting.

Aven Moor, Director of the International Support Committee, introduced all the leaders of international organizations that came to meet President Aliyev. The participants of



the meeting praised the official visit of President Aliyev to America. They emphasized the great importance of that visit in further development of the relations between the humanitarian organizations and Azerbaijan.

The participants of the meeting appreciated the building of a democratic legitimate country in Azerbaijan, its successful implementation of reforms, the process of improvement of the level of life of people under the guidance of President Aliyev. They emphasized the support of the world community and international organizations in that process.

The speakers were pleased about positive changes in solving the refugee problems, and the timely distribution of their humanitarian aid in Azerbaijan. They told President Aliyev about the projects being implemented by the international humanitarian organizations in our Republic.

Detailed discussions were also held about timely delivery of the humanitarian aid to refugees living in tents, as well as the creation of the work places for refugees, opening the new educational institutions to improve the education of the refugees' children, and so on.

They talked about the measures taken by the international humanitarian organizations to give the world community the right impression about the Armenian aggression toward Azerbaijan. They emphasized one more time that Section 907, adopted by the U.S. Congress in 1992, was unfair. The participants of the meeting also had an in-depth discussion about the international humanitarian organizations' efforts to eliminate it. They expressed their confidence that the first official visit of President Aliyev to America, his



meetings with President Clinton and other high-ranking officials and U.S. Congressmen would accelerate the elimination of Section 907.

Heydar Aliyev, the leader of our country, was pleased to meet officials of the international humanitarian organizations. He highlighted the importance of expansion of the relationships between those organizations and our country.

President Aliyev talked about social and political situation in young sovereign Azerbaijan Republic. It is taking its own place in the world community. He talked about the concern and attention paid by the international humanitarian organizations to improve the way of refugees' lives in our country, and a timely delivery of their humanitarian aid.

The leader of our country talked about the most harmful problem in our Republic-Armenian aggression toward Azerbaijan, and the occupation of 20% of our territory by Armenian military forces. He highlighted the fact that more than one million citizens were forced to leave their homes, and they were living in extreme situation in tents. He later emphasized that refugees desperately needed support of the international humanitarian organizations, concern and attention of the world community.

President Aliyev stated that, though international humanitarian organizations were providing some assistance to more than one million refugees whose human rights were violated by Armenian invaders, the U.S. government could not help us because of Section 907 to the "Freedom Support Act" adopted by Congress in 1992.

The leader of our Republic praised the consistent development of cooperation between Azerbaijan and America. He expressed his regret that Section 907 impeded the further development of those relationships. The leader of our country highlighted the importance of efforts made by international humanitarian organizations to eliminate that amendment. He stated that he would have big discussions with President Clinton, and other officials about eliminating that amendment and about peaceful solutions to the Armenian-Azerbaijan conflict.

They also discussed the goals of the international humanitarian organizations in Azerbaijan, and how to strengthen their support and make it more active. There was an exchange of opinions about important issues needing immediate attention.

President Aliyev expressed his gratitude to leaders of the international humanitarian organizations for meeting him and he wished them good luck in the expansion of their cooperation with Azerbaijan.

**INTERVIEW OF HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC  
OF AZERBAIJAN, WITH CORRESPONDENTS OF THE PHILADELPHIA  
INQUIRER AND THE JOURNAL OF COMMERCE NEWSPAPERS  
ON BOARD HIS PLANE**

On July 29th Heydar Aliyev, President of the Azerbaijan Republic, left New York for Washington. High-ranking officials of the U.S. government and the UN accompanied the leader of our country.

During his first official visit to the U.S., President Aliyev spent his time, from early morning till late night, on official meetings and negotiations. He dedicated every minute of his time to communicate Azerbaijan realities to the world and negotiate solutions to problems in our country.

On July 29th President Aliyev on his way from New York to Washington gave an interview to Trudy Robin and Michael Lilevil, representatives of the Philadelphia Inquirer and Journal of Commerce newspapers.

Journalists thanked President Aliyev for giving them time on board his plane, despite his busy work schedule. They expressed their assurance that his first official trip to the U.S. would strengthen Azerbaijan-American relations.

QUESTION: Mr. President, you were in Russia with official visit at the beginning of July. Did you feel any changes in Russian attitude towards Azerbaijan?

ANSWER: You know, you need time to feel these changes. I went on my first official visit to Russia as a President of Azerbaijan. We signed numerous intergovernmental memorandums. You can tell how much the attitude was changed towards our country.

The negotiations in Russia were very successful. But there were some issues of great importance. First of all, in February and March this year, we found out that some officials from the Ministry of Defense in Russia had been illegally giving Armenia a lot of weapons for the last three years underground. The arms are worth one billion dollars. We made it straight and said it should be investigated. Armenia should return all the weapons to Russia.

I mean, we know what kind of weapons were given to Armenia. There were many articles in the Russian press about it.

QUESTION: Do you think that it was Russia's official policy?

ANSWER: It should be investigated. In any case, what was the goal of giving away the weapons in such amount free?

QUESTION: During your visit to Moscow and meetings with Russian officials, did you get an impression that Russia was willing to solve the Armenian-Azerbaijan conflict?

ANSWER: You know, three big countries- Russia, United States, and France- are co-chairmen of the Minsk Group. On December 20th Presidents Bill Clinton, Boris Yeltsin and Jacques Chirak made a statement about solving the Armenian-Azerbaijan conflict in Denver. That is why I hope these three countries will make a positive progress in solution of the Armenian-Azerbaijan conflict. I will discuss it with President Clinton in details.

When I was in Moscow, I discussed this issue with President Yeltsin in detail. On the July 8-9th of this year, I also discussed this issue with President Chirak at the NATO European-Atlantic Cooperation Council summit conference in Madrid.

QUESTION: I do not understand. Why would Russia want to solve this problem? If the problem was solved, Russia might loose its control over Azerbaijan, Georgia and Armenia.

ANSWER: You would know that better than me.

QUESTION: Mr. President, there are some congressmen who want the U.S. to help Azerbaijan and eliminate Section 907. They support the viewpoint that Azerbaijan may help the United States of America exclude Iran. But Azerbaijan declared it was to establish a good relationship with Iran. Are there any changes in this position?

ANSWER: I know that some congressmen are truly working hard to eliminate Section 907. In particular, a couple of days ago, Congressman King worked out a draft of liquidation of this amendment. I will have some negotiations in Congress. Members of Congress should know that Azerbaijan is a very reliable friend of the United States in the Caucasian region. Now, the United States has a great economic interest in Azerbaijan with a great future. That means Azerbaijan is a long-term partner of the United States. Our friendly relations with America at the same time is our economic cooperation. The beginning of the joint development of oil fields in Azerbaijan with U.S. oil companies bothers our neighbors. American Congress should realize and appreciate all these. I believe these are good reasons to eliminate Section 907.

You know, we live in a controversial area. Our principles and strategies of independence cannot satisfy all the countries on the same level. We cannot make everybody happy. Of course, some will be happy with us, some will not.

QUESTION: Mr. President, are you going to cooperate with Turkmenistan to pump gas from Turkmenistan to Azerbaijan through the Caspian Sea, and from there to transport it to Turkey?

ANSWER: We are ready to cooperate with Turkmenistan. But Turkmenistan wants to transport that gas to the Indian Ocean through Iran, Afghanistan and Pakistan. When I went to Almati on an official visit, we signed a very important agreement with Kazakhstan. This agreement was about transporting oil produced in Tengiz oil field in Kazakhstan through the pipeline that would be built from the Caspian Sea to Azerbaijan. From here, the oil would be transported to Turkey in the Mediterranean Sea. We have already created that transportation line. We take the oil, produced by Chevron in the "Tengiz" oil field to Baku. From Baku, the oil is being transported by railroad to Batoumi in the Black Sea.

QUESTION: Mr. President, are the drafts of the pipeline route that the AIOC plans and wants to implement realistic?

ANSWER: Yes.

QUESTION: Will Chechenistan allow the transportation of Azerbaijan oil through the northern pipeline to world markets?

ANSWER: You know, we signed an agreement with Chechenistan. This year, at the beginning of July, the first Deputy Prime Minister of Russia with other officials and delegation from Chechenistan came to Baku. In Baku, we signed a three-party agreement about the normal operation of that pipeline between Russia, Chechenistan and Azerbaijan. I believe, this pipeline will function normally after signing such an agreement.

The second pipeline is supposed to go through the territory of Georgia. I believe we will not have any problems over there. The largest pipeline will go from Azerbaijan to Turkey. But it is not going to go through the territory of Armenia. That is why Armenia cannot damage this pipeline in any way.

QUESTION: The easiest way would be through the territory of Iran to Nakhichevan, and from there to Turkey. Is that right?

ANSWER: It would be great. But it is not possible now.

QUESTION: Mr. President, is America going to get in the way of transportation of Turkmenistan gas to world markets through Iran?

ANSWER: It is hard to say.

QUESTION: Mr. President, if the peace is re-established in Nagorni-Karabakh, who is going to guarantee the security? Who will be responsible for security of the pipelines, and which neighbors should protect these pipelines?

ANSWER: These are different issues. To re-establish peace in Nagorni-Karabakh, multinational peace protection forces will implement that mission. Every country should be responsible for the security of the oil pipeline. For example, Azerbaijan will guarantee security on its territory, Russia and Chechenistan will guarantee security on their territory. The same is going to be true in Georgia and Turkey. That is why there is no need to involve the army of another country in this issue.

QUESTION: Mr. President, will the United States participate with its own army in the peace protection forces?

ANSWER: It is totally up to the United States of America. In December 1994, in Budapest at the Summit Conference of the member countries of ATAT, leaders and politicians voted for creation of such forces, and they supported that idea.



QUESTION: Mr. President, will the Russian army join these peace protection forces?

ANSWER: It is a possibility, but it should be the same in size with the armies of other countries.

QUESTION: Mr. President, how would you suggest solving the problem in Nagorni-Karabakh? What is the position of Azerbaijan, and what are your conditions? What do you think? Is that possible to make territorial changes to solve Armenian-Azerbaijan conflict, that is by giving a corridor to Nagorni-Karabakh and asking for a corridor from Armenia to Nakhichevan?

ANSWER: I support your second opinion right away. I am ready for that. We agree to open a corridor from Lachin to Nagorni-Karabakh, but there should be a corridor from Armenia to Nakhichevan. We are ready to make such changes.

The answer to your first question would be that the solution of the Armenian-Azerbaijan conflict should be based on the principles accepted in Lisbon. Armenian army should be withdrawn from the territory of Azerbaijan. The territorial integrity of Azerbaijan should be guaranteed and recognized, and one million refugees should return to their homes. Nagorni-Karabakh may be given a high status of self-determination within the Azerbaijan Republic.

QUESTION: Mr. President, Turkmenistan is making claims on some oilfields located in the Azerbaijan section of the Caspian Sea. There is such a claim stated on an agreement about the joint development of Azerbaijan's Kapaz oil field signed with Russia. How do you see the solution of this issue?

ANSWER: Turmanistan's claims about our joint development of the oil fields with numerous companies of the world are groundless. Those oil fields are in the Azerbaijan section of the Caspian Sea. Turmanistan's claims are simple fantasy. We signed the first agreement in September 1994. Turmenistan made the claims three years later. The "Kapaz" oil field is really on the border of Turmenistan and Azerbaijan. We are ready to develop this oil field together.

QUESTION: Mr. President, what is your goal during the first official visit to the United States?

ANSWER: The main goal during the first official visit to the United States is to develop an American-Azerbaijan relationship. Thank you.



## LESSONS OF GLOBAL POLITICS

### MEETING OF HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC OF AZERBAIJAN, WITH HENRY KISSINGER, AN OUTSTANDING STATESMAN



On July 28, Heydar Aliyev, President of the Republic of Azerbaijan, met with Dr. Henry Kissinger.

The head of our nation greeted Dr. Kissinger warmly and expressed his pleasure on the continuous development of an America-Azerbaijan relationship. The president of Azerbaijan emphasized that he was on an official visit to the United States at the invitation of President Bill Clinton. He expressed his assurance that this visit would open a new important stage in further developing and strengthening relations between our two countries.

Henry Kissinger said he was honored to meet statesman Heydar Aliyev and praised the first official visit of the leader of independent Azerbaijan. Dr. Kissinger

talked with satisfaction about the beginning of Azerbaijan's efforts to hold its rightful place in the world community under the leadership of President Aliyev. He said that he was watching developments in Azerbaijan closely, particularly the processes of building a democratic state with the rule of law as well as policies aimed at carrying out comprehensive reforms in a country that has chosen the path of market economy. He expressed his assurance that the wise and farsighted policies of Heydar Aliyev would bring the people of Azerbaijan into prosperity, through fast economic growth and progress.

President Aliyev emphasized that Azerbaijan was open to all business people. All necessary conditions have been created in Azerbaijan for large and favorable opera-

tions of foreign companies. Foreign investments were strongly protected by the laws of Azerbaijan. President Aliyev added that we intended to integrate the economy of Azerbaijan into the world economy, and we have achieved successful results in this respect.

The head of our nation emphasized that contracts signed with major international oil companies for joint development of oil fields at the Azerbaijan sector of the Caspian Sea had a historic importance.

He stressed that Azerbaijan with its large economic potential and rich natural resources is very interested in building mutually beneficial relationships with foreign businesses in every sphere.

Talking about the most painful problems of our country, which has been advancing steadfastly on the path of democracy and market economy, President Aliyev dealt with the great damages that people of Azerbaijan suffered as a result of conflict between Armenia and Azerbaijan, which has been continuing since 1988. President Aliyev emphasized that as a result of the military aggression of Armenia, 20% of the land of Azerbaijan was occupied, and more than one million citizens ousted from their homes lived in tent camps as refugees in Azerbaijan. He talked about negotiations conducted within the frame of the OSCE Minsk Group.

The head of our nation praised the efforts of world countries to achieve peaceful settlement to the conflict. He stressed the importance of principles adopted by 53 nations in OSCE's Lisbon Summit with respect to settlement of the conflict between Armenia and Azerbaijan.

President Aliyev appreciated the statement in Denver of Presidents Bill Clinton, Boris Yeltsin and Jacques Chirac of the United States, Russia and France, the three co-chair countries of the OSCE Minsk Conference, and talked about peace initiatives of Azerbaijan.

President Aliyev welcomed the cease-fire that has been continuing for the last three years as an important step for achieving lasting peace. At the same time, he expressed his serious concerns about Russia's illegal arms shipment to Armenia as a serious threat, not only to the settlement of the conflict but also to overall stability in the region.

The leader of Azerbaijan stressed that among former Soviet Union countries, only Azerbaijan had no foreign troops and military bases in its territory. He talked about the important strategic location of Azerbaijan and emphasized the necessity for special attention to settlement of its problems by the world community, great powers, and international organizations. They also discussed possibilities for repeal of Section 907 of the Freedom Support Act adopted by the U.S. Congress against Azerbaijan.

Dr. Kissinger once again praised the successful activities of Heydar Aliyev as a great personality in maintaining independence of Azerbaijan, and expressed his pleasure meeting him again.

President Aliyev invited Dr. Kissinger who has a special place in political life of the United States to visit Azerbaijan. He accepted the invitation with pleasure and expressed his willingness to visit Azerbaijan in the near future.

In his meeting with journalists, Dr. Kissinger showed his satisfaction meeting with head of our nation and said:

"I had meetings with President Aliyev in the past as well, and I was honored to see him again. I trust the wisdom of statesman Heydar Aliyev and am convinced that, under his able leadership, Azerbaijan will continue to strengthen its independence and make it long-lasting. I am hopeful that through the farsighted policies of President Aliyev, Azerbaijan's problems will be settled soon."



#### MEETING OF HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC OF AZERBAIJAN, WITH LEADERS OF THE MAJOR JEWISH ORGANIZATIONS OF THE UNITED STATES

On July 28, Heydar Aliyev, President of the Republic of Azerbaijan met with leaders of the Conference of Presidents of Major Jewish Organizations of the United States in New-York.

National flags of Azerbaijan and the United States decorated the entrance of the Grand Hyatt Hotel in New-York.

Leaders of the Conference of Presidents of the Major Jewish Organizations warmly and friendly welcomed the President and thanked him for care and attention to Jews living in Azerbaijan.

Mr. Howard Skovdron, one of the leaders of the Conference of Presidents of Major Jewish Organizations welcomed President Aliyev on behalf of the participants of the meeting and said that they attached great importance to this meeting:

Mr. President it is a great pleasure to introduce you again. Some of the people who has come to your meeting today held a very senior positions in Jewish organizations and some of them continue to hold those positions. I do not want to take much of your time to name them. You might not remember the names of all of them. Honestly speaking I do not know correctly most of their names either.

I would like once again express my pleasure to see you. Dear friends, now I would like to give the floor to His Excellency Heydar Aliyev, President of the republic of Azerbaijan



**Statement of Heydar Aliyev  
President of the Republic of Azerbaijan**

I cordially greet all of you and would like to express my utter satisfaction that I am attending this meeting.

When I was making preparations for my official visit to the U.S., I considered this meeting very important. I have had meetings with the representatives of some American Jewish organizations in Azerbaijan. During those meetings, we displayed warm feelings of friendship to each other. For this reason, I think this meeting with you and your organizations and promoting and strengthening our relations will benefit both Azerbaijan and you.

I know that the most influential leaders of the American Jewish organizations take part in this meeting. Every participant in today's conference has many accomplishments, and much reverence and influence. It is clear to me that you demonstrate substantial interest in our region. That's why it is beneficial to both sides to know and establish good relations with each other.

I thank you for organizing this meeting. I am ready to answer your questions, hold conversations, and discuss different issues with you.

Mr. David Hill who was participating in the meeting said:

"Mr. President, I represent one of the Jewish organizations. According to tradition, the Jews usually express their gratitude to God for all their achievements. I would like to take this opportunity to note that the Azerbaijanis have done a number of deeds that have importance to the Jewish community.



"Our compatriots - Jews who live in Baku - would like to establish solid relationships with other nationalities who reside in your country. We want more progress in the matter of giving properties that used to belong to Jews back to the Jewish community.

"We are grateful to you for creating favorable conditions for teaching Hebrew openly in Azerbaijan since the beginning of the 1980s and today. We also thank you for establishing an immigration climate in Azerbaijan that guarantees unimpeded emigration from the country."

QUESTION: Mr. President, I join in the thank you message of Mr. Hill regarding the normal conditions for the development of Jewish culture, language and life in Azerbaijan. Most of us, the American Jews, would also like the United States to provide assistance to Azerbaijan. However, there are certain hurdles that I would like to bring to your attention. For example, we come across conflicting reports in the media concerning the state of human rights and democratic processes in Azerbaijan. Could you, please, share your thoughts about this matter with us?

Mr. President, we know that Israel has an Ambassador in Azerbaijan. But your country has no embassy in Israel. I think that if Azerbaijan opens its embassy in Israel, then it will demonstrate strong, stable, and solid relations between Azerbaijan and the State of Israel, and give these relationships needed impetus.

HEYDAR ALIYEV: I will respond to the first question regarding the human rights in Azerbaijan. I conclude from the information you have that our country has human rights problems.

First, you have to take into account the fact that Azerbaijan is a young state that chose the path of independence and democracy. You live in America and have witnessed the progress of democracy in this country for many years. Democracy is not an

apple or watermelon that you can purchase in whatever quantity you desire in a grocery store. Democracy is a process that should evolve through a number of processes in a society before it reaches a certain level.

To institute the democracy that exists in America and the West in Azerbaijan and other countries of the former Soviet Union, one needs a long period of time. After the revolution of 1917, the Communist ideology seized the power. Remember that many years were required for that Communist ideology to be established in the Soviet Union. It was necessary to make major transformation in the thoughts of the people. The totalitarian regime was established in the Soviet Union, and the Western-style democracy never reached that country.

Five years have passed since the dissolution of the Soviet Union. The republics that were part of the U.S.S.R. became independent during that period. It is extremely difficult to preserve independence. I will tell you that there are many factors that threaten the independence of Azerbaijan and other former Soviet countries. However, in order to defend our freedom, we have to work hard. It is the same story with the progress of democracy. We have to adopt laws and regulations for democracy to function. Azerbaijan has passed such laws.

In 1995, Azerbaijan adopted the new democratic constitution through a nationwide referendum. This constitution contains all the articles concerning the establishment of the law-based, secular and democratic state. One third of our constitution is dedicated to the protection of human rights in Azerbaijan. Not even two years have passed since the adoption of this constitution - it will be two years in November. We are implementing the articles of this constitution. Our country has appropriate laws and resolutions. We are building democracy. But it will take some time before most citizens choose the path of democracy and get used to it.

I want you to know that we are proceeding along this path and will continue doing so. We are protecting human rights and will do so in the future. More than thirty political parties are registered and functioning in Azerbaijan. The majority of these parties are in opposition to the authorities. In such a small country as Azerbaijan, we have more than 600 newspapers.

You have only two parties in America - Republicans and Democrats. The Democrats and Republicans alternate at the helm of power. Our small country, which has just embarked on the process of democracy-building, has more than thirty political parties.

VOICE FROM THE AUDIENCE: Mr. President, there are people who believe it is much easier to preserve democracy with fewer parties.

HEYDAR ALIYEV: We have both small and large parties.

VOICE FROM THE AUDIENCE: Mr. President, we are certain that true democracy will be established in Azerbaijan.

HEYDAR ALIYEV: Israel and Azerbaijan have very good relations. I have repeatedly met with Israeli leaders Yitzhak Rabin and Shimon Peres. I met with the current Prime Minister in Lisbon last December. I wrote a long letter to him on the expansion of our bilateral relations. The Israeli Prime Minister sent me another letter and invited me to Israel again. The Israeli Embassy in Azerbaijan is doing a good work, and we have been assisting them in every way possible. Azerbaijan will open its Embassy in Israel shortly.

QUESTION: Mr. President, when will this Embassy be opened?

HEYDAR ALIYEV: I have to find the right person who will represent Azerbaijan in Israel. Because of the frequent changes of power in Azerbaijan during the past, it is

quite difficult for me to locate such individuals. Taking your desires into consideration, I will soon solve this problem.

#### OFFICIAL RECEPTION IN HONOR OF PRESIDENT HEYDAR ALIYEV ON BEHALF OF THE CONFERENCE OF PRESIDENTS OF MAJOR JEWISH ORGANIZATIONS

On July 28, an official reception was given in honor of President Heydar Aliyev on behalf of the Conference of Presidents of Major Jewish Organizations in Grand Hyatt hotel of New York.

More than 200 participants, members of this organization, welcomed the president of Azerbaijan with continual applause.

Mr. Howard Skovdron, former President of the Conference of Presidents of Major Jewish Organizations and one of the leaders of this organization, opened the meeting.

#### Statement of Mr. Howard Skovdron

Mr. President, I am the former chairman of the Conference of Presidents of Jewish Organizations<sup>27</sup>. The chairman of our organization is not here. I was reported that his new grandchild was just born. He has gone to visit his new grandchild. But nobody has told me whether the child was a boy or a girl.

It is a great pleasure to welcome you on behalf of the Conference of Presidents of Major Jewish Organizations. I would like thank you for visiting us.



We will first have speeches then the dinner will be served. Mr. Peter Vilon will speak on behalf of the City Council. Then our honorable guest President Aliyev will speak. Because of difficulties with translation questions are not expected to be asked after President's statement. However, you are welcome to approach President and have conversation with him or ask questions.

I hope the President is aware that the population of New-York is equal to the population of Azerbaijan. Mr. Peter Vilon is who is a head of New-York City Council is also one of the leaders of jewish communities. Now I would like to ask Mr. Vilon to take the floor.

#### Statement of Peter Vilon

Mr. President, leaders of Jewish communities of the United States, may I welcome you on behalf of the New-York City Council. 51 persons out of New-York's 8 million population serves in our Council.

President Aliyev, I would like thank you for your great efforts to achieve peace. Peace is a special symbol of our city in its true meaning. Representatives of all countries of the world, people who believe in different religions and of different race live in our city. I am sure that Azerbaijanis also live in New-York though not as many as in Azerbaijan. (It seems that it sounds better in translation).

Mr. President I extend my heartfelt and sincere greetings to you. I thank all of you for your participation here. You are friends of our city. More importantly, you are friends of great country of Israel and you are friends of our great country which is known for its hospitality.

Mr. President, you are welcome. We are honored with your participation here.

I was told that Allan Hevinson, whom we all consider as our controller and participant of the Conference of Presidents, also is here.

I apologize that I do not know the names of all distinguished people here. Therefore I hope you will forgive me if I do not call on somebody's name.

His Excellency Heydar Aliyev, President of the Republic of Azerbaijan is here with us. He was elected President of Azerbaijan in 1993. Before that as well as until the collapse of the Soviet Union President Aliyev served in many high government positions. Now President Aliyev make serious efforts to develop democracy and protect human rights in Azerbaijan. We highly appreciate his efforts.

We were also told that Azerbaijan plans to open its embassy in Israel soon. There are diplomatic relations between Israel and Azerbaijan. There are also excellent relations between these two states. Recently, President of Azerbaijan met with Prime Minister Netanyahu of Israel. Azerbaijan considers Israel as its close friend. Azerbaijan is also very important country for Israel. Azerbaijan has a very important geo-strategic location. Azerbaijan is a neighbor with Iran and is located at the strategically important Caspian region. By his presence His Excellency Heydar Aliyev has honored us today. It is with great pleasure I would like to introduce President Aliyev.

#### Speech of Azerbaijani President Heydar Aliyev

Esteemed Ladies and Gentlemen!

I cordially welcome you today. I would like to thank you for this very important meeting. As you know, I am on an official visit to the United States at the invitation of U.S. President Bill Clinton. I will hold critical meetings during this visit. First of all, I

will meet President Clinton, members of the U.S. Cabinet, Congressmen and others.

I have spent all day today at the United Nations. I met with the representatives of the countries-permanent members of the Security Council of UN. I conducted talks with Koffi Annan, the UN General Secretary. I have also talked to representatives of the media.

I have several very important meetings ahead. However, among all these meetings it is my pleasure to attend this important meeting here in New York with the members of the Conference of the Presidents of the Jewish Organizations in the United States.

You have demonstrated great attention to me by being here today. As I gather, some of you do not reside in New York and had to travel here from other cities across the United States. This means a tremendous respect for me. I thank you for this meeting and attention, I invite each and all of you to Azerbaijan.

As it was mentioned here, Azerbaijan is a small nation with a population equal to that of New York. But Azerbaijan is an independent country. The Azerbaijani people have a great and rich history, culture and customs.

Different ethnic groups live in Azerbaijan along with the Azeris. Azerbaijan has always been a multi-ethnic country, and it remains so today. We consider this a strength of our nation. We have never intended to convert Azerbaijan into a mono-ethnic state. That's why the people who reside in Azerbaijan have had equal rights regardless of their ethnic origin. The Jews in Azerbaijan have been living in our country since ancient times. They are citizens of Azerbaijan, and Azerbaijan is a homeland for them. The Jewish people have always participated in the socio-political and economic life of Azerbaijan. I would like to inform you that the Azeri citizens of Jewish descent have made significant contributions to the development of our national culture, economy and health care system. We emphasize the services of those in the Azerbaijani science, culture and economy in the late 19th century and early 20th century in particular. They have made considerable contributions to the Azerbaijani people. They are always dear to our hearts.

The great Jewish scientists, musicians, and medical doctors have always earned the respect of the Azerbaijani people. In recent years after the borders opened up, some Jewish citizens of Azerbaijan migrated to other countries, including Israel and the U.S. Nevertheless, we know that they have not forgotten our nation. They periodically visit Azerbaijan and take our national culture to other lands. We can feel that sometimes they miss Azerbaijan.

I am aware that the Azeri citizens who migrated to Israel have established a large Azerbaijani community. In Israel, there are even streets, restaurants and enterprises bearing the names of Baku and Azerbaijan.

I would like to inform you that Azerbaijan has stupendous and interesting resources. One of them is our cuisine. The Jews who left Azerbaijan are popularizing those dishes, especially in Israel. If this trend continues, quite soon most Israelis will start eating only the Azeri food.

One representative of the Jewish community in Azerbaijan joined our delegation on this trip. However, he is an American citizen now and resides in California. He was born, raised, and educated in Azerbaijan. He worked in the arts field in Azerbaijan. He speaks fluent Azeri and is thoroughly familiar with our literature. He has recently visited Baku and met with me. I brought him here as a part of our delegation. His name is Alexander Grich, and he is seated right here.

The relationships between Azerbaijan and Israel are those of friendship. We are developing these relationships every day. In recent years, I met and talked with late



Prime Minister Yitzhak Rabin, and former Prime Minister Shimon Peres. Last December in Lisbon, I also met with the current Israeli Prime Minister Mr. Netanyahu. I keep correspondence with him. I sent him a letter, and he mailed a letter to me several days before I left for the U.S. Both the president and prime minister of Israel have invited me to visit Israel. I have accepted this invitation with great pleasure and will make the visit shortly.

I think the Israeli Embassy in Azerbaijan is doing an excellent job. We have created favorable conditions for their work. I have repeatedly met with the Israeli Ambassador and receive him as needed. We will make a decision on opening the Azeri embassy in Israel. An Azerbaijani ambassador to Israel will be appointed soon.

I hold the Conference of the Presidents of Jewish Organizations in the United States in high regard. I am aware that this Conference and your communities have considerable influence in the United States. They carry out important work and have significant resources. I think that Azerbaijan and the Conference of Presidents are establishing good relationships. I support the further development of these relations. I believe that we can cooperate in a fruitful way.

We plan to further develop our relations with the United States. We consider the United States our friend. During my visit, we will conduct negotiations on cooperation and sign some inter-governmental documents.

The cooperation of the U.S. and Azeri oil firms in Azerbaijan play a substantial role in the U.S.-Azerbaijani relations. Such companies as AMOCO, Pennzoil, Exxon,

Unocal and McDermott are parties to multinational oil exploration projects. The preparations to conclude similar contracts with Chevron and Mobil are under way and are expected to be signed soon. At the same time a number of other firms are operating in Azerbaijan along with the ones I mentioned. All these American companies participate in joint exploration of Azerbaijani oil resources in the Caspian Sea. The American firms have contributed \$8 billion out of \$30 billion of investments that are to flow into the Azerbaijani economy. This is just a beginning of the work. The pending agreements will broaden these efforts and drastically increase the capital investments in Azerbaijan.

The contracts we have signed are for 30 years. In my opinion, these 30 years are just the first phase. I think we will continue our cooperation many decades after the first 30 years. Thus, the United States is gaining significant economic interest in Azerbaijan. We strive to guarantee the viability of these economic interests.

I would like to accentuate another fact. We have a world-class hotel in Azerbaijan. We have transferred the ownership of the old hotel to the Hyatt Regency. This firm is operating that hotel in Azerbaijan so this company has also entered the Azerbaijani market. I want you to know that there is such a hotel in Baku, Azerbaijan. If you visit our country, you will see it.

Azerbaijan is confronted with a number of serious problems. One such problem is the Armenian-Azeri conflict. As you know, Armenian armed forces launched an aggression against Azerbaijan. Armenia began this aggression with the intention of annexing Nagorno-Karabakh, which is a part of Azerbaijan. This conflict erupted in 1988. Many lives were lost as a result of this military aggression. The Armenian armed forces have occupied 20% of Azerbaijan's lands. More than one million Azerbaijani citizens became refugees after this occupation. They were expelled from their homeland and now live in tent cities under very hard conditions. We want to end this conflict. We reached a cease-fire three years ago. We are conducting negotiations in order to achieve lasting peace. I hope we will manage to settle this confrontation in a peaceful manner.

The Minsk Group of OSCE is responsible for a peaceful settlement of the conflict. Three great powers - U.S., Russia and France - are now the co-chairs of the Minsk Group. Regrettably, many countries including the U.S. have very little truthful information about this conflict. The sizeable Armenian Diaspora of the United States has fed distorted information to the public. That's why I am planning to hold important meetings regarding this conflict. I especially intend to talk with the members of the Congress. At the suggestion and initiative of the Armenian Diaspora, the U.S. Congress passed an unfair law against Azerbaijan in 1992. The law called for the embargo on U.S. aid to Azerbaijan. Our neighbors - Armenia, Georgia, Central Asian countries and other former Soviet republics - receive large amounts of aid from the U.S. every year. However, we are deprived of this assistance.

We witness a bizarre paradox; we are securing the broad economic interests of the United States in Azerbaijan, but the U.S. government has no right to assist us. This injustice must be done away with. I was very happy to find out in New York that Mr. King, a Congressman from New York, has recently submitted the draft of the law eliminating Section 907. I would like to meet with and thank Mr. King. People with such a sense of justice abound in the United States. We can prevent the injustices perpetrated by the Armenia Diaspora against Azerbaijan as the number of our friends in the U.S. grows.

We have no lobby in the U.S. However, the Armenians have a very strong lobby. During my meetings with U.S. statesmen, people note that, since the Armenians have





a strong lobby and vote in elections, they have to take the Armenians into account. But I am asking: is it our fault that we do not have a lobby here? We will have a lobby here. Our friends will be our lobby including you, the Jewish communities of the United States. I place great hopes on this. I believe you will also agree with this thought.

I have taken a great deal of your time. But please, understand me correctly. First, I am happy and would like to inform you even more. Second, I have many problems to relate. A man has to tell someone about his problems. People tend to confide in those whom they trust, their friends. That's why I am telling you about our problems very openly. I am hopeful we will soon solve all these problems.

The Azerbaijanis are a peace-loving nation. Azerbaijan is a very important player in our region, the Caucasus. One needs to realize that and benefit from it. I believe that Azerbaijan, as a peace-loving nation, will do a great deal to establish peace in the region. I hope that you will assist us in these efforts.

I wish you, all the Jews of the world, peace, stability and happiness. I wish peace and happiness to all the citizens of the United States. I propose a toast to our friendship.

Thank you.

The speech of President Aliyev was listened very attentively and was welcomed with a storm of applause.

Mr. Howard Skovdron took the floor again:

Mr President,

First I would like to thank you very much for your wonderful remarks. I think all of us respond in kind and want you to know that you may have problems but you do not have any problems until you have a group of hungry Jewish leaders waiting for dinner. I want to welcome members of Azeri delegation the foreign minister, ambassadors to Washington and United Nations, members of parliament and all others that are here. We thank you very much for being here.

I want also welcome the acting ambassador of Israel to the United Nation Ambassador David Pallet and Deputy Counsel General of Israel Sheul Deshell. Also I would like thank all who have worked hard to make this happen, Weithman of AIPAC, Dr. Rob Sobhani, Ambassador Pashayev, members of the staff of Azerbaijani embassy to Washington and Permanent Representation of Azerbaijan to the UN, members of conference staff. We also have here Mr. President representatives of Azerbaijani community here. You should also know that there is a restaurant Baku here in New-York. We regard this as a very important occasion. Your first state visit to the United States and second meeting with the members of Conference of the Presidents of the Jewish organizations several years ago when you visited the United Nations.

I want to ask the Chairman of the Conference, a new grandfather, who has just join us to come up and present you Mr. President this present which is a menorah in the shape of the tree of life. As you know Jewish people been compared to tree because even if you cut off roots and branches it can still flourish. Although there have been attempts to uproot and cut the people of Azerbaijan off from their lands and traditions but they have also flourished. We hope this will be symbol of our friendship, lasting friendship and the friendship we saw tonight. Thank you.

Heydar Aliyev: Thank you very much.

#### **Statement of Melvin Salberg Chairman of the Conference of Presidents of Jewish Organizations**

My apologies to the President of Azerbaijan, conference members and guests. But it took a new born baby, a boy, who keep me from being early here at the opening but I am pleased to be here to greet you and say few words about the Jewish community worldwide. We are people who have a long memory. We remember our friends and pleased to say with all evidence that Azerbaijan has been a good friend and we will always remember that. We hope the days will come when we can show our friendship to you with our actions and explain this friendship to our community. Thank you again for being here with us tonight.

After the meeting leaders of the Conference of Presidents of Jewish Organizations and other participants of the meeting surrounded President Aliyev and once again expressed their pleasure of meeting him. President Aliyev thanked them for warm hospitality and care extended to him and invited the leaders of the the Conference of Presidents of Jewish Organizations to visit Azerbaijan.

**MEETING OF HEYDAR ALIYEV WITH OUTSTANDING  
PUBLIC FIGURES, STATESMEN, POLITICAL SCIENTISTS  
AND REPRESENTATIVES OF THE MEDIA IN BLAIR HOUSE**

On July 30, President Aliyev met with outstanding political scientists, public figures and journalists in at the Blair House.

Participants included: Zbigniew Brzezinski, National Security Advisor to President Carter and Counselor to the Center for Strategic and International Studies, honorary member of the United States-Azerbaijan Chamber of Commerce; Anthony Lake, former National Security Advisor to President Clinton; Richard Armitage, Special Advisor to the Secretary of Defense on International Affairs during the Reagan Administration, Ambassador at large for Special Tasks during the Bush Administration and former Coordinator for U.S. assistance to the newly independent states, member of the Board of Directors of the United States-Azerbaijan Chamber of Commerce; James Schlesinger, Secretary of Defense to President Nixon and Secretary of Energy to President Carter; Colin Powell, Chair of the Joint Chiefs of Staff, Retired General; Richard Cheney, Chief of Staff to President Ford and Secretary of Defense to President Bush, now Chairman of Halliburton Corporation and honorary advisor to United States-Azerbaijan Chamber of Commerce; Brent Scowcroft, National Security Advisor to President Bush, Retired General of Aviation, Member of the Board of Directors of Pennzoil and President of Foreign Affair Forum; Alexander Haig, Chief of Staff to President Nixon, Secretary of State to President Reagan, Retired General, President of World Wide Associates company; Jessica Mathews, President of Carnegie Endowment for International Peace, former official of State Department and National Security Council; George Ann Geyer, head of Universal Press Syndicate; Steve Rosenfeld, deputy editor-in-chief of the Washington Post, famous specialist in foreign policy and author of several articles on repeal of Section 907 of the Freedom Support Act; and Steve Erlange, New York Times.

The President of Azerbaijan made a statement during the meeting.

**Statement of Heydar Aliyev, the President of Azerbaijan**

Esteemed friends!

I am very happy to have this meeting with you. Every one of you is a famous and influential political and state figure. During the Soviet years, your names would always come up in newspapers or on TV screens. After the collapse of the U.S.S.R., the interest in your names and your work has not subsided. The reason for this is that you are the people who participated in the process of the Soviet disintegration. However, there are some groups who want to revive the Soviet Union. That's why they have not forgotten you. I suppose that you have not forgotten them either.

I am very content to meet with you and welcome you from the bottom of my heart. As you know, I arrived in Washington yesterday. The meeting with you is one of my first meetings in Washington.

I am thoroughly familiar with your names. I am aware that you are people who have played an important role in shaping the public opinion about the U.S.'s political and public administration, and formulating the government policies in the past as well as today. I had a wonderful opportunity to personally meet with some of you. However, I know those whom I have not met personally well from books and the media. Your pictures are frequently shown on TV, newspaper and books.



As you know, this is my first official visit to the United States as the President of Azerbaijan. I attach utmost importance to this visit, and pin great hopes on it.

As an independent state, Azerbaijan needs close cooperation with the United States in order to defend its freedom, build a law-based, democratic and secular nation. I will do my best to strengthen U.S.-Azerbaijani relationships during this visit. I know that each of you is a person who has been defending the national interests of the United States. Therefore, meeting, discussing different issues with you and getting your advice is critical for me.

U.S.-Azerbaijani relations are progressing successfully. I consider our successes in building our relationship to be very positive. We are managing to lay the foundation of the friendship between our two nations. However, we still have considerable problems in this area. Our economic relations are developing at a fast pace. However, Azerbaijan needs assistance in solving a number of problems so that we can guarantee U.S. economic interests in Azerbaijan.

The most important issues for Azerbaijan are the peaceful settlement of the Armenian-Azeri conflict and lifting Section 907 passed by the U.S. Congress against Azerbaijan.

I believe you are well aware of the strategic importance of Azerbaijan in the Caucasus. Thus, your assistance in overcoming this hurdle is crucial.

We may also touch on other subjects during our discussions. I am ready to talk with you on this topic.

ZBIGNIEW BRZESINSKI: Mr. President, thank you. The objective of this meeting is to familiarize you with the positions of the people who lead the U.S. foreign policy formulation efforts.

Our objective today is to convey the thoughts of those who formulate U.S. policies for your region. In order to organize our meeting in a productive manner, I would invite all the participants to express their opinions on the U.S.'s attitude to your region. They may ask questions if they wish.

QUESTION: If my memory serves me right, I met with President Aliyev two years ago in Ashgabad. It seemed to me that there were similar sentiments and tendencies in the American foreign policy. I am glad that U.S. foreign policy has gone through a number of substantial changes. The U.S. position aimed at allowing Russia to dominate the Caspian region has somewhat weakened. I think that now the Americans begin to realize that the Caspian Sea belongs to all the countries bordering it.

I believe that both the U.S. Administration and the American people are strong supporters of the independence of the former Soviet republics. In this regard, we stand for non-interference of Russia in the domestic affairs of the countries located in this region.

In conclusion, I would like to express my hope that you will achieve a breakthrough in your negotiations on the disputed areas. Unfortunately, we have not witnessed any progress in this direction for the last several months. Mr. President, we would like to hear your position on these matters.

ANSWER: I will respond to this question as it is an excellent question. First, I should note that our position on not permitting the Russian domination in the Caspian basin completely coincides with yours. This is the main direction of our policy.

As you know, Russia ruled in the Caspian Sea for centuries. Under the Soviets, the Caspian Sea belonged to the Soviet Union in its entirety. Iran controlled a small part of the Caspian in the south. The Soviet Union and Iran demarcated their borders from Hesenqulu to Astara. Hesenqulu is in Turkmenistan, and Astara belonged to Azerbaijan. This line marked the frontier. During that period, the Soviet Union was producing oil in the Caspian Sea, and Azerbaijan was the only producer of this oil.

As you know, Azerbaijan was first to begin the deep-water oil exploration in the Caspian Sea some 50 years ago in 1947. This was a great achievement for our scientists and oil engineers. However, in 1970 when Azerbaijan was already extracting oil in different parts of the Caspian, the Soviet authorities started to divide the Caspian into various sectors. In 1970, the Soviet authorities issued a special decree in this regard.

I would like you to know that despite the fact that Azerbaijani oil enterprises and facilities were solely producing this oil, the oil extracted in different sectors were credited to other republics' accounts as the Caspian was divided into sectors. After our country gained its independence, we started the process of attracting foreign oil capital to operate these oil deposits. In September 1994, we signed the first major oil contract named "The Contract of the Century" in the United States. We created a consortium to implement this contract. American firms are leading that consortium. AMOCO, Pennzoil, Unocal, McDermott, Exxon, Great Britain's British Petroleum, Norwegian Statoil are all a part of this consortium. After we had signed this contract, the status of the Caspian Sea was raised. We accepted the suggestion to discuss the issue, however the positions on this matter diverged. In order to rule the Caspian against Russia since it is the most powerful of all the Caspian states, we proposed the



idea of a "condominium" which means that an area up to 12 miles should be controlled by the respective state, and the rest of the sea should belong to all the countries.

We rely on a principle used since 1970, which was the division of the Caspian Sea into sectors based on the use of the mineral resources.

Iran immediately accepted the Russian proposal, as did Turkmenistan. Azerbaijan insisted on its own principles, and Kazakhstan later joined the idea of dividing the Caspian into the sectors. Therefore, two out of five Caspian states supported sectoral division, and three prefer the "condominium" basis. I suppose there is no need to explain that if the Russian proposal is accepted, Russia will gain complete domination over the Caspian. That's why we need your assistance in this question.

We give preference to the principle of dividing the Caspian into sectors. The Caspian Sea is an unusual body of water. However, there are similar lakes and water bodies in the world. In the case of such similar entities, there is a precedence of dividing the water body into sectors or designating portions of the body according to the state borders of respective countries. This is our position, and it is irreversible.

As far as the dispute you mentioned, Mr. Hague, I know that you are a big friend of Turkmenistan, and a friend of my friend Turkmenbashi. I wish that you could explain some things to our friend Turkmenbashi when you advise him. We signed the contracts in 1994, and Turkmenbashi had not brought up any question since then. Only 10 to 15 days ago, he suddenly claimed that two oil sites belonging to Azerbaijan also belonged to Turkmenistan. First, his allegation is groundless. Second, if he rejects the idea of sectoral division, then how could he claim anything of this sort based on the division of the Sea?

A few days before departing for the United States, I phoned Mr. Turkmenbashi and informed him that if there were any unclear issues, then our delegations could meet

and discuss those disputes. There is no need to exaggerate the issue since such an argument would only help the Russian plans of "divide and conquer." The maps I handed out clearly expound the division principle.

QUESTION: Mr. President, following on that issue, I would like to note that the Azerbaijani Republic and Azerbaijan International Operating Company have established very productive relations. The disputable issue with Turkmenistan was also touched on today. You have invited Russian Lukoil, and I think, Transneft<sup>28</sup> companies to join the projects on these disputed deposits. Could you explain your strategy in drawing the Russian firms to these particular sites?

ANSWER: You may want to know that firms from the U.S., Great Britain, France, Germany, Japan, Belgium, Turkey, Iran, Italy, and Saudi Arabia participate in these contracts. I enumerated ten countries. All these countries are located far from the Caspian Sea. But Russia is a part of the Caspian basin. Under such circumstances, it is quite natural to award a small portion of these sites to Russian Lukoil. First, it has a commercial importance. Secondly, in order to carry out heavy work in the Caspian, one needs to utilize the Volga-Don canal. It is impossible to isolate Russia in that regard.

QUESTION: Mr. President, without doubt, all of us who want a strong and independent Azerbaijan, clearly realize the significance of the development of the Azeri oil deposits.

One of the factors that would indicate the success of the capital invested in Azerbaijan would be the safe and uninterrupted export of the Azeri oil to the world markets. What can you say about the pipeline plans, and the conflicts that they cause? In general, what can you say about the export of the Azeri oil, pipeline routes? In what direction will the main pipeline be built?

ANSWER: As you know, right after signing the contract in 1994, Russia began putting considerable pressure on us. Unfortunately, both Armenia and Iran joined Russia. They thought that although we had signed the contracts, they would prevent us from exporting the oil. Russia is convinced that all the oil extracted in the Caspian must be transported through Russian territory. Recently when your Secretary of Energy was in Moscow meeting with the first deputy of the Russian Prime Minister Nemtsov, we learned that Nemtsov informed your Secretary of Energy that you, the Americans, could produce as much oil in the Caspian as you liked. However, all of it must be exported through Russian territory. In other words, even though they failed to block us from signing the contract, they now want to prevent the exports of our energy resources. The U.S. Administration and especially President Clinton are well aware of this situation.

Thus, we made a decision to construct two pipelines to carry the oil to world markets. President Clinton repeatedly asked me to do so. One of the pipelines will cross the Russian territory to the Black Sea port of Novorossiysk, and the other will go through Georgia and reach the Supsa port on the Black Sea. These pipelines are designated to transport the first bulk of the oil. But we are waiting for the major part of the oil. The question is in what direction we can export not only the Azeri oil, but also the Kazakh oil. We support the pipelines that will extend through Georgia-Turkey-Mediterranean port of Ceyhan. Russia and Iran want the pipelines to be built through their respective territories. Some experts deem the Iranian route more commercially viable. Russia has already faced serious difficulties during the transportation of the first oil. The Chechens objected to the transportation of the oil through 100 kilometers of their territory. The Russian leaders appealed to me. The Chechen President

Aslan Maskhadov arrived in Baku to meet with me. Then Nemtsov, the first deputy Prime Minister of Russia, came to Baku. We signed a tripartite agreement among Russia, Azerbaijan and Chechnya.

We also have an agreement with Kazakhstan. We already transport the oil extracted by Chevron in Tengiz oil fields via the Caspian Sea to Baku, then to the Georgian Black Sea ports. We carry out this operation using tankers and railway. On the other hand, Nazarbayev and I signed a document last June to initiate the construction of pipeline from Kazakhstan to Baku under the Caspian Sea. Therefore, all of the oil produced in the Caspian basin will be exported to world markets via Azerbaijan. This route is very lucrative and convenient for the United States and the West.

QUESTION: In late 1995, President Clinton and Anthony Lake asked me to travel to your region to inform you of the two-pipeline position of the United States. I wonder whether Mr. Lake has anything to say regarding the Administration's position in this issue.

ANTHONY LAKE: It is clear that our strategic approach is close to the position you have just described. I think that even the Russians have clearly realized our stance in this regard. I can personally attest to the fact that, during 1993 to 1995 when I was a part of a negotiating team, our positions were made amply clear to the Russians. Although I am certain that everyone sitting at this table comprehends the benefits of this issue from both strategic and economic viewpoints, it is still not fully realized by Washington. That's why I think your visit to Washington will also contribute to clarifying this issue.

QUESTION: If I could, I would like to go back to Mr. Hague's question. It is the question of Nagorno-Karabakh, which is connected with the issue of pipelines. I would like to know if there is a possibility of any compromises in the settlement of the conflict? I would like to ask you to express your opinion concerning this issue.

ANSWER: Thank you very much. This is an important question for me. As I told you, my main objective in coming to the U.S. is to seek more support of the United States in the resolution of the Nagorno-Karabakh conflict. You can see from the maps handed out that 20% of the Azeri lands including Nagorno-Karabakh are occupied by the Armenian armed forces. We signed a cease-fire agreement three years ago, and there has been no fighting since then.

Finally, during the last OSCE Summit in Lisbon, three principles that would guide the settlement of the conflict were set. First, the territorial integrity of Azerbaijan and Armenia must be recognized. Second, Nagorno-Karabakh will be given a high-autonomy status within Azerbaijan. Third, the security of the entire population of Nagorno-Karabakh will be guaranteed. Although these principles did not completely satisfy us, we still voted in their favor. There, 53 out of 54 member-countries of the OSCE including the United States supported these principles. Armenia opposed them.

As you know, the United States, Russia and France co-chair the Minsk Group of OSCE. The presidents of these countries - Bill Clinton, Jacques Chirac and Boris Yeltsin - issued a joint statement on June 20th in Denver calling for a peaceful solution to the conflict. Mr. Strobe Talbott is an American co-chair. Three co-chairs submitted proposals to us lately, and they consisted of two components. At the first stage of the plan, the Armenian armed forces have to withdraw from six districts bordering Nagorno-Karabakh, thus returning our refugees to the liberated lands.

I would like to explain something in this map. The territory of Nagorno-Karabakh is in red. Six Azerbaijani districts neighboring Nagorno-Karabakh are colored in green. The Azerbaijani district of Lachin, which was entirely populated by the Azeris



and now under the Armenian occupation as well is in yellow. You can also see the city of Shusha that was inside Nagorno-Karabakh but has Azerbaijanis as the majority of its population. This city is a cultural center for Azerbaijan. All these lands constitute 20% of Azerbaijan's territory and are occupied by the Armenian armed forces. One million Azeri citizens were ousted from these lands and now live in tent cities throughout Azerbaijan. Mr. Brzezinski has seen those tents. Based on the latest proposals of the Minsk Group, we demand the implementation of the first phase of the plan, which is liberating the territories colored in green and returning their entire population. At the second stage while we discuss the status of Nagorno-Karabakh, we demand the liberation of the Azeri lands, which are in yellow on the map. You know that one million refugees have been living in tents for five years now. One million people out of seven million are refugees.

I would also like to inform you that Russia promised to settle the issue if they were allowed to deploy their troops in our country. However, we have not permitted the Russian bases to be stationed in Azerbaijan. There are no Russian troops or military bases on Azerbaijani soil.

Armenia houses large Russian armies and a military base. Russia and Armenia also have a military pact. Russia is guarding the Armenian borders with Turkey and Iran. Georgia is also in the same situation. However, we are the only state in the Caucasus that has no Russian soldier on its soil.

Under such difficult conditions, the Russians repeatedly suggested that we allow them to deploy their forces in Azerbaijan and they liberate our lands. But we refused this offer. That's why it is critical that an OSCE multi-national peacekeeping force be formed and dispatched to the region in order to secure the withdrawal of the Armenian troops from the occupied lands.

QUESTION: Mr. President, I would like to ask a question regarding your personal ideology. You have had a stunning political career. You were a member of the Politburo of the Communist Party, and today you are the leader of your country. How did this change in your personal philosophy happen?

ANSWER: It may seem strange to you, however, on the other hand it is quite natural. My activities at that time are one phase of my life. The period beginning in the late 1980s, after I resigned from the Politburo in 1987, became the second stage of my life. I have a book I will give to you, and you will see how a Communist became an anti-Communist. Let me be brief.

Because of a number of differences in opinion, I resigned from the Politburo in 1987. In 1988, Armenia launched an aggressive attack against Azerbaijan, and the war broke out. I protested. But the leaders of the Communist party - Gorbachev and others - did nothing to stop the bloodshed.

In 1990 under the order of the Communist party, large detachments of the Soviet Army invaded Baku and massacred the Azerbaijani people. They attempted to suppress the national liberation movement. I resided in Moscow at that time. During the meetings and demonstrations in Moscow, I protested against the actions of the Soviet Union and left the ranks of the Communist party. They began persecuting me for that action. Instead, I waged a struggle aimed at the destruction of the Soviet Union. They wanted to arrest me in Moscow, so I returned to Azerbaijan. The Communist regime was still in power in Azerbaijan. I was not allowed to stay in Baku, and I had to leave for my native Nakhichevan, which was under the Armenian blockade. I lived three years there under hard exile conditions. I made the first steps toward a democratic future for Azerbaijan while I was in Nakhichevan. Since I was respected in Azer-

baijan, my speeches on the necessity of the collapse of the Soviet Union and Communist Party sounded convincing to people. Since then I have desired a free, independent and democratic Azerbaijan.

In 1993 when there was threat of a civil war, the people demanded I return to Baku, which I did. I have been involved in the process of building a democratic, law-based and secular society in Azerbaijan since that time. The work that I have carried out during this period proves my point.

It is an intractable task to preserve full independence with 20% of our lands under Armenian occupation. One million citizens are refugees who live in tents. We are good friends with our Georgian and Turkish neighbors. But we have very strong enemies too. Under such conditions, I strive to both keep our independence and build democracy. We have political pluralism in our country. People can express their opinions as they wish. We have freedom of expression, with more than 30 political parties. Eight parties are represented in the Parliament.

QUESTION: Mr. President, with your permission, let's look into future. I think that after the NATO's decision to expand towards the East, Russian plans will include the formulation of policies towards the former Soviet lands. That means Russia will either attempt to make those countries economically interdependent or undermine political independence. Mr. President, if you were the national security advisor to the future president of the United States, what would be your advice to the president on how to deal with Russia regarding the former Soviet countries?

ANSWER: I would provide him with good advice. I ask you to appoint me to that post. (Laughs). I will help since I know Russia very well. The situation of Azerbaijan is especially difficult. Russia considers Armenia its greatest ally in the region. How many Russian troops can be stationed in a small territory of only 29,000 square kilometers? It has recently been discovered that the Russian Defense Ministry has been illegally and secretly supplying Armenia with powerful weaponry for the last three years. We directed our questions to Boris Yeltsin. We have the list of the missiles and tanks that were transferred to Armenia. There were even missiles with nuclear warheads. These weapons can destroy not only Azerbaijan, but also everything around it. We have handed out another map to you. This map indicates the radius that Russian missiles deployed in Armenia can reach. Therefore, if I were the National Security Advisor to the U.S. President, I would advise him to pay even more serious attention to the situation. We are a part of CIS, however, we have our own independent position. Because of this independent stance, we are not much liked in the CIS.

QUESTION: When you raised this question before Mr. Yeltsin, what was his reaction? Since Russia is a co-chair in the resolution of the Karabakh problem, what is your attitude to these actions?

ANSWER: This is really paradoxical. What can I do now? We are a small nation with 20% of its lands under occupation. When I was in Moscow last March at the summit of CIS countries, I asked, "Why does Russia keep a military base in Armenia? Who needs this, and who it is aimed against? Is it possible that two member-states of CIS had such a special military agreement between them?" I told Yeltsin that all the weaponry transferred from Russia to Armenia must be returned, and the guilty party must be punished. He ordered the investigation into the matter, and the investigation is in process. But we know everything since we have all the documents. Parts of these documents were published in the press. During my meeting with Yeltsin last June, he promised me again that he would take appropriate measures. I am waiting. Now Yeltsin is on vacation. We shall see what will happen after he returns.

You are asking me questions, and I would like to ask you a question as well. Under such circumstances, U.S. Congress passed an unjust law against Azerbaijan in 1992. President Clinton stated in his conversations with me that he was against Section 907. Secretary of State Albright also came out in favor of lifting this law. In the past, Mr. Bush was opposed to it as well. A few days ago, Congressman King submitted a draft to the Congress urging the removal of this law.

This is too paradoxical. Armenia has occupied our lands and forced our people out of their homes. Nevertheless, we are accused of blockading Armenia and thus are deprived of U.S.'s assistance. America provides \$100 million, \$250-300 million a year to Armenia, but we get nothing. The American firms signed long-term, 30, 40, 50-year contracts with Azerbaijan, and the United States will greatly benefit from these relations. In these conditions the United States discriminates against Azerbaijan. I will speak on these matters today at the Congress. I have repeatedly talked to Dr. Brzezinski about these issues. I urge you to eliminate this injustice.

The greatest advantage of the United States is its just approach to issues. However, such an unfair action of the U.S. Congress doesn't coincide with the known image of America. When we bring up these matters, we are frequently told that the decision was made under the pressure of the Armenian Diaspora and lobby. Sometimes I wonder if the Armenian lobby is stronger than the government of the United States. I do not want to think so. I am told that there are one million Armenians residing in America. The population of the U.S. is about 300 million. If only one million Armenians could do such tricks to you, then it won't take long before another Armenian state is created in America. You should prevent this threat.

You may remember that when I met with you back in Baku, I stated that we wanted real peace. Azerbaijan and Armenia will continue to be neighbors just like they have been for many centuries in the past. That's why there should be no animosity, conflict or hostilities. We genuinely want peace with Armenia, so that our previous good relationships are restored. When I say the high status of autonomy for Nagorno-Karabakh within Azerbaijan, I would like to assure you that I really mean broad autonomy for that region. I know there is only one way - peace, and we are pursuing this avenue.

Thank you. I am very pleased meeting with you. I invite all of you to Azerbaijan. I would sorely ask you to visit Azerbaijan. Dr. Brzezinski has been to Azerbaijan and can tell you about it. Mr. Scowcroft has also visited our country. But I am inviting each of you to Azerbaijan again. I sincerely wish that you establish friendly relations with Azerbaijan and me personally. Thank you very much.

From several aspects, President Aliyev's meeting with famous political scientists, statesmen, public figures and journalist in Blair House was important and unforgettable. First of all, it was important because a group of distinguished statesmen who played important role in political and public life of the United States who belonged different political parties and served under different Administrations got together in Blair House to visit President Aliyev. They clearly expressed pleasure of having this opportunity to meet President Aliyev. Even the director of Blair House said that, since the establishment of that residency, they had never hosted such an interesting high level meeting where political stars of America came together. These dignitaries who served at very high positions under different Administrations showed admiration for President Aliyev's knowledge, vision, sharp logic and great wisdom.

## MEETING WITH HEYDAR ALIYEV AT GEORGETOWN UNIVERSITY<sup>23</sup> IN WASHINGTON

President Heydar Aliyev attaches great importance to the meetings and dialog with the public, scientists and educational institutions during his trips to foreign countries. Within the framework of his first official visit to the United States on July 30, he visited Georgetown University, known to be one of the oldest centers of education. Distinguished statesman and famous political figure Heydar Aliyev was welcomed very warmly at the University. Outstanding public figures and U.S. statesmen came to see President Aliyev at Georgetown University.

### Statement of Professor Robert Libert

Distinguished Mr. President  
Ladies and Gentlemen

On behalf of Georgetown University, I am very pleased to welcome you to today's program. This auditorium has been the site for many national and world leaders to express their views and to exchange their ideas with students and with faculty here at Georgetown University and with invited guests from the Washington community.



Over the years our campus has offered selected programs and courses dealing with the wider region in which Azerbaijan is located as well as with interrelated issues of energy, economics and security. Indeed, Georgetown is now hosting four students from Azerbaijan and in the autumn. We will be offering a course in the Caspian region. To begin our program this morning I am now pleased to introduce Ambassador Richard Armitage.

#### Statement of Ambassador Armitage

I am the moderator of today's event. I welcome all of you here and I also want to take an opportunity to welcome President Aliyev and distinguished members of his delegation from Azerbaijan to Georgetown University.

Because this is the President's only public appearance in Washington during his visit to the United States, we are deeply honored to be able to participate in this event. It is fitting that today's forum take place at Georgetown University. I understand that Georgetown has agreed to establish the Institute of Azerbaijani Studies. This Institute will be a non-profit, private educational foundation devoted to supporting and encouraging the development of Azerbaijani studies. It is important for America's future diplomats and business leaders to study the rich and diverse culture and history of Azerbaijan. The title of today's forum is timely. It is relevant and extraordinarily appropriate.

The United States and Azerbaijan are partners. The U.S.-Azerbaijan relationship is a multi-dimensional partnership rooted in preference for freedom and for independence as well as boundless spirit of entrepreneurship and economic prosperity.

As to the format of the forum, after the presentation by Dr. Brzezinski and President Aliyev, I will invite the audience to submit questions in written form. Please pass those written questions to volunteers on the isles who will collect them and submit to me.

With your permission, it gives me extraordinary pleasure to be able to introduce to you a someone who does not need introduction, neither here at home nor in any foreign country of the world. Here is the man who is a stranger to few foreign policy circles, either in Washington or Baku.

Dr. Brzezinski served the United States as National Security Advisor to President Carter from 1977 to 1981 and was awarded the Presidential Medal of Freedom in 1981 for his service to the nation, particularly for his role in time of normalization of U.S.-China relations. Currently, Dr. Brzezinski serves as counselor for the Center for Strategic and International Studies and as the Professor of American Foreign Policy at the Paul Nitze School of International Studies. Dr. Brzezinski is known as a man of strong views, strong ideas, and most of all for his strong defense of America's role in the world. I welcome to the podium Dr. Brzezinski.

#### Statement of Dr. Zbigniew Brzezinski, Counselor to the Center for Strategic and International Studies

Mr. President, Rich, Mr. Vice President of Georgetown University, ladies and gentlemen.

It is actually the third time in less than a year that I have the privilege of either sharing the podium with or presiding at a session in which the leader of one of the



three South Caucasus newly independent states has participated. It was only two weeks ago that I presided at a session at which President Shevardnadze spoke. Some months ago, I presided at a session at which the prime minister of Armenia spoke. And today it is my distinct privilege and pleasure to participate in a symposium at which the star attraction and the main speaker is the president of the most strategically critical country in that region, Azerbaijan.

Recently, a top policy maker of the current administration, in discussing the affairs of that part of the world, described the region of the Southern Caucasus the second gray zone. I was very struck by that description because, in the terminology of the Clinton Administration, central Europe, which is now in the process of being admitted into the Euro-Atlantic system and which is about to begin the process of entering Europe, is considered to be the first gray zone. A zone of some strategic uncertainty, but a zone in which the United States has to be more actively engaged so that the area ceases to be a gray zone. To speak of the region South of the Caucasus, the Southern Caucasian region, as the second gray zone is very significant. It indicates a growing American inclination to be engaged, to be attentive, to deal with its long-term prospects, and the potential of that region. Indeed, in my view, it foreshadows a more active American engagement.

That engagement, in my judgement, should focus on several key issues, six, to be specific.

First of all, the United States has to be more actively engaged in dealing with the Nagorno Karabakh problem. I think there's reason to believe that it will be. The United



States, as co-chairman with France and Russia, will now be more active in dealing with that issue. It has paralyzed the prospects for the greater integration of that region in and an all-European cooperative undertaking.

It follows, secondly, from the foregoing, that one of the three principle parties engaged in the effort to resolve that painful issue, the United States, has to be impartial. Operational impartiality now has to characterize American policy. That means correcting those elements in the present American posture, which detract from that impartiality. I have specifically in mind Section 907. This makes it difficult for the United States to exercise an impartial role and also hurts the promotion of American national interests.

Thirdly, to be effective in the region, to be productive in transforming it from a gray zone into a zone of participation in Europe and the Euro-Atlantic system, we have to collaborate closely with Turkey. If we fail to pay close attention to the Turkish-American relationship, we will make it impossible for the United States to pursue a policy designed to integrate the Caspian Sea basin, central Asia, and all European undertakings.

Fourthly, it follows also from the foregoing, that we have to adopt a posture of increased flexibility on the very difficult, complex, emotionally charged issue of Iran. We should maintain a posture that is inclined to be receptive to any indication of a willingness on the part of Iran to engage in a dialogue. Once that willingness seriously develops in Iran, we should be the flexible party in order to further our own strategic objectives.

Fifthly, the purpose of all of the foregoing is to promote greater regional access to that important part of the world, and that more specifically means the deliberate promotion of multiple pipelines so that the great economic potential of the region is made accessible to the global economic community. By developing prosperity in the region, we will enhance its stability and fortify the independence of individual states.

And last, but not least, sixth, it should be our objective, and I believe it increasingly is, to promote regional cooperation among the countries of the regions, including those which currently have an antagonistic relationship to each other. Namely, Azerbaijan and Armenia. In the long run, the stability of the region and its chance of becoming a part of the Euro-Atlantic system and of an enlarging Europe depends on the extent to which regional cooperation develops in that region. That, incidentally, to some degree, should include Russia as well. Russia is a neighbor, and Russian participation can help to stabilize the region, prosperity and peace in the region can help Russia modernize itself, democratize itself, and Europeanize itself.



All of this is in our interest, as well as in the interest of Azerbaijan. That, in my judgement, is a strategic agenda that we confront in order to advance that strategic relationship. To advance a strategic agenda we have to have genuine geo-strategic cooperation with Azerbaijan.

And hence, I truly welcome to the United States the president of Azerbaijan, President Aliyev, whom I've had the privilege of getting to know. Thank you very much.

RICHARD ARMITAGE: Dr. Brzezinski, I thank you very much for that stunning presentation. Right to the point, straight forward, and just the style for which you've become to be known so well. So, I very much thank you for that. May I invite Mr. Michael Kelly, the Vice President of Georgetown University, to the podium please.

**Statement of Michael Kelly,  
Vice President of Georgetown University**

Thank you and good morning.

On behalf of Georgetown University, I am delighted to welcome President Aliyev to this seminar. We're grateful that the president has taken time from his very demanding schedule of official meetings to spend this morning with us as part of an 11-day

visit to the United States. President Aliyev has already spent a few days in New York, he arrived in Washington yesterday. Before leaving for Houston and Chicago at the end of the week, he will meet with President Clinton, Secretary of State Madeline Albright, and several other cabinet and government officials. This is a man hard at work.

President Aliyev's presence in Washington underscores the strategic importance of Azerbaijan and the Caspian Sea region to the United States and the international community. The region is, of course, rich in energy resources vital to modern life around the globe.

The President joins us today to discuss the potential for partnerships between Azerbaijan and the United States, and the potential mutual benefits of those partnerships for our nations in the years to come. It is enormously valuable to have President Aliyev's voice in our dialog this morning. A university is,

after all, a place for dialog, and the exchange of ideas on critical issues of the day. Georgetown University is proud of its longtime role as a forum in which national and world leaders can address and engage in conversations with members of the academic community and the broader Washington community.

We are grateful for the opportunity to hear the views of an important regional leader who has led his country through historic transition as a newly independent



state, and who continues to navigate and to administer profound, political, and economic change.

Ladies and gentlemen, I am pleased to introduce to you the President of the Republic of Azerbaijan, his Excellency Heydar Aliyev.

**Statement of Heydar Aliyev,  
President of the Republic of Azerbaijan**

Distinguished Dr. Brzezinski, Esteemed Vice-President of Georgetown University, Ambassador Armitage

Dear Ladies and Gentlemen

I cordially welcome all of you, and I am extremely proud to be at this meeting at one of the most famous and oldest universities of the United States, Georgetown University in Washington D.C.

I have read a great deal about Georgetown University, and although I have never been here before, I personally have had great respect to this institution. We are well aware of the fact that this university has prepared world-class professionals in many fields including international relations. We were told today that many outstanding political and state figures have had Georgetown experience. It was noted that the current U.S. president, esteemed Mr. Bill Clinton, graduated from Georgetown University. Mrs. Albright, the U.S. Secretary of State, has taught at this university as a professor. We can continue mentioning these distinguished personalities. Therefore, it is my honor to speak before the faculty, students and other people associated with Georgetown. I thank the organizers of this meeting.

I believe that you have gathered here in order to hear my thoughts about Azerbaijan and the Caucasus. That's why I would like to say a few words about the country I represent - Azerbaijan.

Azerbaijan is one of the most ancient countries in the world. The Azerbaijani people have a very rich, ancient history and culture. The Azeri people have made a great number of significant contributions to the world civilization with their works of literature, culture, architecture, and science.

Azerbaijan has lived through many tests of times recently, surviving difficulties and disasters and finally, gained its independence in 1918. The Azerbaijan Democratic Republic became the first democratic republic in the Muslim Orient. However, this republic was short-lived as in 1920 the socialist Soviet system was established in Azerbaijan. This situation continued for 70 years until 1991 when Azerbaijan restored its independence after the disintegration of the U.S.S.R. Since then, Azerbaijan has been functioning as an independent state.

Azerbaijan has taken its place in the world community having become a member to the UN, many other international organizations and having established bi-lateral and diplomatic relations with numerous countries. Our country is determined to develop those links.

Azerbaijan attaches a special importance to its relations with the United States. The United States became one of the first countries to recognize the independence of Azerbaijan in 1991. Since then our relations have been growing. My current visit to Washington has the purpose of elevating these relationships even further and turning them into truly friendly cooperation between the U.S. and Azerbaijan.

As you know, I am on an official visit to the United States at the invitation of President Clinton. This is the first official visit of the Azeri President to the United States.

After the independent state Azerbaijan became established, we resolved to build a democratic, law-based and secular state. We have been taking consistent steps to that end. Unfortunately, we have come across many barriers and hardships on our path. Sometimes these obstacles have impeded our movement towards the democratic state, but they have failed to force us to affect our determination. I am stating it once again that Azerbaijan's strategic goal is to establish a democratic, law-based and secular state. We have been following our strategic plan, and we will continue on this path. We are capable of tackling all our challenges, and we are and will be doing everything to attain this objective.

Azerbaijan has chosen the market economy and has carried out substantial work in this regard. The market system is the basis of our economy. The principal achievements in our nation-building and economic reform efforts were displayed in the adoption of the first Constitution of the independent Azerbaijan in November 1995 and the creation of the multi-party political system which still function. We have passed a number of laws directed at speeding up the democratic processes and stimulating the transition to the market economy. These laws have already had a positive effect on the economy, and we plan to create even more favorable legislative atmosphere in the future. In other words, we have already established the legislative and legal basis for productive business operations. These processes have been developing consistently in Azerbaijan. For certain reasons, the economic reforms in Azerbaijan started somewhat late in 1994, however, the projects have been implemented at a good pace.

One of such reasons, as you may know, was the aggression of Armenia against Azerbaijan that began in 1988 when both Azerbaijan and Armenia were part of the Soviet Union. Armenia intended to annex the Azerbaijani region of Nagorno-Karabakh. Consequently, the war erupted, and there were huge losses of human lives. The war expanded and the Armenian armed forces managed to occupy 20% of the Azeri territory including Nagorno-Karabakh and six Azeri districts around it. One million Azeri citizens were expelled from their homes in the occupied lands. Most of them have been living in tents under horrible conditions. Imagine, one million citizens out of seven million people in Azerbaijan, that is one out of every seven citizens, are refugees and live in tents. Undoubtedly, this circumstance complicates and aggravates our socio-political and economic conditions.

On the other hand, one of the reasons the democratization processes and economic reforms started late in Azerbaijan was the political instability in the country. During the struggle for independence, some illegally armed groups emerged that strove to seize power. The government changed twice during that time. All these events destabilized the political situation in Azerbaijan. This was one of the factors that hindered the implementation of many reforms.

We have overcome all these hurdles and have restored full social and political stability in the country. And as I noted earlier, Azerbaijan has made considerable strides in its transition to a market economy. We are carrying out a privatization program. We have passed the Law on Land thus ensuring the total privatization of land. We have created broad opportunities in Azerbaijan for entrepreneurship and private ownership.

During this process, the doors of Azerbaijan were opened to other countries and direct foreign investments. I want to express my satisfaction that such policies produced a strong influx of foreign capital into the Azeri economy. One example of this



success is the involvement of major American oil companies in Azerbaijan since 1994, and the process is still on. Other U.S. non-oil companies are entering the Azerbaijani markets and making substantial investments.

Azerbaijan is a democratic country that will pursue this avenue in the future as well. The protection of human rights is one of the main objectives of the Azeri state. There is freedom of press, religion, conscience and political pluralism in our country. Azerbaijan is a multi-national state. Every citizen of Azerbaijan regardless of his or her ethnicity, faith or language has equal rights.

However, as I already stated, Azerbaijan faces arduous challenges. The principal problem is the military confrontation with Armenia. I have already related the history of this conflict. Unfortunately, this conflict has not been settled to this day. It is true that we signed a cease-fire agreement between Armenia and Azerbaijan three years ago in 1994. It has been three years of no fighting and blood between Armenia and Azerbaijan. Nevertheless, our occupied territories have not been liberated yet, nor have our million refugees been returned to their homes.

Azerbaijan suffered great destruction and losses during this war. Tens of thousands of Azeris fell in this war, while our historic monuments, our national cultural legacy, our sacred sites and much material wealth has been looted or destroyed.

Despite all these horrible acts, we want to settle the conflict peacefully. That's why we signed the cease-fire accord three years ago. We have been trying to negotiate a solution to the problem for three years. We are still doing it and will be doing so in the future.

The Minsk Group of OSCE was set up in 1992 to help find the resolution to the conflict. Several important powers are members of the Minsk Group, and due to the work of this group, the Budapest Summit of the OSCE in 1994 adopted crucial documents. Finally, at the OSCE summit meeting in December of 1996, three basic principles for the settlement of the Armenian-Azerbaijani, Nagorno-Karabakh conflict were approved.

Those principles were:

- 1) the territorial integrity of Azerbaijan and Armenia;
- 2) high autonomy status for Nagorno-Karabakh within Azerbaijan;
- 3) the security guarantees for all the residents of Nagorno-Karabakh, the Azeris and Armenians alike. I would like to note that the population of Nagorno-Karabakh before the conflict erupted was 170,000 in 1988. At that time, 70% of the population were Armenians and 30% were Azeris. During the conflict, the Azeris were forcibly deported from the region. Now there are approximately 80,000 people in Nagorno-Karabakh, all of which are Armenians.

Armenia refused to accept these principles, while 53 members of OSCE out of 54 including Azerbaijan voted for this proposal. We do not completely endorse those principles either. We have our own reservations about them. However, in order to find a compromise, we accepted these principles.

The leadership of the Minsk Group saw some changes in the beginning of 1997. Three countries currently co-chair the Minsk Group - Russia, the U.S. and France. This is a remarkable change, which we welcome. If these three powers took on the resolution of such a problem, then they took a great responsibility for this matter. We hope that they will fulfill their duties to settle the conflict.

What gives us reason to be optimistic is the joint statement on the Nagorno-Karabakh conflict by three presidents of these countries - Bill Clinton, Boris Yeltsin and Jacques Chirac - on June 20th, in Denver. The representatives of these countries including Strobe Talbott from the United States have been to the region and presented us with their suggestions. The proposals consist of two parts. We accept the positive aspects although we deem that further deliberation on other points is harmful. Therefore, we do accept these proposals as a sound basis for negotiations.

These recommendations and the Lisbon principles amount to the following. I would like to demonstrate them on the map. This is the map of the Azerbaijani Republic. Russia is on our northern border. This is Georgia, and here is Armenia. You can see Azerbaijan here. Nakhichevan, the part of Azerbaijan, is illustrated separately. You can see Iran and the Caspian Sea.

The colored lands are the occupied territories of Azerbaijan that comprises 20% of our total land area. The red part is the territory of Nagorno-Karabakh. The six Azeri districts that surround Nagorno-Karabakh are shown in green. The yellow shows the district of Lachin, the Azeri district is also under occupation. You can also notice Shusha district. It is a part of Nagorno-Karabakh, but the entire population of the district consists of Azeris. Shusha is a cultural and historic center of Azerbaijan.

The first stage of the proposals calls for the complete withdrawal of the Armenian troops from the Azeri territories shown in green. The OSCE peacekeeping forces are to monitor the process and should be deployed on the border of Nagorno-Karabakh. The second stage envisages the negotiations on the political status of Nagorno-Karabakh and ensures the liberation of the Lachin and Shusha districts of Azerbaijan. We support this approach since we realize it is impossible to solve this problem immediately. Thus, if the negotiating parties agree to this arrangement and the OSCE co-

chairs back this idea, then our occupied territories can be soon liberated. Furthermore, President Clinton, and the presidents of Russia and France made statements that this conflict could be solved peacefully in 1997.

The first phase can consist of the following: the lands are freed, and the OSCE peacekeeping forces are deployed to ensure the withdrawal. The status of Nagorno-Karabakh can be determined at the second stage together with the issues of Lachin and Shusha.

Nagorno-Karabakh's main concern is its links with Armenia. The road you see here on the map leads from Nagorno-Karabakh to Armenia. We have repeatedly declared we are not against the communication corridor traversing Lachin from Nagorno-Karabakh to Armenia. This artery should be under the control of the OSCE peacekeeping forces.

As far as the status of Nagorno-Karabakh is concerned, I am reiterating that we are ready to grant the highest autonomy status to Nagorno-Karabakh that is known. Regrettably, Armenia opposes this idea and stated this position at the OSCE Lisbon Summit. Armenia wants full independence of Nagorno-Karabakh. We will never consent to this. Neither the world community, nor we can allow the creation of a second Armenian state on the territory. Nevertheless, we are willing to grant the broadest possible autonomy to Nagorno-Karabakh without full independence.

Another issue of concern to us is Section 907, imposed on Azerbaijan by the Congress. This decision was made at the time when it was alleged that Azerbaijan imposed a blockade on Armenia, and the United States banned aid to Azerbaijan. This law is very unjust, and I am glad to hear that the President and the Secretary of State have been urging Congress to eliminate this law. U.S. public opinion against this law is gaining momentum. I will hold talks at Congress today and hope it will finally remove this unfair ban. Congressman King has recently submitted a draft that is designed to lift Section 907. I think it will be very good if this law passes.

I would like to inform you that when the Azerbaijani blockade of Armenia is mentioned, they mean this railroad going from Baku to Armenia. But you have to realize that this section of the railroad is controlled by the Armenian armed forces. About 130 kilometers of this railroad are not under our supervision. The armed forces of Armenia took control of the railroad when they occupied those lands. This is Iran, and the occupying troops have taken over the Iranian-Azeri border as well. If one dares talk about the blockade, then it is Armenia that is blockading Azerbaijan by depriving it of its railroad. The Azeri region of Nakhichevan, which had only railroad and automobile communications with the rest of Azerbaijan through Armenia, is blockaded.

I believe that all these facts should stay in the past. We have to think about today. The realities of today are that if we achieve peace, which we genuinely want, then all these issues will undoubtedly be solved. Section 907, which is against Azerbaijan, must also be lifted.

Finally, I would like to emphasize that Azerbaijan is a peace-loving nation and state. We want peace with Armenia and peace in the region. We think that Azerbaijan and Armenia should live in peace with each other as they have done for centuries. As an independent state, we want to establish a peaceful relationship with Armenia. However, all this is contingent on the liberation of the Azeri lands, and the restoration and guarantee of the territorial integrity of Azerbaijan. We are ready to conclude such peace based on these principles, and we think that peace will benefit both Armenia and Azerbaijan.



I would like to dwell on the involvement of U.S. companies in Azerbaijan. We are already implementing the "Contract of Century" signed in September 1994. Two pipelines are being constructed to export Azeri oil to world markets. One will go via Russia to the Black Sea, and the other will extend through Georgia to the Black Sea. A major pipeline designed to carry the bulk of the Azeri oil to foreign markets in the future is planned to cross Azerbaijan, Georgia and Turkey to the Mediterranean Sea.

I would like to note that the Caspian Sea has vast oil resources. Fifty years ago, Azeri scientists discovered the offshore oil deposits in the Caspian and began production. Fifty years later in the late 20th century, Azerbaijan is opening the Caspian Sea to the world again by inviting foreign firms to participate in these projects. Today, companies from 11 countries are working on joint projects in Azerbaijan. It is possible that soon we will sign new contracts with more U.S. oil corporations. These developments tie Azerbaijan and America together for decades well into the 21st century. This creates incredible opportunities for economic integration. We want and support this progress and will spare no effort in this direction in the future.

I could tell you much more, however I would like to reserve the rest of the time for your questions. Thank you!

The speech of Azerbaijan's President was listened attentively, welcomed and applauded warmly.

RICHARD ARMITAGE: Mr. President, thank you very much for that exceptional speech.

Ladies and gentlemen, I would like to remind you that we have volunteers in the auditorium. I ask you to write down your questions and present to them to deliver to us. You are welcome to ask any question you wish. As you saw, President will give a straightforward answers to your questions.

I would like to start by asking the first question. You talked about the new relations with the United States. You mentioned that you intend to exchange views with President Clinton on expansion of these relations. I would appreciate if you share your views with us on what will you discuss tomorrow in your meeting with President Bill Clinton?

HEYDAR ALIYEV: I believe tomorrow's meeting with the President of the United States will be a very historic meeting. We'll discuss several important questions in regard to the development of U.S.-Azerbaijan relations. We'll also talk about ways to achieve a solution to the conflict between Armenia and Azerbaijan over Nagorno-Karabakh. I want to point out ways in which the United States can play an essential role in helping achieve a peaceful solution in Nagorno-Karabakh.

We'll discuss the need for repealing Section 907 of the Freedom Support Act. We feel this Congressional act is an unjust decision that hinders development not only in Azerbaijan and the Caucasus, but throughout the world as well. I didn't have time during my speech to elaborate, but I want to make clear that Azerbaijan has already joined NATO's "Partnership of Peace Program", we are already a member of the Euro-Atlantic Council of NATO. As the president of Azerbaijan, I participated in NATO's Summit in Madrid on July 8-9 of this year. We will continue to cooperate in such affiliations. Therefore, I have great expectations for continued cooperation from our meeting together tomorrow.

QUESTION: Since Azerbaijan has a long and unrivaled history of religious tolerance for over a thousand years towards its minorities, especially towards the Jewish community, isn't this fact presented strongly and continuously in the media?

ANSWER: Well give me three hours, and I'll tell you. I was asked to be very brief so that there would be time for questions. As you remember in my speech, I touched on the fact that we are a multiethnic country. We have never been interested in creating a country comprised of a single ethnicity. All nationalities have equal rights in Azerbaijan. After all, Azerbaijan is the native land of many people and that includes the Jews, who have been living there since ancient times.

Jews have contributed tremendously to the development of Azerbaijan both in culture and science. I would especially like to pay tribute to the great services that Jews have made in the development of both culture and science in the 20th century. I am immensely proud that Azerbaijan has never been anti-Semitic. When I was in New York two days ago, I met with the Conference of the Presidents of all Jewish Organizations in the United States. We spent several hours together. I explained our policy towards Jews in our country. We will continue to carry out this policy.

QUESTION: Please comment on the influence of Iranian fundamentalism on religious freedom in Azerbaijan.

ANSWER: As I mentioned, Azerbaijan guarantees all rights, including the freedom of religion. All religions have equal rights in Azerbaijan. Mosques, synagogues and churches are freely operating. Let me mention that when I was elected as President in 1993, representatives from all these three major religions supported me

and helped me win the election. I expect this to continue. It is true that the majority of our population are Muslim and that during the Soviet period Islam was forbidden. But now mosques and other religious places of worship are being built and restored. We allow people to express their religion freely. At the same time, it is important to note that Azerbaijan is not an Islamic state nor is Islam the state ideology. Islam is not the ideology of the government of Azerbaijan. Church and state are separate.

I would like to make it very clear that we are building a secular state in Azerbaijan based on Western and world standards. In other words, we are building a government based on the recognized principles of democracy and universal rights for all. It is true that there are some forces which are trying to expand Islamic fundamentalism in our country. We consider them a threat to our nationhood. The majority of people are against fundamentalism. Again, I repeat - Azerbaijan is committed to being a secular state.

QUESTION: President Aslan Mashadov of Chechnya has stopped his relations with Russia. Taking into account that Northern pipeline passes through territory of Chechnya could the difficulties in Chechnya impede the export of Azerbaijan's oil?

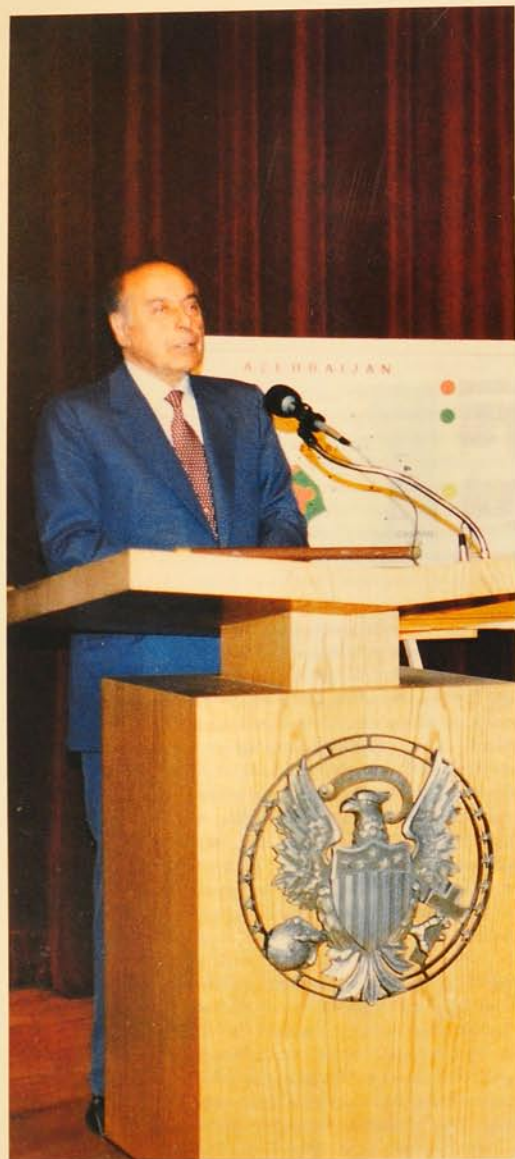
ANSWER: Well I would like to inform you about this matter. You are aware that we signed an agreement in January of 1996 in Moscow to construct Northern pipeline. Russia promised us that by the beginning of 1997 this pipeline would be operational so that we could export Azerbaijan's oil. Because this year, in other words in September of 1997 we are expecting to produce early oil as a result of activities of consortium which signed contract in September of 1994. This oil needs to be exported. Therefore we wanted to export the early oil by Northern pipeline to test that pipeline. Unfortunately, because of situation in Chechnya the Russian side could not implement their commitment.

As you are also aware that at the beginning of July I paid a visit to Moscow. Before my official visit to Russia President Mashadov of Chechnya visited Baku and we had a very detailed conversation with him. He raised the issue that in order the pipeline to be operational Chechnya should also be signatory to the agreement to be signed between Russia and Azerbaijan. In other words the agreement should be signed by three sides: Russia, Chechnya and Azerbaijan. While in Moscow I conveyed this proposal to Russia's leaders. President Boris Yeltsin of Russia agreed to this proposal. After my return from Moscow a big delegation from Russia headed by Mr. Nemtsov, First Deputy Prime Minister of Russia, and a big delegation from Chechnya headed by Deputy Prime Minister of Chechnya visited Baku. On July 10, we signed trilateral agreement in Baku: Azerbaijan, Russia and Chechnya.

Chechnya gave commitment to us that after signing this agreement they will not impede export of Azerbaijan's oil and also the oil belonging to international consortium through their land.

QUESTION: What is the situation of human rights in Azerbaijan? There have been reports of human rights abuse. How does this fit into Azerbaijan's plans for democracy?

ANSWER: Well, I've already told you that the protection of human rights is one of the basic policies of our country. Our new constitution was ratified in November 1995. One-third of all the articles in our constitution deal with the issue of human rights. Protection of human, we believe, means to give freedom to all people. We've done that. All people live freely in Azerbaijan. They're free to express their opinions.



There are 40 political parties registered in Azerbaijan, the majority of which oppose the government. There are about 600 newspapers registered, and most of them also oppose the government. If any person wants to produce or publish a newspaper and to express his opinion, doesn't that mean that human rights are protected since they are free to express their views?

But I want to make it clear to you, democracy and human rights, in general, are very new concepts for Azerbaijani society. Some people think we should be able to establish democracy in a short time, but that's impossible. Azerbaijan is a young nation, and democracy is a new concept. The United States has been advancing along this path called "democracy" for a long time - more than 200 years. You've achieved a lot, but you're still working on it. Democracy is not an apple you buy at the market and bring back home. Democracy has to enter the minds of people, not just into the mind of one person. People have been living under the communist ideology in a totalitarian regime for 70 years. It's impossible for all of them to change overnight.

Today, I was asked how is it that today I'm involved in building a democratic state when I used to be a member of the Politburo and the Communist Party. And replied that it took me several years to change my own views, but I did it. Great changes have occurred in my own life since I left the Politburo in 1987.

These changes have resulted in my becoming very anti-communist, though I, myself, was a Communist earlier. I am a person who is helping to build a new society in Azerbaijan. I want to assure you that we will build it as a democratic society. Do we make mistakes? Yes, but we strive to eliminate our mistakes. Democracy is an unending process. The beginning stages of the process are clear, but true democracy has no limit. Even for you, living here in the United States, democracy is an unending process.

QUESTION: I would like to change the spirit of our conversation and ask a different question. You intend to sign oil contracts with American oil companies during your official visit to the United States. If it is true could you tell us which companies and which projects are they?

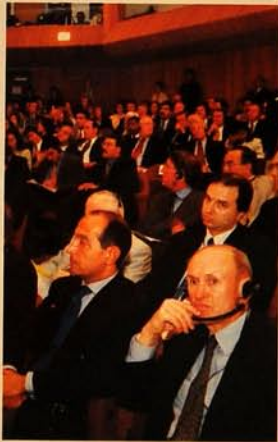
ANSWER: I intend to sign the contracts but do you also have similar intention. Well if your intentions are serious it means these contracts could be signed on August 1 in White House. All I can say is that our contracts to be signed with "Chevron", "Mobil", "Exxon" and "Amoco" are ready. We are ready. If you are also ready then we could sign them.

QUESTION: How many countries in your region are free from Russian troops?

ANSWER: Azerbaijan is the only country free from Russian troops. Armenia has many Russian military troops on their border with us, as well as on the borders of Iran and Turkey. Georgia also has Russian troops stationed within its country. But Azerbaijan has no Russian troops. We are protecting our borders with our own personnel, and we will continue to do so.

QUESTION: According to the Constitution of Azerbaijan municipality elections were supposed to be held in November. Could you share your views with us about the status of the law on municipal elections and when would these be held?

ANSWER: First of all it is written in our Constitution that elections should be held. But laws are not in place yet to hold local elections. We will prepare these laws and adopt them this autumn. After the laws are ready local elections will be held. I



want to emphasize that local elections will definitely be held and they will be absolutely democratic fair and just elections. Nobody should be worried about that.

QUESTION: What are you doing to fight corruption in Azerbaijan which impedes democracy and economic prosperity?

ANSWER: As for corruption, it's not only in Azerbaijan, but it's all over the world. Do you agree with that or not? I believe that you're even fighting corruption in the United States of America. Let me ask you, "What are you doing to fight corruption here?"

Seriously, corruption is one of the most dangerous evils which undermines society. If you go back and examine the Soviet press from the old days, you will see that ever since I was elected as leader of Azerbaijan back in 1969, I have struggled against corruption. It is true that later on when I retired, people whom I had arrested for corruption appeared on television and described themselves as victims of Heydar Aliyev's regime, but that did not influence me. I have not retreated from my determination to fight corruption.

Corruption, unfortunately, is widespread, especially, in countries undergoing transitions. In Russia today, there is corruption. The same goes for all of the former Soviet republics as well as Azerbaijan. I never denied that there was corruption (in the USSR) in 1969 when everybody was saying, "No, you can never have corruption in a communist regime; it is only associated with capitalism." Thirty years ago, I was saying, "Corruption and bribery are the most dangerous ills in our society." I said it 30 years ago, and I say it again today. I have been fighting corruption and will continue to do so. I would like to ensure you that building a society which is free from corruption is important for our people - for their morale and for their future. I took a great responsibility on my shoulders when I agreed to run for president during this very difficult period. I am making every effort, not only to secure the independence of Azerbaijan but to create a clean society in Azerbaijan. This is the essence of my life.

QUESTION: Mr. President, what will Turkey's role be and will Turkish companies have an expanding share in the exploration and production of Caspian oil?

ANSWER: Turkey is a very close friend of Azerbaijan. We are developing and expanding these relations. I agree 100 percent with the views of Dr. Brzezinski when he says that the U.S. needs to support Turkey. Turkey truly plays an important role in our region, and it will continue to do so. We have been cooperating with Turkey in many fields. I have close personal relations with Turkey's leaders. Our languages are basically the same. Our traditions also are very, very close. These cultural links go a long way to strengthen our relations.

Turkey has a very important role to play in the development and transportation of our oil resources. Turkey is already a member of two projects [AIOC and Shah Daniz] which we have signed with international oil companies. I believe that Turkish-Azerbaijan relations will continue to be strengthened. To build a pipeline through Turkey for the main import of our oil is important from every aspect.

QUESTION: Nagorno-Karabakh was an autonomous republic under the Soviet Constitution from 1920-1988. But Armenians have been deported from Karabakh, and the autonomous status was arbitrarily abolished. Why then should Armenians trust your promise about giving them the highest autonomy for self-rule?

ANSWER: Some aspects of your question are not accurate, but never mind, I'll still answer it. First of all, Nagorno-Karabakh Autonomous Republic (NKAR) was established inside Azerbaijan in 1923. And within the Republic of Azerbaijan, the NKAR was developing very well. In the 1970s and early 1980s when I was the leader of Azerbaijan, I personally and regularly was involved with NKAR's development. Therefore, I know it very well.

I have already stated that only 170,000 people were living in Karabakh. The truth is that under Azerbaijan, Nagorno-Karabakh was better than other parts of Azerbaijan. Because it was an autonomous region, the government of Azerbaijan always tried to create better conditions for it, so as not to allow any room for discontent and rumors. I remember those days as I've visited every part of that region. There are several videos and many books and newspapers about my visits to Karabakh and the meetings that I had there.

I had a great deal of respect for the Armenians there as they did for me. In the past we had very friendly relations with Armenians. I personally have visited Armenia many times, and the leaders of Armenia have visited Azerbaijan. We have exchanged visits frequently and didn't have problems. The problem of Nagorno-Karabakh was artificially created. It was brought about by separatist forces and the leadership of the Communist party of the Soviet Union.

It was Mikhail Gorbachev who personally created this situation by supporting those separatists. When I was still working in Moscow, they wanted to raise the question of separation, but I always protested. But as soon as retired from the Politburo in Moscow, in fact, only two or three months afterwards, this conflict started immediately. There was a time when it would have been possible to have prevented this awful conflict, but nothing was done to do so. That's my first point.

Secondly, Armenians have never been deported from Nagorno-Karabakh. Armenians are living in Nagorno-Karabakh today. It is the Azerbaijanis who have been deported from Nagorno-Karabakh. I told you that the Azerbaijani population of Nagorno-Karabakh has been completely evicted from Nagorno-Karabakh. It began as early as 1991, during the Soviet period. And this was an historical injustice.

When the conflict began I was retired and isolated (in Nakhchivan). But I know history very well, and the facts indicate that in 1988 the Parliament of Armenia unilaterally passed a decision and adopted into law to unite Nagorno-Karabakh with Armenia. After that, Azerbaijan's Parliament passed a law abolishing the autonomous status of Nagorno-Karabakh. But from your question, you make it sound like Azerbaijan indicated this conflict. The answers I have given you are the truth, and we can prove them with documents.

QUESTION: If there is a part of Azerbaijan - Nakhchivan - inside of Armenia, then what is the problem of having part of Armenia - Nagorno-Karabakh - inside of Azerbaijan?

ANSWER: Well, I can tell you that Nakhchivan is an integral part of Azerbaijan (not a part of Armenia). After the establishment of the Soviet Union, the leadership at that time (Stalin), simply gave this strip of land that separates Nakhchivan from mainland Azerbaijan as present to Armenia. They wanted to divide Azerbaijan, and so they gave Armenia this 46-kilometer strip of land.

But this has nothing to do with Karabakh. The region of Nagorno-Karabakh never belonged to Armenia. But Nakhchivan has always been part of Azerbaijan. Nagorno-Karabakh has always been an autonomous region within Azerbaijan. You cannot com-

pare Nakhchivan with Nagorno-Karabakh. I can't really understand the essence of your question because there is no basis of comparison.

The statement of President Aliyev was listened very attentively and was welcomed with continuous applause.

RICHARD ARMITAGE: Mr. President thank you very much. Before I invite Mr. Kelly to the podium I would like once again to extend our gratitude to you, Mr. President, and to the delegation accompanying you for taking time from your very busy schedule in Washington to come and talk to us today.

I would also like to thank Georgetown University and the United States - Azerbaijan Chamber of Commerce for organizing this event.

Dr. Brzezinski thank you for being with us. We appreciated your presence.

President Aliyev once again thank you for your statement.

MICHAEL KELLY: On behalf of the Georgetown University I would like to add to thanks of Ambassador Armitage for his excellent statement and for contributing to dialog today. I know that members of Congress are waiting his visit. But before he goes I would like to present a small memento to the President. A plack, Mr. President, it reads: "Presented to His Excellency Heydar Aliyev, President of the Republic of Azerbaijan, on the occasion of his visit to the Georgetown University in sincere appreciation of his contribution to our increased understanding of Azerbaijan" Mr. President, thank you for being with us.

HEYDAR ALIYEV: First of all I would like thank faculty and students of Georgetown University for inviting me here. Thank you again for this opportunity.

I thank Mr. Kelly, the Vice President of the University. My gratitude also goes to Mr. Brzezinski and Ambassador Armitage. At the same time, I thank you all.

I am very satisfied with this meeting. Thank you for your questions. They allowed me to expand on the matters I did not touch in my speech. You should ask me any questions you have in future as well. The Azerbaijani president is open to the world, just like Azerbaijan is open to the world community. I am ready to answer any questions.

I consider my meeting in this American university a remarkable historic event, and I would like to present you with a gift.

The great Azerbaijani poet, the author of beautiful poems Nizami Genjevi who wrote in 12th century, made immense contributions to the world culture and civilization. I would like to present Nizami's bas-relief to Georgetown University. Thank you.

The audience stood up and applauded Azerbaijani President Heydar Aliyev.

After the ceremony, the participants shared their views on prominent state figure President Heydar Aliyev with the Azeri reporters.

Their comments include:

- "The President gave an excellent speech. He was very straightforward and sincere. I was amazed at Mr. Aliyev's answers. Heydar Aliyev himself is a very charismatic leader. Your president's leadership in the region is quite evident. I should add that your President is a very warm person."







- "Mr. Aliyev spoke the truth about the situation in Azerbaijan and the region. I think it was a very informative speech. He analyzed a number of issues in this speech. This speech raised hopes of a peaceful settlement in the conflicts that rage in the region".

- "I think Mr. Heydar Aliyev gave a great speech. As a result of his visit, we are witnessing a change in U.S. policy towards Azerbaijan. America has begun to conduct a more balanced policy in this regard. The importance of Azerbaijan to the U.S. is well understood here now. I would even say that the U.S. has strategic interests in Azerbaijan. I believe that this long-awaited visit by Heydar Aliyev would give a new impetus to the development of the U.S.-Azerbaijani relationship. Section 907 of the Freedom Support Act including the discrimination against Azerbaijan will be lifted. I think that this visit will make its important contribution to expanding U.S.-Azerbaijani relations."

- "President Heydar Aliyev's speech was excellent. I suppose that the Americans understood him very well because the President conveyed his thoughts very credibly. He also mirrored the American views. He spoke candidly. I am certain that such sincere speeches by President Aliyev will alter our relations, and you will see the fruits of this improvement."

- "President Heydar Aliyev's speech was wonderful. He analyzed some issues thoroughly. Mr. Heydar Aliyev spoke about the importance of U.S.-Azerbaijani relations and the significance of your country to the United States. What struck me most was the fact that although he lived under the old system, he openly proclaimed and sin-

cerely conveyed his commitment to the market economy, democracy and human rights protection. I am certain that President Aliyev strives to settle the Armenian-Azerbaijani conflict."

- "I share Dr. Brzezinski's thoughts. We have reached a stage where we need to maintain our neutrality and help resolve the Armenian-Azerbaijani conflict peacefully. The continuation of the conflict leads to the deployment of the Russian troops in the neighboring countries and the impediment of the economic development of the region including Azerbaijan."

- "The staff of Georgetown University is happy to have this opportunity to exchange views. President Heydar Aliyev has done a fascinating job by describing his and Azerbaijani opinions."

- "I believe the meeting at the university was also interesting to President Aliyev. He was asked many questions, and he answered all of them very honestly. The responses were in accord with the atmosphere in our University. I suppose this meeting will be one of the most valuable events in President Heydar Aliyev's first official visit to the United States."

President Heydar Aliyev's first official visit to the United States was the cause of great concern among Armenians worldwide. Consequently, they attempted to cast a shadow on this successful visit. The Armenian lobby dispatched a few people to picket at Georgetown University. No one paid any attention to the hullabaloo by 10 Armenians in this university that has 40,000 students. It became clear that three of them were not even Armenians, but simply their friends.

The noise made by this hired group looked pathetic in front of the majestic Georgetown University. These actions could not harm the successful visit of prominent state figure Heydar Aliyev to the United States.

The head of our state was cordially and sincerely welcomed everywhere he visited in the United States. The world community including the American public witnessed Heydar Aliyev's intellect. They believed that, under his wise leadership, the independent Azerbaijani Republic would soon become one of the most progressive and developed countries in the world.

#### MEETING OF HEYDAR ALIYEV, PRESIDENT OF AZERBAIJAN, WITH PROFESSOR ELIZABETH SHERWOOD

On August 2, President Aliyev met with Professor Elizabeth Sherwood from Stanford University in Houston.

Ms. Sherwood expressed her gratitude to President Aliyev for finding time to meet her. She praised his visit to the United States and expressed her assurance that the visit would give new strong impetus to enhancing cooperation between the U.S. and Azerbaijan in every area. She wished every success to head of our nation in his future activities.

Ms. Sherwood stressed that William Perry, former Secretary of Defense of the United States, and Professor Ashton Carter attach great importance to security cooperation with the countries of Central Asia and the Caucasus, and in particular with Azerbaijan.

Professor Sherwood said that achievements made in building a democratic state with the rule of law in Azerbaijan as well as implementing economic reforms under the leadership of President Aliyev are closely watched and supported in the United



States. She added that they have a great interest to see that relations between our two countries continuously develop.

President Aliyev talked about the current social and political situation in Azerbaijan and about achievements attained in pursuing democratic reforms in our country. He also talked about problems faced by our country. The head of our nation emphasized that, as a result of military aggression of Armenia, 20% of Azerbaijan land is occupied. The country had more than one million refugees ousted from their homes and living in tent camps under very difficult circumstances. He also discussed peaceful negotiations conducted within the frame of the OSCE's Minsk Group to achieve a settlement to this conflict. He stressed that three big states, namely, United States, Russia and France were co-chairmen of the Minsk Group. He praised the joint statement of Presidents Clinton, Yeltsin and Chirak signed in Denver for each a peaceful settlement of this conflict.

The head of our republic said that we wanted peace not war. He said that we wanted the territorial integrity of Azerbaijan be restored and refugees be returned to their homes. President Aliyev emphasized that Azerbaijan supported the settlement of this conflict based on three principles adopted in OSCE Lisbon summit. He stressed the need for practical help from the world community to protect the rights of one million Azerbaijanis whose human rights have been violated by the armed forces of Armenia.

At the end of the meeting, Ms. Sherwood praised the document signed between the Azerbaijan and the Defense Department of the United States. She also said that she remembered her visits to Baku as a warm memory.

**MEETING OF HEYDAR ALIYEV,  
PRESIDENT OF AZERBAIJAN, WITH GREG LAFFLIN,  
FAMOUS PUBLIC FIGURE IN THE UNITED STATES**

On August 3, Heydar Aliyev, President of Azerbaijan, met with Greg Lafflin, a public figure of the United States in Houston.

Mr. Lafflin greeted the head of our state and congratulated the president on his successful official visit to the United States. He emphasized that the visit has created great interest and sympathy among the American public and in high circles.

Mr. Lafflin expressed his objective position to Section 907 of the Freedom Support Act adopted by the U.S. Congress in 1992. He voted against of this section. He added that he was proud to see Azerbaijan gaining its rightful place in world community as a result of the farsighted policies of President Aliyev.

Mr. Lafflin emphasized that he would continue to do his best to support the just cause of Azerbaijan and Azerbaijan's achievements among the countries of the world using the help of his friends.

He praised the involvement of major international energy companies, including influential U.S. companies, in the joint development of Azerbaijan's rich oil reserves. Mr. Lafflin emphasized that these policies will bring prosperity and happiness to the people of Azerbaijan soon.

Mr. Lafflin valued as historic the meetings, negotiations and documents signed by President Aliyev and President Clinton in the White House. He added that all the above said had immense importance in developing a stronger relationship between the two countries.

President Aliyev thanked Mr. Lafflin for his kind words and said he considered him a friend of Azerbaijan. He also praised his services in supporting the just cause of Azerbaijan.



President of Azerbaijan emphasized the important increase in Azerbaijan's friends in America lately. He valued it as a bright example to raise Azerbaijan's prestige in the world.

President Aliyev talked with pleasure about important impact of views of Azerbaijan's friends in peaceful settlement of the conflict between Armenia and Azerbaijan, as well as repeal of Section 907. He also talked in details about the recently made steps in this direction.

Views were exchanged about prospects for a strong America-Azerbaijan relationship and the situation in the region. President Aliyev invited Greg Lafflin to Azerbaijan. He accepted the invitation with pleasure.



## BUSINESS CIRCLES OF AMERICA

### MEETING OF HEYDAR ALIYEV, PRESIDENT OF AZERBAIJAN, WITH THE LEADERSHIP OF BP-AMERICA COMPANY

On July 28, in New York, the president of the Republic of Azerbaijan Heydar Aliyev met the representatives of BP-America company, Stiff Persey, Edward Whitehead and Michael Townshend.

The businessmen were pleased to meet the head of our state and praised the official visit of President Aliyev to the U.S. They expressed their assurance that the visit will be a success and said the whole country was waiting for President Aliyev.

Speaking of established good relations between our countries, the businessmen stressed the fact that the further expansion of cooperation will be useful for both parties. The representatives of BP-America spoke about the oil developments that are very close to them, saying that the investment in the Azerbaijani oil industry by the big American oil companies would not only contribute to the development of cooperation, but also positively influence the support and protection of all interests of Azerbaijan in America. They noted that BP-America will not remain as an outsider in these issues and will defend the political interests of Azerbaijan.

The businessmen informed President Aliyev on the state of affairs in companies represented by them. They said that BP-America is involved mainly in producing oil from the depths of the sea and has accumulated a good deal of experience in this area. They said BP-America is going to use this experience in the oil developments of the Caspian Sea and, like many other American oil companies, is ready for long-term cooperation with Azerbaijan.

The representatives of BP-America stressed that they were aware of Section 907 and said that they would do their best to provide all-round assistance to our country to repeal this Section.

President Aliyev expressed his satisfaction with this information for our country and their intention to cooperate with our republic. He said we have created the conditions for joint ventures with companies from various countries in the world as well as with U.S. companies, including those involved in oil development. Legislation has been passed to protect foreign investments in our country. Azerbaijan is building its economy on the principles of market relationships and has opened its doors to the



world. The natural resources of our country do not consist only of oil and gas. Azerbaijan has many other natural resources and a strong economic potential, and we are making effective use of these resources for strengthening our state and improving the welfare of our people.

**MEETING OF HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC  
OF AZERBAIJAN, WITH MEMBERS OF UNITED STATES-AZERBAIJAN  
CHAMBER OF COMMERCE AND BUSINESS COUNCIL  
FOR INTERNATIONAL UNDERSTANDING**

On August 29, Heydar Aliyev, President of the Republic of Azerbaijan, met with members of the United States-Azerbaijan Chamber of Commerce and Business Council for International Understanding (BCIU) in New York. Heads of the most prestigious companies, banks and financial institutions and representatives of various business circles of America were participating at the meeting.

Participants of the meeting welcomed Heydar Aliyev, distinguished statesman, President of Azerbaijan, with warm and lengthy applause.

Don Stacy, co-chairman of the U.S.-Azerbaijan Chamber of Commerce, opened the meeting.

**Speech of Don Stacy, Co-Chairman of the United  
States-Azerbaijan Chamber of Commerce**

Your Excellency President Aliyev

Ladies and Gentlemen

Welcome to our meeting honoring President Heydar Aliyev.

My name is Don Stacy and I will be your host this morning. I am here in my capacity as co-chairman of the United States-Azerbaijan Chamber of Commerce.

So on behalf of my co-chairman, Reza Vaziri and Galib Mammad, Executive Director of the Chamber, I would like to extend my welcome to you.

There are a number of people I need to express our thanks to, and I'd like to begin with Charlie Polawsky, the vice-chairman of the BCIU, and all the work that his staff has done for arranging this event. In fact, this is the second such event that I have had the privilege of attending in the last two or three years where BCIU has hosted the President of Azerbaijan. Mr. President, there's been a lot of water under the bridge since I introduced you in October 1995 at this breakfast.

At that time, we had just signed the AIOC contract, the "Contract of the Century," and we were staffing the organization. Now we are within a few months, or weeks perhaps, of actually starting the first production of oil from Azerbaijan from that consortium.

Two years ago, we had a very modest group. This morning, we have almost three times as many as we had then. Everything depends upon the sponsor; we had a very modest sponsor two years ago. Now we have people lining up to sponsor this event.

And if things continue in that vein, Mr. President, two years from now Reza Vaziri and I will be able to wave hands to you from far back in the crowd. Speaking of sponsors, I would like to recognize the companies who have sponsored this breakfast this morning in addition to the two hosting organizations. I would like to thank Arco<sup>30</sup>, Amoco, BP America, Chevron, Exxon, Pennzoil, Texaco and Unocal.

Mr. President, you have many busy meetings and a very astounding schedule during your trip to the United States. Here in New York you will be meeting with leaders of the financial community, and then you'll travel to our nation's capital where you'll meet with President Clinton and key people in our government.

From there you will go to Houston, which is the center of the energy industry for our nation, and then finally, to middle America in Chicago where you will meet with companies like Motorola and Caterpillar<sup>31</sup>.

It is our hope that your visit will foster a better understanding for the American people of your great country with its strengths and its resources. Our experience has been that, under your wise leadership, Azerbaijan has created an attractive business environment, and we encourage those here this morning who are in the process of considering business opportunities in your country to go to Azerbaijan. They'll find there an impressive country with wonderful people who make outstanding business partners.

So, Mr. President, welcome to the United States. We look forward to hearing your remarks after our breakfast.

I want to take just a moment to introduce our head table. Of course, our honored guest this morning is the president, and Mr. Roberts will introduce him more thoroughly in a few moments.

To the president's right is Mr. John Roberts, who is the vice-chairman of Business Council for International Understanding. To his right is the president of State Oil Company of Azerbaijan. To his right is Minister of Finance of Azerbaijan, then the Minister of Foreign Affairs, and after him Jean Bacon, who will speak to us briefly. Then comes Mr. Vahid Akhundov, Advisor to the President, then Dr. Terry Koonce, the president of Exxon Ventures; my co-chairman, Mr. Reza Vaziri and Mr. Kouliyev who is Azerbaijan's Ambassador to the United Nations.

Now, ladies and gentlemen, I would like to ask Mr. Jean Bacon, Executive Director of JP Morgan<sup>32</sup> Bank, to take the floor.

**Statement of Jean Bacon  
Executive Director of the JP Morgan Bank**

Your Excellency, Mr. President,  
Distinguished members of the Azerbaijan delegation,  
Ladies and gentlemen

Azerbaijan, as you know, offers tremendous opportunities, investment opportunities not only in oil and gas but also in telecommunications, agriculture, industry and infrastructure.

Many of the companies represented in this room today are quite ready to commit their own capital. The scale of the projects that Azerbaijan is contemplating will make it a necessity for many sponsors as well as perhaps the Government of Azerbaijan itself to raise external financing as well.

It is a great honor for the people here to have been invited today to briefly provide the perspective how the capital market might approach investment opportunities in Azerbaijan and in supporting your projects. I would like to thank the representative of the Government of Azerbaijan, the U.S. Azerbaijan Chamber of Commerce, and the Business Council for International Understanding for this privilege.

It is probably fair to say that Azerbaijan is not currently well known in the international financial community. While many investors naturally think of oil and gas, many of the attributes that are shown on these slides are often underestimated. But we believe that to fully appreciate Azerbaijan's outstanding economic potential, it is important to take into consideration the full structural, political and macroeconomic environment.

Perhaps Azerbaijan started a little bit later than other countries in the region, but since 1994 the country has achieved rapid progress in its political and economic transformations.

With the leadership of President Haydar Aliyev, the domestic political situation has become stable, and externally Azerbaijan's commitment to peaceful relationships with neighbors have greatly contributed to a significant reduction of tension in the region. On the macroeconomic front, Azerbaijan has shown determination in the pursuit of reforms. The privatization process is accelerating. The government and the national bank of Azerbaijan are involved in tough fiscal monetary policies.

You only have to walk in the streets of Baku to appreciate the dynamism of the private sector enterprises. Unfortunately, Azerbaijan's dramatic achievements in macroeconomic sphere are often underappreciated or hardly recognized in the international financial community.

As you see on this slide, growth and return, inflation is now in a single digit, and the budget deficit has been cut two to three percent. Azerbaijan's commitment to market-oriented reforms have earned the recognition of multilateral organizations such as the IMF and others.

Political stability, macroeconomic progress, combined with the sponsorship of leading international companies and multilateral institutions indeed provide a very strong platform to raise external financing.

We in Azerbaijan already had a number of specific discussions with institutions, some of them in this room, and we know that the attitude of Azerbaijan is positive indeed. We have had and have enjoyed very constructive and stimulating discussions with investors and in the course of the discussion, a number of questions arise. I will not go into detail in some of the issues, or the questions and the responses that we are

proposing because I do not want to take time away from His Excellency's speech. But overall I would say that the institutions we have spoken to share a sense of confidence regarding the prospect of raising financing for Azerbaijan and for companies operating in Azerbaijan.

On behalf of the financial community in New York, we would like to wish His Excellency President Aliyev the best success in his first visit official visit to the United States of America. Thank you very much.

**JOHN ROBERT, VICE PRESIDENT OF BUSINESS COUNCIL FOR INTERNATIONAL UNDERSTANDING:** It now gives me great pleasure to introduce President Aliyev. I would say he doesn't need really an introduction. Rather than go through his many accomplishments, I suggest that you read that on your program today. The President would welcome your comments and questions after his presentation. So, Mr. President, once again welcome.

**Statement of Heydar Aliyev  
President of the Republic of Azerbaijan**

Esteemed Ladies and Gentlemen

Good morning! I welcome all of you today at this eminent hall and thank you for demonstrating interest and attention to the Azerbaijani President and delegation.

I am on the first official visit in the U.S. at the invitation of President Bill Clinton. I have been holding various meetings during this visit. I have been conducting such meetings for the third day in New York City. My meeting with you today has a special importance among these talks. I would like to thank the American-Azerbaijan Chamber of Commerce, its co-chairmen Don Stacey and Riza Veziri, the American companies and other individuals who assisted the organization of this meeting. At the same time, I am also grateful to the Organization on International Understanding, its chairman and members who sponsored and directed this meeting.

I would like to be brief for two reasons. First, we have very little time. Second, you seem to already have some information about Azerbaijan.

Azerbaijan is a country located in the Caucasus and broke away from the Soviet Union after its collapse. I would like to state that Azerbaijan is firmly following the path of independence and will adhere to this policy in future. A democratic, law-based and secular state is being built in Azerbaijan. The Azerbaijani economy is designed based on market principles, and we have made the market economy our strategic objective. Azerbaijan has opened its economy for the world. Azerbaijan is working to integrate its economy into the world economic community. Azerbaijan has immense natural resources and enormous economic potential. Our country needs foreign capital in order to tap this potential. All these developments reflect the realities of Azerbaijan today.

After the speech of the J.P. Morgan executive I am not going to describe the economic processes and reforms in Azerbaijan and their results.

Indeed, the economic reforms in Azerbaijan are consistently bearing their fruits. We started the economic reforms in 1994 because the domestic political situation in Azerbaijan and external aggression and sabotage against our country prevented us from embarking on this project earlier. Despite our late start we are already surpassing many other countries in implementation of a number of reforms.





You are businessmen, representatives of large financial organizations. You are experts in the world of finance and economics. If the inflation was 1800% in Azerbaijan in 1994, and today it is reduced to 0%, you can tell that this accomplishment was a splendid display of the success of our economic reforms.

Since 1989, the industrial output, agricultural production and overall economic growth was declining year after year. In 1995, the industrial output fell 25-26%; GDP was down 10-15%, and the agricultural production decreased at the same rate. However, in 1996 the industrial output stabilized; the agricultural sector posted a 3% growth, and the GDP grew 1.2%. In the first half of 1997, the GDP increased even further showing 5.2% growth. This growth was the direct result of the economic reforms we implemented within a short period.

We tend to compare the Azerbaijani economic development with the economies of the then Soviet Union, now the CIS countries. Russia is the country that has made the most substantial progress. Therefore, I would like to make some comparisons.

In 1996, we adopted the Law on Land Reform according to which we intended to transfer the ownership of land into the private hands. We have already completed the



process, and the privatization has shown its results. The domesticated animal sector of agriculture has been completely privatized. The outcome of these reforms was the fact that the private sector accounted for 80 per cent of all the agricultural production in the country.

I was on an official visit in Russia early this year. Russia has not privatized the land, and has not passed such a law. They have failed to eliminate the Soviet system of Kolkhoz and Sovkhoz. When I told the reform leaders in Russia about our successful land reform, they did not hide their astonishment.

The biggest problem Russia faces today is its inability to pay workers their wages and pensions for four or five months. I would like to inform you that we have no wages in arrears in Azerbaijan. Both wages and pensions are paid in time. As I have mentioned the inflation has been brought to a zero level. The Azerbaijani national currency, manat, has appreciated 10% against the U.S. dollar.

Please, do not think that I am trying to praise myself. I ask you to understand me correctly. I am simply adding these figures to the speech of JP Morgan executives. I am just stating these facts to counter those forces such as the opposition inside the coun-

try and some groups in foreign countries who claim that the economic reforms are slow in Azerbaijan and produce no results. It is unfortunate that most of these people are from our own country.

Today I am sitting here and listening to the representative of JP Morgan. I think about how wonderfully people can assess Azerbaijan from New York. The opposition and other groups inside Azerbaijan are blind to see our country like JP Morgan does.

The figures and opinions expressed here do not come exclusively from JP Morgan. The International Monetary Fund, World Bank, other international financial organizations closely follow the processes in Azerbaijan and have high demands to our country. We are very content with these relationships. I would like to thank the IMF and the World Bank. I thank everyone who cooperates with Azerbaijan.

I would like to reiterate that Azerbaijan is open to everyone. We have established utmost favorable environment for investments and business in our country. Encouraged by this meeting with you, I would like to assure you that these opportunities will increase in the future.

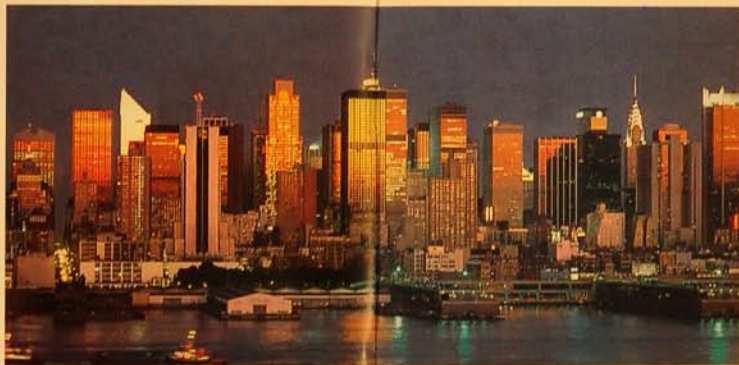
I invite you to visit Azerbaijan. Please, come to conduct business in Azerbaijan. Our country has a great economic future for businesspeople.

The 21st century will become the century of Azerbaijan's growth. All companies and businesspeople who operate in Azerbaijan will be part of this progress. I thank you for your attention. Now I will answer your questions.

QUESTION: Mr. President, I represent a law firm. I have a question. Azerbaijan and other Caspian states have differing opinions on the status of the Caspian Sea and its division. Different states have divergent views on the energy reserves in the Caspian Sea and the ways of exploring these natural resources. I would like to find out what the problem of the division of the Caspian is. And what is your opinion on this matter? To what degree do you think this issue could affect the oil and gas projects in the Caspian Sea?

ANSWER: Thank you. The question of the Caspian Sea's status surfaced only in September of 1994 after the Azerbaijani State Oil Company signed a contract, "The Contract of the Century", with large Trans-national corporations. Until that time there was almost no talk of the status of the Sea. The signing of this major contract by Azerbaijan worried some Caspian states, especially the largest countries around the Caspian. They were upset and decided to erect barriers for our projects by initiating this issue. On the other hand, since the Caspian Sea is a unique water body in the world, it is a formidable task to determine its legal status. The certain guidelines for the exploration of underwater energy reserves in the Caspian Sea have been shaped gradually throughout the years.

As you may know, under the Soviets, the Caspian Sea belonged to the Soviet Union. Iran had access only to a small section of the Sea in the south. Azerbaijan began the offshore explorations in the Caspian Sea some 50 years ago - in 1947-1949. From the inception of the offshore operations to the moment that the U.S.S.R. dissolved Azerbaijani oil and gas enterprise solely conducted all the work. As the offshore operations stretched farther and farther from the Azeri shores they penetrated distant sections of the Caspian Sea. Thus, in the 1970's the Soviet government decided to divide the Sea into sectors in order to make the energy reserves accessible to other republics. I believe that until the final status of the Sea is arrived at, this principle should stay in force. Following this principle Azerbaijan is engaged in the oil and gas production in its sector.



The Caspian states differ in their opinions on the status. Azerbaijan and Kazakhstan stand for the sectoral division. Russia, Iran and Turkmenistan suggest the condominium principle. But the condominium principle has never been in effect in the Caspian Sea. The sectoral division, however, has been a fact of life since the 1970's.

We advocate the continuation of the talks on the status. Nevertheless, I think the negotiations will drag on. Until these talks finish and bear fruit, Azerbaijan will continue its projects in the Azeri sector of the Sea. Azerbaijan has a right to do so.

I would also like to note that all of the oil and gas fields in the Caspian Sea have been discovered and developed by the Azerbaijani scientists. Thank you.

QUESTION: Mr. President, as you know, the regional states came up with initiatives aimed at establishing peace and stability in the Caucasus which has become one of the most unstable regions in the world. In order to foster the cooperation among these countries some political leaders have suggested the establishment of the Caucasian Parliament. There are also proposals to set up the peace-keeping forces within the framework of the Black Sea Economic Cooperation Organization that would be deployed in the Caucasus and Black Sea regions.

Mr. President, I would like to hear your ideas about these proposals. What kind of contributions is Azerbaijan willing to make for the sake of peace and stability in the region?

ANSWER: You know, if I answer this question, you will have to listen to me for an hour. If you want to listen, I can go ahead. However, I will give you a short answer. The Caucasus is a very intricate region. Thanks to various outside forces several conflicts erupted in the region. The first of such conflicts is the Armenian-Azerbaijani conflict. This confrontation began in 1988. This is the most barbaric crime committed by the Soviet Communist Empire against the Caucasian peoples and the Azerbaijani people in particular. These forces artificially created this conflict. Later we witnessed the Abkhazia-Georgia, Ingushetia-North Ossetia, Chechnya-Russia, South Ossetia-Georgia conflicts flare up. The situation in other parts of the Caucasus is quite tense as well. We need to take serious and resolute measures in order to resolve these conflicts.

We signed a cease-fire agreement three years ago in order to settle the Armenian-Azerbaijani conflict. We are currently holding talks directed at establishing permanent peace. Armenia occupied 20% of Azerbaijan's territory. Over one million Azeris have been expelled from the occupied lands. These Azeri refugees are now living in terrible conditions in tent cities. Azerbaijan has suffered enormous material and moral losses.

We stand for the peaceful settlement of the Armenian-Azeri conflict. However, there are some conditions. The Armenian armed forces must leave the occupied lands. The territorial integrity of Azerbaijan must be restored. The refugees must return to their homes. We can grant broad autonomy to Nagorno-Karabakh within Azerbaijan. We should establish long-lasting reliable peace between Armenia and Azerbaijan.

We are conducting the negotiations based on these principles. I will hold talks with President Clinton on these issues as well.

The Georgian President Mr. Shevardnadze visited the United States a week ago. I suppose that he gave details of the Abkhazian-Georgian conflict. There is no war in Chechnya today, but the situation is quite complicated. The relations between Ingushetia and North Ossetia are strained right now. Such a state of affairs requires a very careful and prudent approach.

The ideas on the Caucasian Parliament and peace-keeping forces abound. But these arguments have to pass a number of tests. It is quite easy to suggest an idea. It is quite a different matter to attempt to carry it out. The Caucasus is such an important region

that the world powers, in my mind, should always keep abreast with the events there. The United States should also pay more attention to the region. Thank you.

JOHN ROBERT: Unfortunately, this will have to be the last question since the President's time is limited, and he has a very tight schedule. He has planned numerous meetings. Mr. President, we thank you for your candid answers.

HEYDAR ALIYEV: I thank you all again. I invite you to visit Azerbaijan. I am very satisfied with today's meeting. I will see you in Azerbaijan. Good bye.

After the meeting, the participants approached our head of state Heydar Aliyev once more. They thanked him for his informative and sincere speech. President Aliyev met with every participant and expressed his satisfaction in his meetings with businessmen that lasted several hours. The leader of our country expressed his confidence that such meetings will further strengthen U.S.-Azerbaijani cooperation.

The U.S. media representatives also were present at this meeting. Dow Jones reporter Pakovski asked President Aliyev for his permission to publish the text of his speech.

The Dow Jones representative also asked our president a number of questions on the position of the American government regarding the legal status of the Caspian Sea, the pipeline routes for the exports of the Azeri oil to the world markets, and the peaceful settlement of the Armenian-Azeri conflict. President Aliyev gave detailed answers to these questions.

#### MEETING OF HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC OF AZERBAIJAN, WITH RICHARD CHEYNEY PRESIDENT OF HALLIBURTON CORPORATION

On July 30, Heydar Aliyev, President of Azerbaijan met with Richard Cheyney, President of Halliburton corporation and honorary advisor of the United States - Azerbaijan Chamber of Commerce in his residency in "Blair House".

Mr. Cheyney said that he was honored to see the head of our nation once again. He valued the first official visit of the head of our nation to the United States as an historic event in developing relations between the United States and Azerbaijan.

Mr. Cheyney said that the United States was very interested in strengthening relations with Azerbaijan which had a strategic location and influence in the region. He expressed his assurance that Heydar Aliyev's visit to the United States would contribute greatly to enhancement of relations between our two countries.

Mr. Cheyney thanked President Aliyev for his support to American companies participating in joint development of energy resources at the Azerbaijan sector of the Caspian Sea. He emphasized that the processes of building democratic state with the rule of law in Azerbaijan under the leadership of President Aliyev as well as successful implementation of economic reforms were closely watched and supported in the United States.

President of Azerbaijan thanked Mr. Cheyney for kind words and expressed his great pleasure of paying an official visit to the United States. He talked about the importance of this visit in expanding and improving relations between our countries and peoples. According to President Aliyev strengthening relations between the United States and Azerbaijan would contribute to prosperity of peoples of both countries. President Aliyev talked about the vast economic potential of Azerbaijan and empha-



sized that there were many opportunities for American businesses in our country. President Aliyev stressed the need to raise the US-Azerbaijan relations to a new level in all spheres.

Heydar Aliyev, President of Azerbaijan invited Mr. Cheyney, honorary advisor of the United States - Azerbaijan Chamber of Commerce to visit Azerbaijan. The invitation was accepted with pleasure.

#### MEETING OF HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC OF AZERBAIJAN, WITH ROBERT LANIER, MAYOR OF HOUSTON

The President of the Republic of Azerbaijan Heydar Aliyev arrived in Houston from Washington D.C. in the evening on August 1. High officials of the U.S. government, the leaders of prestigious Houston and U.S. oil companies met our state leader at Houston's airport. Houston is considered the center of the U.S. oil business.

While President Aliyev was in Houston, the children's competition 'Alabama Prince' was held there. The Azerbaijani leader, who is very fond of children, treated the youngsters with great care in Houston, which is the twin city of Baku. American children playfully surrounded President Aliyev. The leader of our Republic greeted them warmly and sincerely, and later had his photo taken with the children.

Azerbaijani President Aliyev met with the Mayor of Houston Robert Lanier on August 2. The Mayor of the city welcomed our state leader sincerely, and praised the Azerbaijani leader's official visit to the U.S. He emphasized the Washington meeting



of the U.S. and Azerbaijani presidents, saying the signed documents will play in the further development of relations between our countries. The mayor stated his certainty that the meetings, held in the White House, would soon have their positive results.

Azerbaijani President Aliyev said that he was pleased with the hospitality in Houston, like in the other cities he visited.

Mr. Lanier told our state leader that the latest issues of the Washington and Houston newspapers published on their first pages articles on the meetings, held by President Aliyev in Washington D.C on August 1.

President Aliyev expressed his gratitude and highly praised his meetings with President Clinton highly.

In his answer to the mayor's question about President Clinton as an interlocutor, our state leader said, "I have had meetings with him since 1994. We have met several times. But this was our first meeting in the White House. As a result of meetings and negotiations held until, now I have known President Clinton as a very talented person with unique characteristics. He can easily create simple and ordinary relations with people and establishes very good conditions for talks. I have great respect for him. In early July, we met in Madrid. He is a very sin-cere, friendly and amiable person. I think you have a very worthy president."

The mayor of Houston pointed out that President Clinton supports free trade, realizing that the U.S. is an exemplary country and appreciates the part Azerbaijan will play in this trade. The mayor thinks that efficient, lasting relations have been established between Azerbaijan and the State of Texas as well as Houston. He pointed out the importance of Azerbaijan from a strategic point of view, saying, "They say that the potential of the energy resources in your country can be compared with that of the fields in the Persian Gulf."

The Azerbaijani President Aliyev agreed with Mr.Lanier's opinion and said, "President Clinton supports a free trade economy and I notice he pursues a very accurate internal and international policy toward its development. The relationships established between the United States and Azerbaijan are very good and have a great future. The basis for this lies in the Azerbaijani oil and gas fields and the joint work, carried out in their development with U.S. companies. Your city, Houston is the U.S. center for oil. And Azerbaijan's capital Baku was considered the oil center of the former Soviet Union. Now it is considered the oil center, generally, among the countries that surround us. The oil production in Azerbaijan started 150-200 years ago. And today the energy resources of Azerbaijan are rich. There are very rich oil and gas fields not only in Azerbaijan, but also in the entire Caspian basin.

It was the Azerbaijani scientists and oil industry workers who explored the oil and gas fields in the Caspian. They started exploring these fields 50 years ago. Your opinion is true concerning the great potential of the oil fields in Azerbaijan. Azerbaijan and the Caspian Sea can be compared with a number of countries and regions rich in oil resources all over the world.

I think our cooperation with the United States will create many good chances for the efficient use of our oil and gas resources. Many of the major U.S. oil companies have been working with us in Azerbaijan.

We signed very important contracts with Chevron, Mobil, Exxon, and Amoco in the White House yesterday. These are contracts concerning four rich oil fields in Azerbaijan and have a great future.

As a token of sincere hospitality, Mr. Lanier presented the symbolic key of the city to President Aliyev and said, "This is the expression of our respect towards you." The



head of the Azerbaijani state thanked him. Once more President Aliyev praised the Azerbaijani-American cooperation and said that the cooperation with the oil companies has a special place in these relationships between our countries. The leader of our Republic emphasized the fact that the great majority of U.S. companies are situated in Houston. He said, "You have a special part in the development of Azerbaijani-American relations. Therefore, I have come to Houston after visiting New York, and Washington, D.C.

Mr. Lanier expressed his gratitude to the leader of our Republic for the nice words and said, "Mr. President, as a result of your far-sighted policy, great relationships have been established between Azerbaijan and the United States. You have created these relationships. But as citizens of Houston, we would also be greatly honored to maintain the relations between our countries.

Further, the Mayor of Houston stated that according to Bill White, former Energy Minister Deputy, if considered by degrees, the intellectual level in Baku is 80 degrees, that is, 25-30% higher than the average level.

President Aliyev accepted this idea with gratitude and said, "Mr. Bill White has not exaggerated the fact. He is my friend and a bit greedy in paying compliments. Bill White does not pay compliments that much. Once he had said it, that means, there is no exaggeration about it at all. Mr. Bill White has been to Baku several times. I repeat it: he is my close friend, he has had great merits in the further strengthening of relations between our countries. Bill White has been one of the participants of the Contract of the Century, signed in Azerbaijan in 1994. The signing of this contract was a historical stage in our relations". President Aliyev also reminded that Houston and Baku are twin cities, "In the period of the former Soviet Union, when Azerbaijan was not an independent state yet, I was the leader of Azerbaijan. Then we established relations between Houston and Baku and now they are twin cities."



In his answer to Mr. Lanier's question about his former activities, the head of our state Heydar Aliyev said, "For 14 years I had been the leader of Azerbaijan, then for five years, one of the leaders of former Soviet Union. Later I resigned and was unemployed for a while. I was the leader of Nakhchivan, a small autonomous republic for three years.

I have been the Azerbaijani President for four years. My present post and activities are above the work I have done until now. Azerbaijan has become an independent state after my nation gained its national freedom and independence. I am the President of this independent State of Azerbaijan. This is the most prominent stage in my life.

Mr. Lanier stated once more the fact that he felt great honor from his meeting with the eminent state figure Heydar Aliyev, "Your life is full of touchy feelings and is also a historical life, which combines very great opportunities".

During the meeting, held in the atmosphere of sincerity and friend-ship President Aliyev gave Mr. Lanier, the mayor of Houston, an Azerbaijani carpet as a memorial gift and also presented books about Azerbaijan.

**THE AZERBAIJANI PRESIDENT HEYDAR ALIYEV'S INTERVIEW  
WITH THE EDITOR-IN-CHIEF OF THE HOUSTON CHRONICLE  
JAMES HOWARD HIBBON**

The Azerbaijani President Heydar Aliyev's official visit to the United States of America was at the focus of attention of the U.S. media, the giant country as well as in the whole world. All the meetings, held by the eminent state figure Heydar Aliyev, found their wide reflection in the U.S. press; the Azerbaijani leader's speeches were directly broadcast through the U.S. and all other channels of the world and information agencies.

The head of our State Heydar Aliyev gave an interview to the editor-in-chief of 'The Houston Chronicle' James Howard Hibbon on August 2. The text of that interview is printed below.

**JOURNALIST:** Mr. President, You are welcome to Houston! Your present residence is situated in one of the outstanding places in Houston. Mr. President, yesterday you were in Washington D.C and held meetings. Would you, please, share with me your opinion on your meetings with President Clinton?

**HEYDAR ALIYEV:** I have been paying an official visit to the United State of America. This is an official visit, carried out at President Clinton's invitation, at the same time it is my first official visit to the U.S. as the Azerbaijani President.

I have had a number of meetings during this visit. Yesterday I had meetings and negotiations with President Clinton in the White House. We signed a joint statement on Azerbaijani-American relations, a document on the mutual protection and instigation of the investments. Documents on the cooperation between the U.S. Ministry of Energy and Azerbaijan, as well as several other documents have also been signed.

As you know, very important contracts were signed between Azerbaijan and the U.S. companies: Chevron, Exxon, Mobil and Amoco with the participation of the Vice-president Albert Gore and other members of the U.S. government in the White House yesterday. These contracts are on the joint exploitation of the four Azerbaijani oil fields.

You are well aware that many U.S. oil companies have established close links with Azerbaijan, we have signed contracts and are cooperating now. Alongside with the above-mentioned U.S. companies, the UNOCAL, Pennzoil, McDermott are also carrying out wide activities in Azerbaijan.

In conclusion of the negotiations, held in the White House yesterday, we signed documents on the cooperation between Azerbaijan and the U.S. in the political, economic, educational spheres and other above-mentioned documents.

**QUESTION:** Mr. President, there is one more point that unites Houston and Baku, that is oil. These two cities are considered oil centers. I would to know if Baku has any clients.

**ANSWER:** There are many clients. The companies, which cooperate with us, have greatly invested in Azerbaijan and want to get a lot of income from it. And this income consists of oil. They want to get income by selling the oil in the world markets. That is why there are many clients. The majority of the produced oil will be taken to the Western markets. It means, those companies will sell this product wherever they want. There are no limits here.

The Chevron produces oil in the oil field 'Tengiz' in Kazakhstan. They take this product via the territory of Russia to the world market. But they seem to have somewhat limited opportunities in exporting this oil. That is why they have appealed to us.



And we have created an opportunity for them to take that oil to the world market. Now a part of the oil, produced in the oil field "Tengiz" in Kazakhstan, is carried in tankers via the Caspian to Baku, through the railway to Georgia and from there it is taken to the port of Batumi in the Black Sea.

We are building pipelines in order to carry the oil, produced in the Azerbaijani oil fields, to the world market. The biggest oil pipeline will pass through the territory of Turkey and will reach the Mediterranean. About 60 million tons of oil, which will be annually produced in our oil fields, will be taken through that pipeline to the Mediterranean. The product will be taken to any place one wishes. No doubt, the United States of America will not carry this oil to America. There is a lot of oil around the USA. They will sell this oil to where they want.

**QUESTION:** Mr. President, you were one of the leaders of the former of Soviet Union. Now you are the leader of Azerbaijan. Will you, please, tell me if the Azerbaijani people will benefit from the collapse of the Soviet Union?

**ANSWER:** For sure! When we were in the Soviet Union, the Azerbaijani people were not owners of their resources. The oil production in Azerbaijan has a 200-year-history. In the 1920s when the Soviet Union was established, Azerbaijan met about 90 per cent of this big country's oil demand. But we could not use this oil as we liked to. All the oil produced in Azerbaijan was spent on meeting the Soviet Union's demands. Other natural resources, potentials of our Republic were also spent on meeting the U.S.S.R.'s demands. But now we are an independent state. This independence is of a great historical significance for the Azerbaijani people in all spheres.

By the way, the matter is not only in the use of these natural resources. We are a completely independent state. Azerbaijan has her own place in the world community as an independent state. The moral significance of this is much more than its material significance.

As one of the leaders of the Soviet Union in the past, I can say that I wanted the collapse of the Soviet Union and desired a state independence for Azerbaijan. Now we have achieved it. This is a historical event for us.

**QUESTION:** How did the Soviet Union manage to suppress different national minorities and nations? These national minorities are growing up now.

**ANSWER:** You know, I cannot say that the Soviet government completely suppressed the national minors. It would be injustice if we said so. Necessary conditions were created for the protection of the rights of all the national minorities in the Soviet Union. And the Azerbaijani people had its republic, government, parliament and the opportunity to conduct all the work in its mother tongue. Azerbaijan was developing her own national culture, science and traditions. But these opportunities were to a certain extent limited, because the Union republics were included in the structure of the Soviet Union.

During the Soviet power many actions of injustice took place against some national minorities. For example, after World War II the Chechens, the ingushes in the Caucasus, the Crimean tatars were forcibly deported from their places. The Azerbaijani people also suffered injustice in the Soviet period. For example, in 1948 a decision on the mass deportation to Azerbaijan of the Azerbaijanis, living in Armenia, was passed and carried out. The Soviet leaders also had great mistakes in the sphere of national policy. The military conflicts, which are going on in the former Soviet countries, are the results of those mistakes. In 1988 Armenia carried out a military aggression against Azerbaijan. The aim of this military aggression was to annex to Armenia the Nagorny Garabagh autonomous region, which is historically the part of Azerbaijan. Then both Azerbaijan and Armenia were equal republics within the Soviet Union. One republic used aggression against another republic, and both of them were within one and the same state, that is why the Soviet government should have prevented this conflict.

I would like to tell you also about another tragedy, which took place then. Big forces of the Soviet Army were ordered to attack Baku in January 1990, when the Azerbaijani people was implementing measures, holding meetings in protest against the injustice towards our Republic by the Soviet Union and with the aim of gaining its national freedom. In the consequence, peaceful, innocent people became martyrs, were killed and the streets were covered with blood.

These acts of injustice resulted on the one hand, in different conflicts and on the other, in the collapse of the Soviet Union.

**QUESTION:** Mr. President, I would like to know if nationalism plays any part in the conflict between different nations, for example. Between the Armenian and Azerbaijani peoples. Are these conflicts hereditary for some nations or are there any other reasons?

**ANSWER:** No doubt, nationalism plays a part in conflicts. On the other hand, the claim of territories and separatism are also the reasons for these conflicts. For example, Armenia used aggression against Azerbaijan in order to separate Nagorny Garabagh from the Azerbaijan territory and annex it to herself. This is an action against the international legal standards and human rights. This is an intention of one country to invade the territory of another. You know it from history that a lot of wars broke out because of such reasons.

QUESTION: Mr. President, in what do you see the settlement of the conflict? If possible, will you, please, state your opinion on the steps of compromise for Armenia as well as for Azerbaijan.

ANSWER: First of all, we see the settlement of this conflict in peaceful means. The conflict, which started in 1988, turned into a war later. The Armenian armed forces used aggression against our country and invaded 20 per cent of the Azerbaijani territory. As a result, more than one million of our compatriots were forcibly driven out from their homes. Ten thousands of people were killed. The riches of Azerbaijan in the occupied territories were completely devastated. In spite of all these human losses and damages, we signed a contract on the cease-fire three years ago. It has been for three years that there is no shooting. We want to solve this problem by peaceful means. On our part, we are taking compromising steps.

Principles of peaceful solution of the Armenian-Azerbaijani conflict were determined last December at the Lisbon Summit of the state and government leaders of the OSCE member-countries. These principles consist of three articles: first, the territorial integrity of the Republic of Azerbaijan and the Republic of Armenia; second, the provision of Nagorny Garabagh with the right of high-level self-administration within the Republic of Azerbaijan; the guarantee of the security of the entire population in Nagorny Garabagh: both Armenians and Azerbaijanis. To accept these principles means a compromise for us. We have accepted it, but the Armenian side has not accepted it, they won't compromise.

I dwelt also on this problem at the meeting with President Clinton. President Clinton agrees with the peaceful initiatives of Azerbaijan. We want to solve the problem peacefully. But Armenia does not accept these principles and claims the status of independence for Nagorny Garabagh, which is an Azerbaijani territory. But we cannot let it happen. We cannot allow the establishment of another Armenian state in the Azerbaijani territory.

I repeat it: we want to settle this conflict by peaceful means that is why we are compromising. The reason why the conflict has not been settled until now is that the Armenian side won't compromise.

After my meeting and negotiations with President Clinton yesterday I have come to a conclusion that the United States of America and President Bill Clinton personally will deal with this issue very seriously.

JOURNALIST: Mr. President, I know that you have other meetings too, therefore I don't want to take much of your time any more. Thank you very much. I express my gratitude to you for sparing me your time.

HEYDAR ALIYEV: Thank you very much. I present these books to you. You will read them.

#### THE AZERBAIJANI PRESIDENT HEYDAR ALIYEV'S INTERVIEW WITH THE EDITOR-IN-CHIEF OF THE NEWS JOURNAL OIL AND GAS

The President of the Republic of Azerbaijan Heydar Aliyev gave an interview to the editor-in-chief of the American journal 'Oil and Gas' Richard Witley in Houston on August 2.

JOURNALIST: Mr. President, thank you for sparing me your time. I feel honored from my meeting with you. I congratulate you on Your first official visit to the United States and wish you great success.

HEYDAR ALIYEV: Thank you for the sincere words. Yes, my official visit to the United States is being successful.

JOURNALIST: Mr. President, would you, please, accept from me this present with the name 'Journalism' inscribed on it? The editor of journalism Mr. Kennedy is sending you his kindest regards.

HEYDAR ALIYEV: Thank you very much.

JOURNALIST: Mr. President, can I have your photo taken?

HEYDAR ALIYEV: Here you are, I don't restrict anything. My relations with the Press are very good.

QUESTION: Mr. President, would you share with me your opinion on the progress, obtained from the use of energy resources in the Caspian Sea?

ANSWER: Yes, we have some achievements. On September 1994 we signed a historically significant contract with a big group of prestigious oil companies in the world. This contract has been named 'The Contract of the Century'. In fact, it is a very big contract.

Today I can say that the contract is being implemented. This September oil will be extracted from the fields, exploited jointly according to the contract. We have started the construction of the pipeline for the export of this oil to the world market. The first oil pipeline has been built. Another pipeline is being built too. The first pipeline will go via the territory of Russia to the Novorossiysk port in the Black Sea, and the second pipeline will go in the Western direction- via the territory of Georgia to the Supsa port in the Black Sea. Preparations have been carried out for the construction of the big oil pipeline too. We think that this oil pipeline should pass through the territory of Turkey and reach the Jeyhan port in the Mediterranean.

We have signed some more contracts after the contract, signed in 1994. By my official visit to the United States we had signed six contracts. In Washington D.C. we signed three contracts with the Chevron, Exxon, Mobil. These contracts were signed in the White House. Now there are nine major contracts. In Washington D.C., alongside with these three contracts, we signed an agreement with Amoco, which will allow them to have an exceptional right on the exploitation of our oil field. Perhaps, the tenth contract will be signed with the Amoco.

QUESTION: Mr. President, I have one more question in this connection. Much has been written about the oil fields: "Azari," "Chirag" and "Gunashli." There have been many ideas about the exploitation of these oil fields. There are other oil fields in Azerbaijan, such as the oil field "Neft Dashlari." What steps have been taken for the exploitation of these oil fields?

ANSWER: You know, we have been exploiting "Neft Dashlari" for 50 years and will work out it further on. At present we are using also some other oil fields, exploited in the past and will use them further on. But the oil fields, that you have mentioned, are new. For example, we have long been extracting oil from one part of the rich oil field "Gunashli." Its other part, which is very deep in the water, has been included into the contract, alongside with the oil fields "Azari" and "Chirag." Besides these, there is also the "Garabagh" oil field. We have signed a contract on the exploitation of this oil field with the U.S. company Pennzoil and other companies. We have also signed different contracts on the oil fields "Shahdeniz," "Dan Ulduzu," "Ashrafi," "Lenkaran-deniz," "Talış-denizi," and "Yalama-Samur" with the companies of a number of other countries. Yesterday in the White House we signed contracts on the joint exploitation of the oil fields of "Absheron," "Nakhchivan" and "Oguz" with Chevron, Exxon, Mobil. The number of the oil fields, on which we will sign contracts, will increase more.



QUESTION: Mr. President, what is the reason for the refusal of the company "Rosneft" from the exploitation of the oil field "Kapaz?"

ANSWER: You know, the oil field "Kapaz" is situated on the border of the Azerbaijani and Turkmenian sectors in the Caspian. The Russian companies, Lukoil and Rosneft had several negotiations before. We informed them that this oil field belongs both to Azerbaijan and Turkmenia. During my official visit to Russia the Lukoil, Rosneft and the Russian government offered us to sign an agreement on the joint exploitation of this oil field. I mean, this is not a contract. This is simply a protocol on the joint exploitation of this oil field. We signed it. But later Turkmenia disagreed with it. We stated that we do not deny Turkmenia's right concerning this oil field. That is, this oil field is situated on the border, one part of it being in the Turkmenian sector, another part in the Azerbaijani sector. Therefore we are planning a joint work there. But Turkmenia claims that this oil field is in her sector.

Generally, it is impossible to understand Turkmenia's position. On the one hand, Turkmenia is against the principle of dividing the Caspian into sectors. But we are working in accordance with this principle and consider it fair.

QUESTION: What do you think of the condominium?

ANSWER: Turkmenia is for the condominium. In case of condominium, Turkmenia has no right to criticize us because of the protocol, signed on the oil field 'Kapaz.' 'Kapaz' is in the middle of the Caspian. According to the condominium we have the right to work there. Turkmenia is also for the principle of condominium. But after we signed a document on the oil field 'Kapaz', Turkmenia claims that this field is

situated in their sector according to the principle of sectors.

We think that according to the principle of sectors, 'Kapaz' is situated on the border, one half of it belongs to Turkmenia, another half to Azerbaijan. But according to the condominium we have the full right to use this oil field, because it was first explored by the Azerbaijani experts.

QUESTION: You are for the international principle of considering the Caspian as a sea and against its being called a lake, aren't you?

ANSWER: You know, we should study the fact whether the Caspian is a sea or a lake. I don't want to say anything about it now. The main thing is that all the oil fields in the Caspian have been explored by Azerbaijan. During the Soviet power Azerbaijan dealt with all the matters of oil production in the Caspian. Therefore we have the right to all the oil fields in the Caspian. Besides, in 1970 the Soviet government adopted a decision on the division of the Caspian into sectors. We have always divided the oil, extracted in the Caspian on the basis of that decision. During the Soviet power, despite the fact that the Caspian oil industry was managed by local administration of Azerbaijan, on the basis of the principle of sectors, the oil, produced in the Azerbaijani sector, was considered at the disposal of Azerbaijan and the oil, produced in the Turkmenian sector was considered at the disposal of Turkmenia. We worked in accordance with this principle. In order to create a new principle, negotiations are needed. But we consider that it is a fair principle.

QUESTION: Mr. President, just now you used the word 'negotiations'. I would like to know if any negotiations are held on the relations of Azerbaijan with Russia? Generally, how would you characterize these relations? And what kind of changes are expected in the Iranian-Azerbaijani relations in connection with the newly-elected President Khatami's coming to power in Iran? Generally, what can you say about the attitude of Russia towards the pre-Caspian States and what is Azerbaijan's position in this connection?

ANSWER: The relations of Azerbaijan with Russia are normal. Russia is Azerbaijan's neighbour and is a great country. Azerbaijan used to be a part of Russia for 200 years in the past. The economies of our countries are closely interconnected. We want to continue these economic relationships and to co-operate in other areas, too.

Many Azerbaijanis live in Russia and many Russians live in Azerbaijan. Therefore we want to further develop our friendly relations.

I paid an official visit to Russia at the invitation of President Boris Yeltsin on July 3-4 this year. It was my first official visit to Russia as the President of Azerbaijan. You see, within this short period of time I have paid official visits to both Russia and the United States.

During my official visit to Moscow, I had extended talks with Boris Yeltsin and other officials. We signed several important documents on the development of co-operation between our countries. We want to continue these relations. But these relations should not affect the independence of Azerbaijan, these should be equal relations on condition that the internal affairs of Azerbaijan are not interfered.

We are protecting the independence of Azerbaijan very much. We cannot have anything against our independence.

As you know, there are Russian military bases, troops in the territories of some of the countries that belonged to the Soviet Union in the past, but are independent states now. Also in Armenia there is a big military basis of Russia. The Armenian borderlines with Iran and Turkey are defended by the frontier troops. But we have none of these. We will never allow it happen.

We maintain good relations with Russia and want to develop our relations on condition that our sovereignty and independence are protected and guaranteed.

QUESTION: Has there been any progress in your negotiations with Ter-Petrosyan for the settlement of the Armenian-Azerbaijani conflict?

ANSWER: Let me answer the second part of your previous question. You asked about Iran. Iran is Azerbaijan's big neighbor in the South. We want to maintain friendly relations with Iran too. 30 million Azerbaijanis live in Iran. It comprises about half of the Iranian population. That is why we want to maintain normal relations. But our state structures differ. We do not interfere with their internal affairs and they should not do it either. We maintain our relations in accordance with this principle.

In Iran the newly-elected President Khatami will start his activities tomorrow. We want to maintain normal relations with both former and present Presidents. We shall support the new President if he initiates anything positive for the development of the Iranian-Azerbaijani relations.

You asked about Armenia. As you know, there is a military conflict between Azerbaijan and Armenia. This conflict is the result of the Armenian aggression against Azerbaijan. Armenia started this conflict with the intention of invading the Azerbaijani territory- Nagorny Garabagh with the help of armed forces and annexing it to Armenia. Because of some reasons 20% of the Azerbaijani territory has been occupied by the Armenian armed forces. More than one million Azerbaijani citizens have been forcibly driven out from the occupied territory. They are living under very hard conditions in tents. We do not want any war. An agreement on the cease-fire was signed between Armenia and Azerbaijan three years ago. We have been maintaining this agreement. But we want a lasting peace. For this reason we are holding negotiations.

We are holding these negotiations through the OSCE Minsk Group. Three co-chairmen have been appointed to the Minsk Group since the beginning of this year. The U.S. has taken the responsibility of being one of the co-chairmen. Alongside with the U.S., France and Russia are also co-chairmen of the Minsk Group. We hope that these three great powers will achieve the peaceful settlement of the Armenian-Azerbaijani conflict during their co-chairmanship.

Main principles for the peaceful settlement of the conflict were determined at the Lisbon Summit of the state and government leaders of the OSCE member-countries. These principles consist of three articles: the territorial integrity of Azerbaijan and Armenia, the provision of Nagorny Garabagh with the high-level self-administration right within the boundaries of the Republic of Azerbaijan; the guarantee of the security of the entire population in Nagorny Garabagh: both the Azerbaijanis and Armenians. We have accepted these principles. But Armenia won't accept them. Armenia claims the status of independence for Nagorny Garabagh. The international community, the international organizations cannot agree to this either. For this claim is against the international legal standards. For we cannot have another Armenian state established on the Azerbaijani territory.

We have made some concessions. Armenia should also make some concessions. I have met with the Armenian President several times. And I will meet with him in future too. We had a thorough discussion of the issue on the peaceful settlement of the conflict at our meeting with President Bill Clinton yesterday. President Bill Clinton stated that the U.S. and her President will attempt to settle the conflict by peaceful means and it has been planned to get an achievement in this sphere this year.

QUESTION: Mr. President, will Section 907 be repealed?

ANSWER: I would very much like Section 907 to be repealed. I had extended talks

about it during my meetings at the U.S. congress as well as in the House of Representatives and Senate. At the same time we had a thorough discussion of this issue at my meetings with the Speaker of the Congress Mr. Gingrich, the Chairman of the Foreign Relations Committee Mr. Gilman and President Clinton. At these negotiations they promised me to try for the repeal of Section 907 and provide it. This section must be repealed.

Once you are interested in the Armenian-Azerbaijani conflict, I must touch upon one more issue. As you know, it has lately been found out that some officials from the Russian Defense Ministry have given to Armenia a lot of weapons worth of one milliard dollars while there is a cease-fire in the Armenian-Azerbaijani conflict. We are seriously concerned over it. We have protested against it. I have held negotiations with the Russian President. We have requested them to take back these weapons and punish the criminals. There are dangerous missiles, even nuclear-headed missiles among those weapons. Therefore they are very dangerous.

QUESTION: Mr. President, I know you are short of time. But I have two questions left. The first question is: Is the pipeline passing through Chechenstan safe?

ANSWER: Now it is safe. Because last month in Baku we, the representatives from of Russia, Azerbaijani and Chechenstan signed an agreement on this oil pipe-line. The President of Chechenstan Aslan Mashadov arrived in Baku, appealed to me. Their request was to sign a trilateral agreement to pass the oil pipeline through Chechenstan. I agreed to it. The Russian President Boris Yeltsin agreed to it too. In the consequence, a trilateral agreement was signed in Baku on July 10. I think that there is not any obstacle in this matter.

QUESTION: Mr. President, Baku was one of the centers for science and technology in the former Soviet Union. You had great merits in the development of both Azerbaijani and Soviet science when you were in power in Azerbaijan and later in the Soviet Union. Do you think that Azerbaijan, Baku will again become the center of scientific research? How will the scientific researches proceed in Baku?

ANSWER: Baku is again turning into the scientific center. Now we have got more opportunities for it. Because we are an independent state. In the past we could only proceed within the framework of the Soviet Union. But now you can see what close relations have been established between the scientific research centers of the U.S. and Azerbaijan. International scientific symposia are held in Baku, representatives from all the countries of the world go there. It has been for the fourth year that an international exhibition 'Caspian Oil and Gas' was held in Baku. 250 companies from 60 countries of the world were taking part in this exhibition this year.

JOURNALIST: Mr. President, thank you for the interview. Excuse me for taking much of your time.

HEYDAR ALIYEV: I kindly request you to give broader information about Azerbaijan in your journal. I am giving you the map about the oil pipe-lines. I am also giving you these books about Azerbaijan as a present. There is more information about oil in the books too. Thank you.

JOURNALIST: Mr. President, thank you very much.

#### MEETING OF HEYDAR ALIYEV, PRESIDENT OF THE AZERBAIJAN WITH THE PRESIDENT OF FRONTERA RESOURCES<sup>33</sup> COMPANY

President of the Republic of Azerbaijan Heydar Aliyev met William White, president of Frontera Resources company, in Houston on August 2.



President Aliyev greeted Mr. White, representatives of his company and other guests and expressed his satisfaction with the development of the relationship between the U.S. companies and Azerbaijan.

Mr. White thanked President Aliyev for giving him the chance to meet him and said that he was honored by the reception. He said: "Mr. President, you are building a mighty and independent state, and in order to achieve this goal, you are making wise use of the opportunities of world policies. I think the meetings you held during the visit to the U.S., and your successful negotiations here are one of important stages of your long-term program. I am sure that due to your wise, well-thought policy, Azerbaijan soon will become one of the most advanced and developed countries, and your people will live a happy life."

President Aliyev praised his official visit to the U.S. as a historical event and said: "My meetings with President Bill Clinton in the White House, and various negotiations and signed documents pave a new era in Azerbaijan-U.S. cooperation. I am very pleased and satisfied with these meetings."

President Aliyev also expressed his satisfaction with his arrival in Texas and noted that Houston and Baku were twin cities.

Mr. White thanked President Aliyev for the favorable conditions which have been created for the activities of his company in Azerbaijan. He said he remembered his meeting with President Aliyev in Baku two years ago and stressed the concerns of the president during that meeting when he expressed his desire to achieve development in oil engineering and other areas of industry. He said: "Mr. President, on your recommendation we invited Baker Hughes, one of the biggest world companies involved in

production of oil equipment, as our partner to act jointly. Today Mr. Luckins, President of Baker Hughes is here to meet you. They have consented to take part in the exploitation of two on shore oil deposits."

President Aliyev said he was pleased with the fact that Baker Hughes displayed interest in Azerbaijan, adding that we attach a special importance to expand the scope of our relationship.

Mr. White emphasized the importance of the exchange of information between our countries and said: "Mr. President, during your meeting with Mr. Clinton in the White House, you felt how attentively he listened to the information on the development of events in the region. He said he benefited from your analysis of events."

Then Mr. White spoke with great satisfaction of the stability established in the country due to measures taken under the leadership of President Aliyev. He said that they will do their best to help the solution of problems facing our republic, particularly in peaceful solution of the Armenian-Azerbaijan conflict, to repeal Section 907 of the "Freedom Support Act" adopted by the U.S. Congress.

During the talks a wide exchange of views was held on intensifying the relationship between Azerbaijan and Frontera Resources company.

#### MEETING HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC OF AZERBAIJAN, WITH PRESIDENT OF THE CHEVRON COMPANY

On August 2 in Houston, President Aliyev met Richard Matzke, president of Chevron company. Mr. Richard Matzke said that he was honored by the meeting of the head of our republic and congratulated President Aliyev on his successful official visit to the U.S. He added that he was pleased to take part in some of the meetings that President Aliyev held in the White House. He followed with great interest the official visit of our president to the U.S. and read numerous articles in newspapers devoted to this visit.

President Aliyev thanked him for his kind words and congratulated him on signing the contract between Chevron and the Azerbaijan State Oil Company.

Mr. Matzke said it was the first time he witnessed the signing of such a contract in the White House, and he thanked President Heydar Aliyev for all this. He presented President Aliyev with the photo of him and President Clinton taken during their meeting at the White House.

Mr. Matzke praised Aliyev as one of the greatest statesman of the world and said that, due to his merits, the contracts between the State Oil Company of Azerbaijan and the U.S. companies were signed. This event will remain as a historical event.

The ceremony of signature of contracts was participated by Mr. Albert Gore, Vice-President, Mrs. Madeleine Albright, State Secretary, Mr. Federico Pena, Minister of Energy, Mr. Daly, Minister of Trade and other high officials. President Aliyev said that he had discussed transporting oil produced in the "Tengiz" deposit of Khazakhstan by the Chevron company. It would be taken by tankers to Baku though the Caspian Sea to the world market. He added: "I said to Mr. Clinton that in June of this year during my visit to Khazakhstan, I signed a contract with Mr. Nazarbayev, President of Khazakhstan, on the construction of an oil pipeline through the bed of the Caspian Sea. It would transport oil produced in the "Tengiz" deposit from Khazakhstan to Azerbaijan."

He said that he had informed Mr. Clinton that Chevron had been transporting 300,000 tons oil produced from Baku to Batumi by railway. This information had inter-



ested Mr. Clinton greatly. The head of our republic told the president of Chevron that it is necessary to speed the construction of the pipeline through the bed of the Caspian Sea.

The representatives of Chevron informed President Aliyev about activities aimed at the construction of this pipeline. In turn, President Aliyev gave necessary instructions to Natig Aliyev, president of the State Oil Company of Azerbaijan, in connection with the construction of the pipeline. Mr. Matzke assured the head of our state that attention will be increased and all necessary measures will be taken for the completion of the construction as soon as possible.

Mr. Matzke said that, due to the reforms carried out under the leadership of President Aliyev, Azerbaijan has occupied a special place in the world community. He expressed his assurance that due to the intensive activities and efforts of President Heydar Aliyev, a popular world statesman who has won the reputation as a reformer, the Republic of Azerbaijan will soon become one of the most developed countries in the world.

Mr. Matzke spoke of close and necessary participation of U.S. companies in the solution of problems facing Azerbaijan, of efforts undertaken by Chevron to repeal Section 907 adopted by the U.S. Congress. He added that they will multiply their efforts for the removal of this Section. He praised the project proposed by

Congressman Peter King for the removal of Section 907 and said his company will assist in implementing this project.

President Aliyev thanked the president of Chevron and reminded him that the active participation of U.S. companies at this new stage of relationships between our countries, he has laid the foundation.

President Aliyev noted the great opportunities for a close cooperation with our country, which has chosen the road of market relations. We attach great importance to the further development of our relationship with all the business circles of foreign countries. We are sure that the investments into the Azerbaijan economy will be mutually beneficial.

During the talks, a wide range of discussions were held on the implementation of provisions of the newly signed contract with Chevron and on issues concerning the existing cooperation opportunities in other areas.

#### MEETING OF PRESIDENT ALIYEV WITH PRESIDENTS OF JOHN WING AND CHARLIE WILSON COMPANY

President of the Republic of Azerbaijan Heydar Aliyev met the presidents of the U.S. John Wing and Charlie Wilson company in Houston on August 2.

The presidents John Wing and Charlie Wilson greeted President Aliyev and congratulated him his successful official visit to the U.S. They thanked President Aliyev for the reception and said that they were satisfied with the partnership of the U.S. and Azerbaijan.

Mr. Wilson stressed the fact that President Clinton confirmed the U.S.-Azerbaijan partnership during his meeting with President Aliyev in the White House and said: "Mr. President, I am very glad that the republic under your wise leadership resisted the pressures with great dignity two or three years ago. The measures you have undertaken and seeds you have sown have given sprouts today, due to efforts of Ambassador Hafiz Pashayev and my small assistance."

President Aliyev thanked Mr. Wilson for his kind words and said: "I am very glad that the number of our friends in the U.S. is growing day by day, month by month, year by year. Both the government and the public know Azerbaijan better and understand the reality of our country now. You have your special place among our friends here. I appreciate your merits very highly. You are a very just and brave man. You made a daring step in the Congress and supported Azerbaijan. We shall never forget it. We regard you the closest friend of Azerbaijan. Our friendship will be for ever."

President Aliyev expressed his satisfaction with his meetings and said: "In all these meetings, I have tried to present Azerbaijan as a fair and peaceful country, and the U.S. public believe that it is true. Azerbaijan wants to cooperate with the U.S. closely. I am very happy that our desire and the wishes of the U.S. fully coincided. President Clinton and I signed a document of historical importance between Azerbaijan and the U.S. in the White House yesterday. We signed other documents as well, but the joint statement on the partnership of our countries signed by us is of special significance. President Clinton made a very impressive and valuable speech at the signing ceremony. This document also envisages the issue for which you were fighting, i.e., the removal of Section 907, and the obligations of President Clinton on the same problem."

Emphasizing the similarities of the U.S. and Azerbaijan people, Mr. Wilson said that the representatives of a number of the U.S. newspapers, social and political move-





ments and other circles have only now understood that Azerbaijan is strategically an important country in the region.

President Aliyev shared Mr. Wilson's opinion and appreciated the performed works. He spoke of the importance of developing them in the future. The head of our republic said there is a great need to convey the just cause of Azerbaijan to the world public and to achieve their support.

In his last meeting with the presidents of John Wing and Charlie Wilson exchanged views on deepening of cooperation with the company. They informed the president of the Republic of Azerbaijan about their new proposals. President Aliyev met these proposals, which were connected with the reconstruction of the area of energetics with great satisfaction. He said realizing these proposals will play an important role in the development of the economy of Azerbaijan.

President Aliyev once more stressed the fact that Azerbaijan has chosen the road of open market relations. Its doors are open for the businessmen of foreign countries, and establishing relationships with John Wing and Charlie Wilson in many areas will be beneficial for both parties.

The head of our state mentioned the Armenian-Azerbaijan conflict, which is very aggravating for our country. He spoke of the present state of negotiations within the framework of the Minsk Group of OSCE for the peaceful solution of the conflict. He stressed the necessity of an active participation of the U.S. companies, which cooperate with Azerbaijan, to support the just cause of our republic.

Mr. Wilson said his company will completely support Azerbaijan in all areas and help repeal Section 907 as soon as possible. The presidents of the company said they intend to pay a visit to Azerbaijan in the near future.

President Aliyev said that Azerbaijan is always ready to receive businessmen who desire to build close relationships and cooperation in Azerbaijan. He expressed his satisfaction with meeting the presidents of John Wing and Charlie Wilson and presented them with books on Azerbaijan.

#### MEETING OF HEYDAR ALIYEV, PRESIDENT OF AZERBAIJAN WITH THE PRESIDENT OF PENNZOIL<sup>47</sup> COMPANY

On August 2, in Houston, in his residence Heydar Aliyev met James Pate, president of the Pennzoil company.

Mr. Pate said that he was honored by the meeting with President Aliyev once more and congratulated him on the occasion of his first official visit to the U.S.

He said that they were waiting impatiently for the official visit of our president and spoke with satisfaction of very successful meetings and negotiations President Aliyev had with President Clinton.

President Aliyev with President Bill Clinton had signed a number of very important and valuable documents in the political, economic areas, and in the area of security between our states, including a joint statement on partnership relationships between Azerbaijan and the U.S. He said: "We signed many documents in the White House. But the most important document we have ever signed with President Clinton is the joint statement on the development of the U.S.-Azerbaijan relationship. I took several presidents of the U.S. oil companies to the White House, and we signed new oil contracts there. They were in the White House for the first time."

Mr. Pate, president of Pennzoil, stressed that he heartily supported the measures undertaken by the administration of Azerbaijan. He said: "Mr. President, I remember well that during one of my visits to Baku, you said many people from foreign countries come to you and promise lots of things to do for Azerbaijan. But you know more than all who does what and in what way. We work in very close cooperation with Hafiz Pashayev, Ambassador of your country here. The first U.S. company to come to Azerbaijan and invest in gas industry was Pennzoil company. We are part of the composition of AIOC created within the frames of the "Contract of the Century". Besides, Pennzoil has signed a contract on joint developments in the "Garabag" deposit, and this week we are beginning to drill the first well in that gas deposit."

Mr. Pate informed President Aliyev about negotiations carried out between Pennzoil and the State Oil Company of Azerbaijan on joint oil developments in other deposits. He asked the President's permission to continue their efforts.

President Aliyev said: "Pennzoil is one of the first foreign oil companies that came to Azerbaijan. I praise Pennzoil for constructing gas compressor stations and increasing gas production in Azerbaijan. Pennzoil has its share in "the Contract of the Century." Your company is playing the leading role in realizing the contract on joint oil developments in the "Garabag" deposit. I know that your company does much to propagate the interests of Azerbaijan in the U.S. I am aware of that. We must continue our cooperation. For this purpose, it is necessary to speed up the developments in the "Garabag" deposit because we signed the contract on that deposit in 1995."



Mr. Pate made several suggestions to intensify the relationship between Pennzoil and Azerbaijan. President Aliyev met them with great satisfaction. He gave the necessary instructions to high officials of SOCAR in connection with them. Mr. Pate said that Pennzoil will continue its efforts to defend the just cause of Azerbaijan. He also added they had done much toward the elimination of Section 907 and will continue their efforts in this direction in the future, too.

Mr. Pate then conveyed the greetings of General Scowcroft, member of the Board of Directors of Pennzoil Company, and said: "Mr. President, General Scowcroft is amazed with your work. He is following your achievements with delight."

President Aliyev said that he knows General Scowcroft, that he had met him a day before. Speaking of the hospitality shown to him during his official visit to the U.S. with great satisfaction, he said: "I feel your hospitality everywhere. I appreciate the attention, care and hospitality shown to me by President Clinton, in particular."

President Aliyev thanked the officials of Pennzoil for their efforts aimed at repealing Section 907 adopted by the U.S. Congress. He spoke of his meeting with General Scowcroft and other politicians while in Washington.

President Aliyev spoke of his broad exchange of views with President Clinton on steps undertaken to repeal Section 907 adopted by the U.S. Congress. He said: "Mr. Clinton declared this during my meeting in the White House and it has also found its expression in the document signed by us that President Clinton will make an effort to repeal Section 907. I had more than 40 meetings there. I met congressmen, senators,

the Chairman of the Committee of International Relations Mr. Gilman, and the Speaker of the House of Representatives Mr. Gingrich. You know that congressman Mr. King has submitted a bill for repealing Section 907. They promised me in Congress that they will try to solve this problem in September. I think we shall manage to solve all this with joint efforts."

Mr. Pate assured President Aliyev that they will do their best for the solution of this problem. He also mentioned that Ambassador Hafiz Pashayev represents Azerbaijan in America very well and noted his efforts in defending the realities of Azerbaijan. He expressed conviction that Section 907 will be repealed in the autumn of this year. He said that General Scowcroft, and Senator Baker and Mr. Brown want to visit Azerbaijan again to see the changes and progress which have taken place in the recent years.

President Aliyev asked Mr. Pate to convey his greetings to Mr. Scowcroft, Senator Baker and Mr. Brown, and invited them to visit Azerbaijan.

Mr. Pate said that former U.S. president George Bush wishes to meet President Aliyev and he added he was very sorry his schedule was very tight so he had no time to meet Mr. Bush.

President Aliyev said that he had received Mr. Bush's letter and he was very eager to meet him, but unfortunately Mr. Bush lived far away, so he could not arrange a meeting with him. He said: "It was very necessary for me to come to Houston. I thought that Mr. Bush will be there and we shall meet. But we could not meet each other. Please, convey my best regards to him and tell him that I invite him to Azerbaijan. If he is able to come, we shall meet there. If he is unable, then in my next visit to the U.S. we shall meet by all means."

Mr. Pate repeated Mr. Bush's desire to meet President Aliyev and suggested that Mr. Bush and General Scowcroft visit Baku in Pennzoil's plane.

President Aliyev accepted the proposal with great satisfaction. Mr. Pate also spoke of competition of Pennzoil with other U.S. companies in detail. Then he said: "Mr. President, we are proud of your leadership. We applaud the resistance you exert on the outside forces opposed to your country. We admire you for all this."

#### MEETING OF HEYDAR ALIYEV, PRESIDENT OF AZERBAIJAN, WITH THE PRESIDENT OF THE UNOCAL COMPANY

Azerbaijani President Aliyev met John Imle, president of Unocal in Houston on August 2. Mr. Imle greeted President Aliyev very sincerely and appreciated his visit to the U.S. as a historical event. He congratulated him on the successes achieved during this visit. He introduced John Mareska, once an Ambassador, now an employee of Unocal, to President Aliyev.

President Aliyev noted that Mr. John Mareska was an experienced and valuable man who knew the Caucasian region well. He said: "Mr. Mareska was once dealing with the political affairs of our region, but as he is involved in economy, he can help our republic a lot. The problems that he was once dealing with have not yet settled, but we are making steps towards their solution."

The head of our state said there are favorable conditions for repealing Section 907 adopted by the U.S. Congress. He had met more than 40 members of the Congress on the Capitol. He had discussions on this issue with the speaker of the House of Representatives Mr. Gingrich and the chairman of the International Relations



Committee Mr. Gilman. He said: "Mr. Gringrich and Mr. Gilman told me they will take very serious steps to repeal Section 907."

President Aliyev praised the bill submitted by Congressman King for the removal of Section 907.

President Aliyev stressed the fact that he had discussed this problem with President Clinton during their meeting in the White House and that President Clinton had not once expressed his opinion on the necessity of removal of Section 907 in the past. But at the meeting in the White House, he disclosed full determination in connection with this problem. The joint statement on the U.S.-Azerbaijan relations signed by President Clinton and me also says he will take decisive steps to repeal Section 907.

The Azerbaijani president expressed his satisfaction with the efforts undertaken by Unocal and hoped it would continue its efforts in this direction and multiply them.

President Aliyev said that Section 907 not only harms our republic, but also has obstacles in the development of U.S.-Azerbaijan economic relations. He then added: "I suppose that Unocal will cooperate with the U.S. in the future to spread true and full information on Azerbaijan in the U.S.,"

The Azerbaijani president mentioned that the peaceful solution of the Armenian-Azerbaijan conflict has reached a positive stage. It is necessary that Unocal support our country in the solution of this issue as well.

Mr. Imle said that the company headed by him supports and will further support all what is progressing in Azerbaijan. He emphasized that Unocal has always displayed interest towards Azerbaijan and congratulated President Aliyev on the occasion of signature of oil contracts between the U.S. companies and the State Oil Company of Azerbaijan in the White House. He expressed his confidence that such a document will soon be signed between Unocal and the Republic of Azerbaijan in the nearest future.

President Aliyev said: "For instance, the contract between Kazakhstan and Chevron company of the U.S. on joint oil developments in the deposit of "Tengiz" was signed at the Blair House in Washington." Only one U.S. ambassador took part in the ceremony. But our contracts were signed in the White House when we had negotiations with President Clinton. Vice-President Albert Gore made a speech at the signature ceremony, Ms. Albright, the State Secretary, Ministers Mr. Pena and Mr. Daly and other high officials of the U.S. government took part in the ceremony. They say that it is the first ceremony of this kind in the history of the White House. We added a new page to the history of the White House."

Then President Aliyev noted that Azerbaijan is ready to sign such a contract with Unocal in the future. It is important to take necessary measures in connection with this contract.

Mr. Imle said that Unocal displays interest in the development of two deposits in the Azerbaijani sector of the Caspian Sea and disclosed his proposals to the head of our state. President Aliyev said he felt very positive toward Unocal and stressed its role in the establishment of the Azerbaijan-U.S. cooperation. He also spoke of his thoughts concerning Unocal during his talks with President Bill Clinton.

Mr. Imle thanked President Aliyev and proposed to build houses for the Azerbaijani refugees in districts of their temporary settlement. He also said that Unocal will do its best to help the peaceful solution of the Armenian-Azerbaijan conflict. He said that Azerbaijan was like home for them and thanked the head of our republic for the conditions created for the representatives of his company.

During the talks, they also exchanged a wide opinion and views on the route of oil pipelines for the transportation of the Azerbaijan oil to the world market.

#### MEETING OF HEYDAR ALIYEV, PRESIDENT OF AZERBAIJAN, WITH THE PRESIDENT OF CONOCO<sup>34</sup> COMPANY

On August 2, President of the Republic of Azerbaijan Heydar Aliyev met Mr. Dunham, president of Conoco in Houston.

Mr. Dunham greeted President Aliyev heartily and said that was honored to meet Mr. Aliyev, an outstanding politician, and congratulated him on the occasion of his historical visit to the U.S.

Mr. Dunham said that Conoco attaches special importance to the expansion of cooperation with Azerbaijan and it possesses good experience in producing gas and oil from the deepest layers of the sea. He added that as a result of the foresighted policy of President Aliyev, the relations of Azerbaijan with the world community have grown. Many influential and big foreign companies have begun to display interest in the republic.

Mr. Dunham expressed his satisfaction with the rapid development of the Azerbaijan-U.S. relations and spoke with great pleasure of the new stage of relations between our partner countries.



Mr. Dunham stressed the fact U.S. companies which closely cooperate with Azerbaijan are obliged to assist in the solution of problems which Azerbaijan is facing, especially the peaceful solution of the Armenian-Azerbaijan conflict and the repeal of Section 907 to the "Freedom Support Act" adopted by the U.S. Congress in 1992. He promised President Aliyev to revive steps in this direction with other U.S. companies in Azerbaijan.

President Aliyev thanked Mr. Dunham for his kind words and intentions, and expressed his great satisfaction with the successful visit to the U.S., the most influential country in the world. He said that he regards his negotiations in the White House with President Clinton and the signature of historical documents which play a special role in the Azerbaijan-U.S. relationship as the peak of the official visit. He expressed his confidence that this relationship will build rapidly in the new stage. It is built on solid a foundation of cooperation between our countries.

President Aliyev said that Azerbaijan has chosen the road of market principles, is building a legal, democratic state and carrying out reforms and privatization successfully. He also mentioned that many big companies of influential foreign countries are displaying interest in Azerbaijan. They are eager to invest capital to our economy. He expressed his satisfaction with the present state of relationships between Azerbaijan and the U.S. companies.

The Azerbaijani President met the proposals of the president of Conoco with great interest and said that there are great opportunities in our republic for cooperation with Conoco in many areas. During the talks, they exchanged views on a number of issues necessary for the revival of relationships and considered the perspectives of mutually beneficial cooperation.

**OFFICIAL RECEPTION IN HONOR OF HEYDAR ALIYEV,  
PRESIDENT OF AZERBAIJAN, GIVEN BY UNITED  
STATES-AZERBAIJAN CHAMBER OF COMMERCE  
AND THE GREATER HOUSTON PARTNERSHIP SOCIETY**

On August 2, an official reception was organized by the United States-Azerbaijan Chamber of Commerce and the Greater Houston Partnership Society in Houston in honor of Heydar Aliyev, President of the Republic of Azerbaijan. The outstanding statesmen, dignitaries of the United States, the mayor of Houston, political scientists, leaders of major energy companies, and representatives of business circles took part in the reception. Philip Carrol, former Chairman of Greater Houston Partnership and President of Shell<sup>35</sup>, opened the reception.

**Statement of Bill Carrol, President of Shell Company**

Distinguished Mr. President  
Distinguished Mr. Mayor  
Distinguished guests  
Ladies and gentlemen

I would like first to thank all of you for joining us here this evening for an event sponsored by the United States Azerbaijan Chamber of Commerce in the Greater Houston Partnership. I have the privilege of being past chairman and a member of the board of directors of the Greater Houston partnership.

We are most honored and pleased to have his Excellency Heydar Aliyev, President of the Republic of Azerbaijan, our distinguished guests. On behalf of Houston business community I would like to welcome His Excellency Heydar Aliyev to Houston.

Our community is handling international cargoes. We also take great pride in having the largest medical center in the United States, the Texas Medical Center. We are proud of this Center. Its forty medical institutions employ over 50,000 workers, and of course we're proud to be the home of NASA and the control center of the United States space efforts. So, we are indeed delighted that you and your distinguished delegation are here to learn these and we hope many other facts about our city.

President Aliev is accompanied by several senior members of the government: the Foreign Minister; the Honorable Hafiz Pashayev, Ambassador to the United States Fikret Yusifov, the Minister of Finance.

If you would permit me, I would like to recognize several local distinguished guests who are here. I am honored to introduce to you Mr. Lanier, Mayor of Houston, and his wife Mrs. Lanier, the first lady of Houston. Our two political leaders, Mr. Antonio Garzo, the Secretary of State of Texas, and Congressman Brady, are also with us today.

I would also like to recognize Mr. Klaus Horish, the Consular General of Germany, as well as members of the Board of Directors of Greater Houston Partnership.

I would like to thank all leaders of American companies who are here today. The majority of these companies have invested in Azerbaijan. They are very valuable citizens of both United States and Azerbaijan.

On behalf of the Azerbaijani delegation foreign minister asked the permission to take the floor. He said:

Mr. President!



Ladies and Gentlemen!

My statement was not planned according to protocol. But good news that we received from Azerbaijan made me to come to the podium and address you.

Several minutes ago we were conveyed a good news that Ilham Aliyev, the son of honorable President Aliyev had a newly born son. Participants of the meeting welcomed this news with stormy applause, with "hurra"s. Everybody stood up and congratulated distinguished statesman Heydar Aliyev on this happy event!

This is not only good and historical news for family of Ilham Aliyev and his farther Heydar Aliyev. This is a good and historic news for people of Azerbaijan. Because 30 years of XX century in the history of Azerbaijani people and Azerbaijani state associated with the name of Heydar Aliyev. The name of Ilham Aliyev, courageous son of Mr. Heydar Aliyev, is as dear for the people of Azerbaijan as his farther's name. That is why Ilham's child is as dear to the people of Azerbaijan as it is for Haydar Aliyev and for Ilham. It is a great event bringing a lot of hope.

It is not for the first time that Heydar Aliyev hears the birth of his grandchild when he is far from Azerbaijan. Then Heydar Aliyev was not very far from Azerbaijan. But this time our dear President heard the news on the other side of the ocean, on the other side of the world. I believe that the fact that news about the birth of the child was heard in America talks in advance about the great destiny for the child.

We are confident that like Ilham Aliyev his son will also raise the name of his grandfather, our dear President, to very high levels.

Mr. Aliyev's newly born grandson is a child of XXI century. Because he was born at the end of XX century but almost whole of his life would be spent in XXI century. As we have proud with the name of Heydar Aliyev in XX century, his grandson will also be proud of his farther's and grandfather's name in the XXI century. I am confident that he will prosper with his hard work and raise his own name and the name of his parents to a new higher level.



No doubt that I could have talked much longer because I have been working under Mr. Aliyev's leadership for the last 30 years. I have a lot to say about Heydar Aliyev. But given this particular dinner, I will limit myself by offering a toast to President Heydar Aliyev. We wish health and great success. We wish that President always led the people of Azerbaijan to prosperity and happiness.

Let us raise these glasses to Ilham Aliyev's honor. We wish to see him always as modest, as courageous, and deserving to the name of his father as he has been until now.

Let us raise our glasses to honor the new representative of Heydar Aliyev's generation. Let us wish him long life and health. We wish that the future of the people of Azerbaijan be built on strong foundation as it is now.

Mr. Heydar Aliyev, once again I turn my face to you and wish you health and success. I am happy today because I had this honor to address you on this occasion here in the land of America. These are not only my words. I believe that all participants of this meeting share my views. I would say that crown of your great victory here was your new grandson, I wish you health and success.

Thank you.

**Statement of Antonio Garzo,  
Texas Secretary of State**

Your Honor, on behalf of Governor Bush, I am delighted to deliver the state's welcome. I'd like to read his greetings this evening.

"His Excellency Aliyev, welcome to Houston. We are pleased you are visiting Texas during your stay in the United States. This dinner hosted by Greater Houston Partnership and the U.S.-Azerbaijan Chamber of Commerce provides the great opportunity for people to meet and exchange ideas. Azerbaijan and Houston have long-standing ties of cooperation and friendship. I am sure your visit will build on that tradition to enhance a mutually beneficial relationship that contributes to economic growth and future cultural exchange between Texas and Azerbaijan. Texas is known for its friendly and outgoing people, and I guarantee they will make you feel at home during your stay. They all join me in sending best wishes for an enjoyable visit. Sincerely, George W. Bush."

Now on his behalf I would like to make two very special presentations to you. One is to accord honorary Texas status to you. I believe during your stay in Texas you might have heard every sentence start with the biggest, the best, the boldest. Perhaps it stems from our Texas character. It is consistent with the fact that we were once a republic, a nation ourselves. We accord this very special honor on a most privileged and special guests. So this evening I would like to make President Aliyev an honorary Texan.

(Mr. Garzo, accompanied with warm applause, presented a document to His Excellency President Aliyev according him status of an honorary citizen of Texas.)

Anyone who has spent any time with the Governor at all knows that he has an impulsive side. When I said I'd be here this evening, he said make sure you invite him back to the rodeo, and if he does come back, make sure he is wearing this. This is a belt buckle, a Texas-size belt buckle. We do hope you will enjoy it. Mr. President, welcome.



**Statement of Robert Lanier, Mayor of Houston**

It is an honor to be here tonight honoring President Aliyev of Azerbaijan. I was thinking about your grandson, Mr. President, and I do not want to interfere your family issues but don't know if you selected a name yet. I thought Sam Houston Aliyev would sound great.

Baku and Houston have been sister cities for some 20 years. Of course, you know that President Aliyev was a leader of Azerbaijan under the Soviet Union. Baku, I guess, is our older sister. It is about two thousand years old. Houston is about hundred and fifty.

Today I am honored to be able to welcome President Aliyev in Houston. I have heard from many that he is a great leader and a man of exceptional judgment. He has had a long and storied career, a very meaningful life. He is the first Azerbaijanian who rose to the highest ranks in the Soviet Union. He was the top official in Azerbaijan during the Soviet regime, a high ranking official of the Soviet Union, member of the Politburo. After Azerbaijan achieved independence, Heydar Aliyev again returned to his motherland.

Today President Aliyev is wisely leading his country to economic prosperity. Azerbaijan has vast economic potential. At the same time it has faced with challenges that would test the best of any leader in the world.

In World War II, Azerbaijan furnished the oil that was the energy for the Russian war machine. The thrust at Stalingrad was World War II's great battle but the prize was the oil at Azerbaijan. And in spite of the greatest loss of life in World War II, the back of the German war machine was broken and the course of history determined. Twenty seven million people in the Soviet Union died.

Today Azerbaijan reemerges from its ancient history as an independent nation to take a very important and rightful place in the political and economic life of the world. Azerbaijan is a country with great significance to the world community. United States looks at Azerbaijan as an economical and political ally.

I would like to make a toast to President Aliyev, the great people of Azerbaijan, to Sam Houston Alyiev. I wish that you, your son, grandson and people of your country live in peace and prosperity. We look forward to working with you as partners in reaching our goals

I would like to present this picture of Houston to President Aliyev.

Thank you very much. (Mr. Lanier presented the picture to President Aliyev.)

Phillip Carrol: Thank you Mr. Mayor. Mr. Lanyer, Mayor of Houston, has named Heydar Aliyev's grandson as Sam Houston Aliyev. We decided to bring a birthday cake to our dinner table.

(A birthday cake on the occasion of birth of Aliyev's grandson was brought to the table under the stormy applause)

Ladies and Gentlemen, now it is time to listen to President Aliyev's remarks.

Azerbaijan used to be part of the former Soviet Union. Today Azerbaijan builds democratic secular state with the rule of law. It has chosen the path of market economy. Azerbaijan gains influence in the region and becomes one of the influential countries in the Middle East.

The first democratic state of Azerbaijan was established after the World War I in 1918. Within the short period of time it turned into a democratic secular state. It had its own parliament, army and currency.

1991 the people of Azerbaijan refused from communism and declared its independence again.

We extremely pleased that there are historic relations between Azerbaijan and Houston. These relations strengthen on daily basis. Our common interests in energy sector continuous to develop. As a result of large scaled reforms Azerbaijan lives through its most important period in this century.

Ladies and Gentlemen, we are very glad to welcome Heydar Aliyev, President of the independent Republic of Azerbaijan, on his official visit to the United States of America.

Development of relations between the United States and Azerbaijan in many spheres including political, economic, commerce and transport areas were discussed during this visit.

Then Mr. Caroll informed the participants of the meeting about the biography of the President. He said that outstanding statesman Heydar Aliyev was a leader of Azerbaijan in 1970-80s. During his tenure the country made a big progress. Despite internal weakness of communist system the gross domestic product increased twice, national income 150 percent. During those years Azerbaijan turned into the center for oil and gas machinery manufacture in the former Soviet Union.

Then Aliyev was elected a member of the Politburo and hold a high positions at the Government of the Soviet Union. As a first Deputy Chairman of the Cabinet of



Ministers of the USSR he was responsible for economic development, education, health and transport fields in a large country.

Ladies and gentlemen, on January 20, 1990 the Soviet troops and security forces illegally attacked Baku and killed innocent people, peaceful demonstrators who struggled for independence. Heydar Aliyev made a very strong statement in Moscow then and condemned criminal activities of Soviet Government. He demanded that high officials of the Soviet Government visit Baku and participate in funeral ceremonies. Mr. Aliyev continued to criticize Soviet Government and left the membership of the Communist Party of the Soviet Union in 1990.

After some time Heydar Aliyev returned to Azerbaijan and went to native Nakhichevan. Not much time passed when after the political crisis in Azerbaijan he was elected the Chairman of the Supreme Soviet of the Republic of Azerbaijan on June 15, 1993. After nine days he became the acting President when the President of Azerbaijan fled Baku not withstanding crisis in the country.

On October 3, 1993 Heydar Aliyev was elected the President of the Republic of Azerbaijan in the first democratic and open elections in Azerbaijan.

Ladies and Gentlemen!

With great pleasure I would like to introduce Heydar Aliyev, President of the Republic of Azerbaijan.

**Statement of Heydar Aliyev  
President of the Republic of Azerbaijan**

Esteemed Mr. Mayor  
Distinguished Mr. Secretary of State  
Distinguished Mr. Congressman  
Esteemed Ladies and Gentlemen, dear friends

I cordially greet all of you, the Texans, the state of Texas, its capital Houston and I express my respect and highest consideration to all of you.

When I was preparing for the official visit to the United States, I knew that the trip would take a long time because the flight from Azerbaijan to here is long enough, plus there were many matters to attend to in the States. Despite all this, I considered it my duty to visit Texas and Houston. I made a special arrangement to include this leg into my schedule.

I am extremely happy that I had a wonderful chance to come to Houston, Texas and be able to greet you today. Texas has a special and eminent place in the history of the United States. Texans have always been a proud and freedom-loving people who have fought for their liberty. They are famous for their courage, bravery and heroism. Texans have left indelible marks in the history of the U.S. and the whole American continent. That's why the word "Texas" is associated with bravery and courage across the world. I have always sympathized with the books and information about Texas that I have read, and I have a great respect for Texas and the city of Houston.

Twenty years ago when I was the leader of Azerbaijan, we established friendly relations between the Azeri capital Baku and Houston and declared these two cities sister-cities. We proposed this idea. At that time Azerbaijan was not an independent state; it was still a republic of the Soviet Union. The US-Soviet relations were not in great shape. The Cold War was still raging on. It is true that at that period the concept of "razryadka" was suggested, which was aimed at diffusing the tensions between the West and East, the U.S. and U.S.S.R. The "razryadka" is a Russian word. Its English equivalent is detente. The word detente was quite popular at the time.

That was the beginning of "razryadka" 20 years ago. It was to take a long time before real "razryadka" would take place. At that precise time, we in Azerbaijan displayed increased interest toward the United States. We wanted to set up a link between our two countries. However, a formidable wall was separating us from each other. We wanted to make holes in this wall, even demolish it if we could. We exerted our efforts in this direction. Later we did dismantle the wall. But at the time we were searching for ways to overcome this obstacle created by the U.S. and U.S.S.R. We proposed to make Baku and Houston sister-cities since both cities were the oil centers. Houston responded to this offer. We succeeded in creating these relationships twenty years ago.

When we were establishing them, I as the Azeri leader was contemplating whether the time would come when we would be free and be able to establish full relations between our two countries. The time would come when we would be free to travel anywhere in the world, including the United States, and people around the world would visit Azerbaijan as well. That time has come. We dreamed of this day.

Three days ago, an official reception in my honor was organized in the building of the National Museum in Washington. During the reception, a lady approached me and showed me a photograph. I noticed my photo together with the picture of Mr. Tune, who was the U.S. Ambassador in Moscow at the time. The lady informed me that the



gentleman standing next to Mr. Tune was her husband. She requested that I sign the picture for her. I did it with pleasure. I felt quite happy about that meeting.

Today one of our friends told me that the American lady who got my autograph was exuberant, as she felt very nervous while she tried to get my signature. I told him that I was even more excited that she was. I was excited because I recalled the meeting with the U.S. Ambassador in Baku in 1978 twenty years ago. The picture was taken during that meeting. Another aspect that made me happy was the degree of emotional strength that this lady possessed in order to preserve the picture for twenty years. It tells me that this photo may be important to her, perhaps even dear.

I recalled this meeting for I met with the U.S. representatives who occasionally visited Azerbaijan at that time. The U.S. had no embassy in Azerbaijan in that period. Both the Ambassador and other representatives were in Moscow. They used to come to Azerbaijan from time to time. It was my pleasure to meet with them.

It was exactly at that time that we made a decision to make Baku and Houston sister-cities. I am overly satisfied to see that a step we took twenty years ago now has led to not only the friendship between Baku and Houston, but also Azerbaijan and America. We now have close friendship between Azerbaijan and Texas in general and Houston in particular. All these are positive developments.



Tonight, at this dinner, I express my gratitude to you for this great attention and fantastic reception. I am thankful that the Governor of Texas, esteemed Mr. Bush, awarded me with the title of an honorable citizen of the State of Texas and the Secretary of State made this announcement tonight and handed this document to me. I thank you.

Earlier today I visited the house of the mayor of Houston and his beautiful wife. Our meeting was very friendly and cordial. I am so happy to attend this reception dinner with you today.

Esteemed Madam and Mr. Mayor

I sincerely thank you for this attention and circumspection. I thank you for your warm and friendly words tonight about Azerbaijan, its history, and myself, the President of Azerbaijan. It was announced today that the U.S.-Azerbaijan Chamber of Commerce and Houston-Azerbaijan Cooperation Society sponsored this reception. I am thankful to these organizations for this meeting and dinner.

Gathered here today are the leaders of the major American oil companies whom I have met both in Azerbaijan and the United States. We attach special importance to the economic cooperation with the United States. The U.S. oil companies play a paramount role in the establishment of these relations. Today when I met with my American friends, they mentioned they had visited Azerbaijan in 1989-1990 during the Soviet power and were interested in our country. It was the result of this interest that the State Oil Company of Azerbaijan signed a large contract with a several U.S. companies such as Amoco, Pennzoil, Unocal and McDermott in September of 1994 in Baku. Exxon later



joined the contract. BP-Statoil, Delta, Turkish Petroleum, Russian LukOil were among the original signatories to this contract, "The Contract of the Century". The first letter President Clinton addressed to me used the phrase "The Contract of the Century." Thus, we initiated broad economic relations with the United States. These relations have been rapidly growing in recent years. After the initial contract, we signed many more.

Finally, yesterday in the White House, Washington DC, we signed an agreement on U.S.-Azerbaijani cooperation in energy industry. U.S. Secretary of Energy Mr. Pena and the Azeri Foreign Minister signed this significant document. In addition to this agreement, Azerbaijan and U.S.-based Chevron, Exxon and Mobil corporations signed major oil production contracts. Amoco and SOCAR also signed an agreement that would grant exclusive rights to Amoco on a new Azeri oil field and provide for the joint production of that deposit. Thus, yesterday in the White House we signed an inter-governmental agreement and commercial contracts with four U.S. firms in the energy sector, which has a special importance to the US-Azerbaijani relationship.

These are the historic events. I think that such events are rare in the history of the White House, or perhaps have never occurred before. You know such things better than I do. We truly believe that this is a historic landmark. During the signing ceremony, President Clinton gave a speech. High-level officials such as Vice President Al Gore, Secretary of State Madam Albright, Secretary of Energy Mr. Pena, Secretary of Commerce Mr. Daily, National Security Advisor Mr. Sandy Berger and other officials took part in this meeting. I also spoke during the signing ceremony.

We elevated the economic relations between our two countries to a new high level. The recently developed sincere and friendly relationships between the U.S. and Azerbaijani governments and states were the basis for this success. These are especially important to us. We intend to develop and broaden them.

With this purpose in mind, I accepted the official invitation of President Clinton and arrived in New York on June 27th, and today I am in Houston. I have held a number of meetings and negotiations in the United States. All of my meetings were positive, interesting and fruitful. The summit of this visit was yesterday on August 1st. I met with President Clinton at the White House. So did our delegations. These meetings were held in a friendly and cordial environment. We discussed a number of issues. I can state that our positions coincided in almost every issue.

The result of this meeting was the joint statement signed by President Clinton and the Azerbaijani President on the further development of the bilateral relations between our countries. This statement is of a historic importance. This document lays the legal foundation of the relations between the U.S. and Azerbaijan. This agreement demonstrates the support of the United States and its President to the processes in Azerbaijan, its state independence, and sovereignty and territorial integrity. President Clinton and I also signed a document on protecting the investments. I also met with U.S. Defense Secretary Mr. Cohen and signed an agreement on cooperation.

In other words, we have signed a number of critical documents to create the legal basis for future cooperation between our countries. These accomplishments are historic and mirror our intentions to broaden our relations with the United States.

Azerbaijan considers its independence an historic achievement. This achievement was the realization of a century-long struggle and desires of our nation to become a free nation. Our people are proud of this accomplishment. We are aware that the road of independence is not easy, and there are myriad hurdles on our path. We realize this. Some countries are working against our country and sabotage our statehood. We realize this as well. However, I have repeatedly stated this and will reiterate it here on the soil of our friend, the United States, Texas, Houston: Azerbaijan's independence is eternal and unassailable. We will not let anyone deprive us of our freedom.

We are building a law-based, democratic and secular state in Azerbaijan. Azerbaijan was the first democratic republic in the Muslim East. It lived only 23 months. We lost our independence. We managed to restore our independence again in 1991. We will never give it up again. I repeat: we are growing as a democratic state. Democracy, human rights, political pluralism, market economy, openness of the country to the world, freedom, independence and favorable environment for foreign investments are our strategic objectives. We are implementing these ideas.

We have had some success. The World Bank and IMF that are based in the U.S. approve of our accomplishments in the economy. However, the joint U.S.-Azerbaijan statement signed by the U.S. and Azerbaijani presidents is the most important assessment of our economic achievements. In that document, the U.S. president supports the democratic processes and transition to market economy in Azerbaijan; he endorses and supports the economic reforms in Azerbaijan and its freedom, independence and territorial integrity. This acknowledgment means invaluable support for us. For all this assistance, support, the attention and hospitality displayed to us, I want to thank the people of the United States and its esteemed president, Bill Clinton.

You, our respected friends, can be assured that we will keep our word on all the statements we made and the documents we signed here. We highly cherish our partnership with the United States. I want to affirm that we will always be a reliable part-

ner. We, as the joint statement stressed, will continue to closely cooperate with the U.S. in political, economic, security and other areas. We consider all these aspects the guarantee of Azerbaijan's democratic, law-based and economic development and our independence. I want to express my respect and gratitude to you again. I thank you. I invite to even closer cooperation with Azerbaijan.

Our country is confronted with many abstruse problems. The most difficult problem is the settlement of the Armenian-Azerbaijani conflict. As you know, nine years ago, Armenia launched a military aggression against Azerbaijan with the purpose of annexation of the Azeri region of Nagorno-Karabakh. This war inflicted great damage on us. For different reasons the Armenian armed forces managed to occupy 20% of Azerbaijan's territory. The Armenian occupying forces ousted more than one million Azeri citizens from their homeland.

We brought about cease-fire three years ago. Armenia and Azerbaijan signed a cease-fire agreement. We have successfully maintained the cease-fire regime since then. We are opposed to the resumption of hostilities and will not allow that. On the other hand, we will not tolerate the occupation of our land by another country. We plan to settle the issue peacefully. The parties made some progress in this direction recently.

The participants at the Lisbon Summit of the OSCE in December 1996 adopted three principles on the settlement of the Nagorno-Karabakh conflict. These three principles are: the recognition of the territorial integrity of both Azerbaijan and Armenia; broad autonomy of Nagorno-Karabakh within Azerbaijan; security guarantees for the entire population of Nagorno-Karabakh. We accepted these principles. The Minsk Group of the OSCE currently has three co-chairs: Russia, the United States and France. Three Presidents - Bill Clinton, Boris Yeltsin and Jacques Chirac - made a joint statement on the peaceful resolution of the Nagorno-Karabakh conflict on June 20th in Denver, Colorado. Yesterday Mr. Clinton reiterated his intentions to continue the work aimed at the peaceful settlement of the Nagorno-Karabakh conflict based on the principles adopted at the Lisbon Summit. We believe this and lay hopes on this prospect. We hope that as the agreement signed by Bill Clinton and the Azeri President states, the year of 1997 will see a considerable progress in the process of settlement of the conflict.

In this context the U.S. Congress adopted a discriminative law against Azerbaijan - the Section of 907 of Freedom Support Act. This law is extremely detrimental to our country as we are deprived of the U.S. financial assistance that other countries receive. As you know, every year the United States renders financial and material aid to many countries around the world including the countries of the former Soviet Union. The Section 907 imposes embargo on such assistance to Azerbaijan. However, this is not the only negative consequence of this act. This law impedes the growth of the economic relationship between the United States and Azerbaijan. We are trying to get rid of this law, and many officials in the United States are actively working to eliminate the Section 907. Many oil firms that cooperate with Azerbaijan are exerting their efforts in order to lift this law.

During my visit I have been to the Congress and met with a number of Congressmen and Senators. I held talks with Speaker of the House Gingrich, Chairman of the Foreign Relations Committee and other representatives. Congressman King has submitted a very valuable law draft in this respect. I suppose that all these events have prepared the conditions for lifting the Section 907. President Clinton has repeatedly declared that he will continue his efforts directed at removing the Section 907. This intention was reflected in the document that two presidents have signed.

Respected friends, I address you as well. Do not spare your efforts. We, Azerbaijanis, are a peaceful and hardworking nation. We want to live in peace and safety. We are striving to peacefully settle the Armenian-Azeri, Nagorno-Karabakh conflict. However, we have one condition. The condition is that the Armenian armed forces must withdraw from the Azeri occupied lands, and the territorial integrity of Azerbaijan must be restored. Over one million Azerbaijani refugees must be able to return to their homes. The parties are capable of accomplishing this task. I appeal to you to assist U.S. in this endeavor. We want peace. Anyone who helps to establish peace does a benevolent deed. We desire peace in our country. We stand for long-lasting and stable peace between Armenia and Azerbaijan. We want peace in our region and the world.

The people of the United States are peace loving. The U.S. has done a great work aimed at maintaining peace, stability and justice throughout the world. The foreign policies of U.S. President Clinton have made great strides recently. It was precisely the United States and its President Bill Clinton who managed to stop the war in Bosnia. Thanks to the United States myriad military conflicts around the globe have been resolved. I am hopeful that the United States and its political and state leaders will not spare their efforts in helping to negotiate a peaceful settlement in the Caucasus, the Armenian-Azeri conflict. I hope that American President Bill Clinton will take bold steps to resolve the conflict. We lay great hopes on this help.

I am leaving your country in 2-3 days. I am going back to my homeland with great hopes and optimism. You are causing these high expectations. I wish all these hopes would come true.

I thank you for coming to this hall tonight, your hospitality and care. Thank you for listening to my long speech with such enviable patience. I wish you good health and happiness. I wish the American people happiness and prosperity. I raise my glass to cheer Houston, Texas, the people of the United States of America, the U.S. President, my dear friend President Clinton. Thank you. To you!

I have many thoughts. That's why I want to express all of them. This is my personality: I always want to concentrate on state matters. I always forget my personal issues. Today is a happy day for me. My grandchild was born today. You have congratulated me. Thank you. He is my son's son. This is a special event for me. He is my sixth grandchild. This is so exciting. It happened so that my first grandchild was born in 1981. I was in Georgia at that time attending some ceremony. The guests from all around the U.S.S.R. flocked to Georgia. The birth of my grandchild turned into a big event at that ceremony. I was very happy. People congratulated me. Then I was traveling in the Far East region of Russia in 1986. I was working in Moscow at that time. I received the news of my newly born grandchild during that trip. Finally, this is the third time when the birth of my grandchild caught me when I am out of country. This coincidence has a particular importance for me. I am glad that I received this news while I was here in Houston. I thank you for your hospitality and congratulations. Everyone who has a grandchild knows how sweet it is. We, the Azeris, get extremely excited about this. I believe you, Texans, will also agree with me that a grandson is especially sweet. That's why I am so happy. Thank you very much. I kiss all of you.

The audience applauded the speech of Azerbaijani President Heydar Aliyev.



#### Speech of Philip Carroll

Mr. President, thank you for sharing your thoughts with us.

Mr. President, I want to fulfill my last task tonight. On behalf of Houston Cooperation Society it is my great honor to award you with this vase that has the Benjamin Franklin's symbol of freedom. The sun rays depicted on the vase reflect the event connected with Benjamin Franklin, one of the most beloved American leaders. During the adoption of the Declaration of Independence of the United States of America, Franklin noticed the half-sun on the back of a chair in front of him. After the end of the congress, Franklin always wondered whether it was sunset or sunrise. However, when the nation-building process got underway, Franklin became convinced that the picture depicted the rising and shining sun.

Mr. President, I am certain that you are the rising sun of Azerbaijan. We have a glowing sun between our countries, Houston and Baku, Azerbaijan and Houston. This sun is a symbol of friendship and cooperation. I believe that everyone in this hall tonight is certain of this. Mr. President, once again we thank you again for your visit here.

After the official reception ceremony the participants of the meeting approached Heydar Aliyev and had cordial conversations with him. They congratulated him with the birth of his grandson.

The participants expressed their satisfaction at meeting distinguished state figure Heydar Aliyev. They indicated their certainty that under the prudent leadership of Heydar Aliyev independent Azerbaijan will soon join the ranks of developed nations. During the conversations the Azeris and Americans exchanged their views on strengthening the bilateral relations.

#### MEETING OF THE PRESIDENT OF AZERBAIJAN WITH REPRESENTATIVES OF THE BAKU-HOUSTON ASSOCIATION

On August 3, Heydar Aliyev, President of the Republic of Azerbaijan, met with representatives of Houston-Baku Association. Representatives of Azerbaijani community in U.S. also participated at the meeting.

Bill Wart, Vice President of Houston-Baku Association opened the meeting.

#### STATEMENT OF BILL WART, VICE PRESIDENT OF THE HOUSTON-BAKU ASSOCIATION

Ladies and Gentlemen,

We all are happy today to celebrate the first official visit of the President of the Republic of Azerbaijani to the United States.

Before I proceed further, I would also like to join congratulations to the President. He is a new grandfather of a son born in London.

Mr. President, we are honored by the presence of you and your distinguished delegation. Thank you for taking time from your difficult schedule.

All of the people here are interested in Azerbaijan, and all of them have a great affection for Azerbaijan and the Azerbaijani people. You are among friends.

I would like to recognize Rahim Azizade who is the leader of the Houston-Baku Association. Unfortunately, he is not among us today. He is going through a treatment at the hospital. He is a very hard working person and has played enormous role for making this meeting happen. Though he far away from us now, I believe his heart is here. He might even see us if we wave our hands for him. His wife is in today's meeting.

Mr. President, the majority of people participating here today belong to the world of science. I would like to appeal to participants with some questions. I ask you to answer my question by raising your hand. How many of you have relatives in Azerbaijan? How many of you went to high school in Azerbaijan? How many of you studied at universities and colleges in America? How many of you will return to Azerbaijan within three years? How many of you miss Azerbaijan? Thank you.

Now, I would like invite Mr. Bob Peres, one of the leaders of the Houston-Baku Association.

#### Statement of Bob Peres

Mr. President,

Ladies and gentlemen.

The Houston-Baku Sister Cities Association was founded more than 25 years ago. Its goal then and now is to bring the people of Baku and the people of Houston closer together to develop respect for each other's culture, to become partners in business, and above all, to be friends.

For most of those 25 years it was a struggle to keep the lines of communications open and to find the ways to beat our goals. Even though there were difficulties, the two cities successfully worked together over the years. For example, the Sister Cities organizations have sponsored exchange students and sent dozens of computers to Baku for the students there. One member of our association taught students in Baku in business administration for a year. We have invited several scientists from Baku to do scientific research work in Houston. We have sent tons of medicine and medical equipment to Baku. We have organized exchange of delegations from Baku and Houston. We have opened exhibition of Azerbaijani artists in Houston. We have organized a visit for a dance group from Baku. We are also organizing meetings and seminars about Azerbaijan in Houston and are trying to propoganda Azerbaijan widely in the United States.

It goes without saying that funds are required for organizing these activities. Therefore we benefit from the resources of our sponsors. I would like to take this opportunity to express my gratitude to our sponsors. By the way, I would like to underline that none of our employees receive salaries from the Association.

I would like to mention that Mr. Bill Wart, who is one of founders of our Association, has been involved with the Association for over 25 years.

During early years of our Association, we would have only dreamed about independence for Azerbaijan. We wished very much then to have exchange of tourists.

Presence of Heydar Aliyev, President of Azerbaijan, here today demonstrates that our wishes have come true. Now, oil companies have taken in charge of some of the activities we had before. It goes without saying that they have more money and resources than we do. We are very glad that they have taken most part of our responsibilities and have been doing good job. It gives us an opportunity to focus on areas where oil companies are not be involved.



Bake is the crown of the Caucasus and Central Asia. We are convinced that soon Bake will become the center for regional economic cooperation and tourism. Bake is one of the largest and the most beautiful cities of the world.

Our Association will pay special attention to strengthening ties between leadership of Bake and Houston. We would like very much to help facilitate exchange of delegations from authorities of Bake and Houston so that they can exchange experiences.

We want to establish strong friendship between Bake and Houston, which could be envied by others. We spare no efforts to achieve our goals. Obviously, one of our main difficulties we face is lack of financial resources. But we are hopeful that business circles of Houston will support our endeavors.

Mr. President, we are once grateful that you have arrived in our city. We congratulate you on your very successful visit to the United States and wish you a safe and sound trip back to home. We hope that you will visit us in Houston again.

Honorable Ambassador Pahsayev, I am honored to welcome you in your second home. The doors of this city is always open to you.

I would like to give a small gift to President Aliyev. We want President Aliyev to remember Houston forever. One more thing should be kept in mind. As you know, the president faces several challenges that need to solved. We believe that whenever President Aliyev will face a difficult issues related to Houston, he will look at this board and say: "Aha, I know whom to call." Mr. President, we are always ready to help you in solving your difficulties. The board says that His Excellency Heydar Aliyev, President of the Republic of Azerbaijan, is an honorary member of Houston-Baku Association.

Bill Wart, Vice President of the Association, and Bob Peres presented that document to head of our nation.

BILL WART: Mr. President, I have also a gift for appreciation of your visit. Unfortunately this is a gift that I must explain. It is a picture taken at our international festival, the children's parade, when we sponsored a group of 40 school children. It represents the participation of children from Houston and Baku at the annual parade. This has been going on for five years. Prior to the parade, they studied about Baku. Allow me to present this picture to you.

Mr. Ambassador, we consider you to be competent continual practitioner of diplomatic art and great asset to your country. Please accept this small present from us. This is your own photo.

Mr. President, we would be honored if you would share your views with us. Thank you.

**Statement of Heydar Aliyev  
President of the Republic of Azerbaijan**

Esteemed Mr. Wart  
Esteemed Mr. Peres  
Esteemed ladies and gentlemen

I am very happy to meet with the members of Houston-Baku Association. I thank you for your attention and being here today. This meeting with you during my official visit to the United States has utmost importance for me. You laid the foundation of the relationships between America and Azerbaijan some 25 years ago when you established Houston-Baku, Houston-Azerbaijan Friendship Association.

I would like to express my gratitude to our American friends who came up with the initiative of making Baku and Houston sister-cities and established these relations. I also want to thank those people who have developed and strengthened these friendly relations for the last 25 years.

I feel proud along with you that I was among the initiators of the idea of Houston-Baku Friendship Association, making Houston and Baku sister-cities: from the Azerbaijan side I was the one who made a decision to set up such an association 25 years ago.

As I think about it, I get astounded. The last quarter of the 20th century, the last 25 years, has been the history of our friendship and brotherhood. I am happy that 25 years ago, Azerbaijan took a step to create friendly relations with the United States, and I was responsible for implementing that idea. I feel happy that 25 years later, I have lived to see this day as the president of independent Azerbaijani Republic and celebrate the 25th anniversary of this event here in Houston with you.

I have several reasons to rejoice today. I am on my first official visit in the United States as the President of independent Azerbaijan. The visit has been very successful and produced positive outcomes. We have launched a new era in the friendly relations between Azerbaijan and the United States. My meetings with U.S. President Clinton and other high-ranking U.S. officials were very productive, and we signed a number of important documents.

Finally, I have arrived in the city of Houston, our old and faithful friend, and while I was under such wonderful impressions, another piece of happy news caught up with me. I had a grandson. I am a person who dedicates his life to his nation and country. I have always devoted my life to these endeavors. On the other hand, I am human as well. I have a family. I love my children and family. My family and children have

always inspired and supported me. They made my life happy. I am happy to say that my family and children have never given me a hard time. On the contrary, they have always given me a gift of happiness and joy.

I believe every one of you can agree with me in these sentiments. Therefore, you can imagine how happy I am today to have a grandchild. He is my sixth grandchild. He is my son's son. Today I feel very happy.

I thank you that today you shared my happiness with me and congratulated me. I have been in excellent mood during my visit to the United States. Yesterday when I received the news I became even more jubilant.

Mr. Wart and Mr. Peres spoke about the work the Houston-Baku Association had done providing us with valuable information. This information was very exciting. It was thrilling because this association and our friendly relations have existed for 25 years. Many changes took place during this period. When we set up these relationships, Azerbaijan was a part of the Soviet Union. Later, the Soviet Union disintegrated, and Azerbaijan gained its state independence. Complex social and political processes rocked Azerbaijan for several years. Our neighbor, Armenia, launched aggression against Azerbaijan and occupied Azerbaijani territories. Over one million Azeri citizens were driven out of their lands. Azerbaijan lived through an enormous social and economic crisis.

Despite all these turbulence, the Houston-Baku, Houston-Azerbaijan relations lived on and developed. I hope that these relations will grow even faster from now on. As the President of Azerbaijan I promise that I will do all on my part and on the part of the state to ensure the favorable conditions for this development.

The opportunities for such development are more abundant today. Most of the U.S. oil companies are headquartered in Houston. The U.S. oil firms have signed long-term cooperation contracts with Azerbaijan. I can confidently contend that these business relations will continue well into the last decade of the 21st century. I believe that these companies should contribute to the development of Houston-Baku, Texas-Azerbaijan relations.

I would like to greet one of the founders of the Association, Mr. Verde and his wife. Mr. Verde and Mrs. Verde visited Azerbaijan 20 years ago. They paid a visit to the oil field in the Caspian Sea. They told me today that they lived seven days on the Oily Rocks.

The Oily Rocks are located approximately 100 kilometers from the coast. At that time, we considered those who lived and worked on the Oily Rocks to be heroes. So, if American citizens from Houston Mr. Verde and his wife went to Baku, Azerbaijan and lived in the Oily Rocks, in the middle of the Caspian - I should note that the Caspian is an unusual sea. It is both beautiful and perilous. Along with its beauty, the Caspian possesses dangerous storms, strong winds and high waves. Then the very act of living there at that time is heroism by itself.

The establishment of Houston-Azerbaijan relations 25 years ago and its progress to this day were possible thanks to such adventure-loving individuals. I want to thank all the people who have kept the Houston-Baku relations alive for 25 years. I declare them permanent citizens of Azerbaijan.

We are currently working on new oil fields in the Caspian Sea, and we will install new platforms. There will more small islands similar to the Oily Rocks in the Caspian Sea. I will create all the necessary conditions for those who want to come and live in those places, and I invite all of you to visit Azerbaijan.

I endorse and support all the programs of your association. We can further broaden their scope. I back all your plans and will assist you in every possible way.

Azerbaijan is an independent state now. Azerbaijan and the United States have diplomatic relations. In order to develop these relations further we signed historically critical documents yesterday on August 1st in Washington DC. Those agreements have shaped new opportunities and environment for the further expansion in Houston-Baku, Texas-Azerbaijan relations. Let us all take advantage of these opportunities in a more productive way.

I wish you good health and happiness. I wish you, citizens of Houston and Texas, the very best of success. Thank you very much.

The audience listened carefully and frequently applauded the speech by the Azerbaijani President Heydar Aliyev.

The Head of our state, Heydar Aliyev, presented the leadership of the Association with several books on Azerbaijan.

After the ceremony, the members of the Houston-Baku Association met with Heydar Aliyev, the leader of our country and prominent state figure, and thanked him for his assistance in establishing the Association 25 years ago. The participants in the meeting expressed their approval of and support to the successful democratic processes, economic reforms conducted in Azerbaijan under the leadership of Heydar Aliyev. They expressed their confidence that, under the visionary leadership of Heydar Aliyev, Azerbaijan would soon join the ranks of the developed nations, and the just cause of our people would be victorious.

During the meeting the sides elaborated on the ways of improving the relationships between Azerbaijan and Texas, Baku and Houston.

#### MEETING OF HEYDAR ALIYEV, PRESIDENT OF AZERBAIJAN, WITH TERRY KOONCE, PRESIDENT OF EXXON COMPANY

On August 3, President of the Republic of Azerbaijan, met Terry Koonce, president of the U.S. company Exxon, in Houston in his residence.

Mr. Terry Koonce greeted President Aliyev and said that the first official visit of the Azerbaijani President is continuing successfully, and that any businessmen, who have invested capital in Azerbaijan, are pleased with such a progress of the visit. Addressing President Aliyev, Terry Koonce said: "You have been elected the honorary citizen of Texas today, and I was born in Texas, therefore I consider that we are a kind of relatives now. You have a grandson born now, I congratulate you. I have a grandchild of about two weeks old, too".

Mr. Koonce noted that a contract had been signed in Washington between SOCAR and Exxon on oil developments in "Nakhchivan" deposit for which he thanked President Aliyev once more. He said: "It is due to you that we have managed to participate in the "Contract of the Century" and we appreciate it very much. But the contract signed in Washington is the first contract which we have signed with SOCAR alone. We attach a great significance to it, because it creates conditions for a close and direct cooperation with the State Oil Company of Azerbaijan."

Mr. Koonce presented President Aliyev with a small statue of an eagle in memory of the signature of the contract on "Nakhchivan" deposit and said: "It is not the first eagle which you get during your visit to the U.S. We think that eagle is the symbol of

a number of things. First of all, when you look at the map of Azerbaijan, you see that it reminds of an eagle. In the U.S., the eagle has always been the symbol of freedom and independence. Azerbaijan has also chosen the road of freedom and independence. We thought the symbol of the eagle will be a good present to memorize always the contract signed by us with the State Oil Company of Azerbaijan."

President Aliyev thanked him for the present and said: "This is a present I really like. You are quite right. Azerbaijan really resembles a big eagle. Our nation has waged struggles for freedom for a long time, for many decades, for many centuries. We managed to gain independence because our nation possess features inherent to the eagle. I know that eagle is the symbol of the U.S.'s freedom. One of the pictures of an eagle, a reflection of the eagle on the state emblem of the U.S. was presented to me by President Clinton on the fifth day of my visit. I accept your present with a great pleasure, too."

President Aliyev said he was greatly pleased with the signature of the contract between SOCAR and Exxon on the perspective Nakhchivan structure and that this company has been paid a special attention since its arrival in Azerbaijan. Addressing the president of Exxon, President Aliyev said: "Distribution of a small share left after the signature of the Contract of the Century in 1994 created great difficulties. I think you remember that many big companies like you wanted to have this share. There were companies from your country, from Europe and also from our neighbors there. You know them, I know them, I do not want now to name them, it is already the fact of the past.

At that time, it was difficult to adopt decisions for me, too, because all these companies were very reliable and big like yours, and all of them wanted to establish good relations with us. I thought a lot and at last made up my final decision, which created conditions for Exxon to join the contract after the signature of the "Contract of the Century". And later, we had several meetings with you and I wanted you to work alone in one deposit, separately, independently. Thank God, at last it became possible. The name of the deposit is "Nakhchivan," the name of my birthplace. Therefore the responsibilities to work on this deposit is greater than the others."

When Mr. Koonce said that they proud of it, President Aliyev stressed such an idea and said, Exxon must strive to build its works in the deposit so that to be distinguished from other companies, especially while producing oil there. I love my birthplace not only because it is my birthplace. I love it also for the fact that in 1990 when I lived in Moscow, my life was in great danger, I was persecuted and I was facing great deprivations. I returned to Azerbaijan, and as it was impossible for me to live in Baku, I left for Nakhchivan, my hometown. I had difficult days there, but Nakhchivan embraced me, accepted me into its bosom. And I gave them life. Had not I gone there perhaps they would have been exposed to a much greater danger. Therefore I love my birthplace, my motherland. It stretched me its hand in my difficult days. I appreciate it very much."

Speaking of the activities connected with the work of Exxon in the Nakhchivan deposit, President Aliyev said: "I think that you will begin your work constructively. I know that Exxon is the biggest oil company in the U.S. But I do not know whether you have ever signed a contract in the White House? Mr. Koonce said that it was the first time. Now you see, we did not only manage to sign a contract with you. At the same time we managed to sign it in the White House. I have met you in Baku not once, I have met you in the U.S. as well. But now we signed a contract in the White House, with the participation of high officials of your government. It is a great historical event, it is also important that it was you who signed the contract".



Mr. Koonce reminded that his company, together with SOCAR, is working in the block called B-9 in the Caspian Sea and that perspective structure is located in the deepest part of the sea. According to him, it will also be good to sign a contract on this structure as soon as possible. It will give them a chance to penetrate into the deepest parts of the Caspian Sea and extract oil. He said that it will be better that you name this deposit, because B-9 does not mean anything.

Answering this, President Aliyev said: "It is a temporary name, and the deposit will have its name when a contract signed on it. I shall instruct Natig Aliyev to inform me on it."

Mr. Koonce said: "We want to take part in the development of big structures located in the depth of the Caspian Sea and soon we shall submit our proposals to SOCAR. I think that there are great oil reserves in the deep layers of deposits in the Azerbaijan sector of the Caspian Sea. The experience and possibilities of Exxon give me reason to say that we can develop effectively these deposits jointly with SOCAR."

Taking the opportunity, he said: "Mr. President, we already spoke on this issue in June of this year. It is connected with the exploitation of a gas deposit in the Caspian Sea. In June, we said that we shall prepare our proposals on the reserves of gas in these deposits, on the production of gas in these deposits and on its transportation together with the State Oil Company of Azerbaijan. Now these proposals are ready and we think that our vice-president Natig Aliyev will consider them and formulate them as final proposals in the near weeks. To my mind, it is necessary to be quite flexible in the matters connected with the exploitation of gas deposits because purchasers of this product

differ from those of oil. That is, here there is a high competition and need for gas. If we take into account the closeness of distance, the best market for the Azerbaijan gas is Turkey. Your northern neighbor "Gasprom" of the Russian Federation has already signed a number of contracts with Turkey, but there is still a demand for gas in Turkey. Therefore, in order not to lose this market, it is necessary to speed the research."

In connection with Mr. Koonce's proposals, President Aliyev said: "If everything is ready, then I shall instruct Natig Aliyev to carry out negotiations and submit the final project. I accept what you say. There is a great demand for gas in our region, as well as in Turkey and other countries. Therefore it will be better if we begin this work as soon as possible. The president of Amoco company said they work quite in the deepest layers. As I have heard they have even signed a contract to work in the depth of three thousand meters".

At the end of the meeting President Aliyev said: "Our friendship is very reliable and we shall consider all your proposals. I fully share your ideas concerning the proposal to speed the development of gas deposits."

#### MEETING OF HEYDAR ALIYEV, PRESIDENT OF AZERBAIJAN, WITH THE PRESIDENT OF MOBIL COMPANY

Mr. Heydar Aliyev, President of the Republic of Azerbaijan, met with Bill Scoggins, president of Mobil oil company, on August 3, in Houston.

Mr. Scoggins said he was pleased with the meeting and congratulated Mr. Aliyev on his successful official visit to the U.S. He conveyed the greetings and best regards of Mr. Noton, chairman of Board of Directors of Mobil, adding that Mr. Noton was abroad at the time.

President Aliyev reminded his meetings with Mr. Noton with great satisfaction and spoke of the present development of relationships between Azerbaijan and Mobil. He praised the significance of the contract signed in the White House. He said: "You know, in the past we organized consortiums and signed contracts with several companies. But now the State Oil Company of Azerbaijan and Mobil has signed a bilateral contract on joint oil developments in one of the deposits. Its great significance lies also in the fact that the contract has been signed in the White House, in Washington. I know that Mobil is a big company, it does work in many countries of the world. But I suppose that you have never signed such a contract in the White House."

Mr. Scoggins confirmed that Mobil has never had a contract signed in the White House in its 150-year history. He also informed that the geophysical works in Oguz deposit has already been completed.

President Aliyev stressed the importance implementing the signed contract into life in the nearest future and reminded that its results will be very useful for both contracting parties. Mr. Scoggins assured President Aliyev that they will soon begin drilling works in the "Oguz" deposit.

Speaking of the great opportunities for Mobil, President Aliyev said: "We have passed the first stage, the contract was signed, the White House gave its blessings to it. Vice-President Albert Gore and I made speeches at the signature ceremony. We have paved the road for you. Now it is your turn to begin the work. If your works go on well with the contract, the scope of your activities may expand."

A number of concrete proposals were considered at the meeting in order to strengthen the cooperation further. There was also an exchange of views on the intensification of relationships with our country and Mobil.



They also noted the efforts of most influential oil companies of the world in the solution of problems facing our republic, especially the peaceful solution of the Armenian-Azerbaijan conflict, repeal of unjust Section 907 adopted by the U.S. Congress. The president of Mobil assured President Aliyev that they will do their best to promote Azerbaijan in the U.S., to solve the problems facing our country and use all their opportunities to strengthen cooperation in all spheres.

#### MEETING OF HEYDAR ALIYEV, PRESIDENT OF AZERBAIJAN, WITH THE PRESIDENT OF SHELL COMPANY

On August 3, President of the Republic of Azerbaijan Heydar Aliyev met Mr. Philip Bats, executive director of Shell, in Houston.

Mr. Bats greeted President Aliyev warmly and said he was greatly honored by the meeting. He noted that the public met President Aliyev's official visit to the U.S. with great sympathy.

Then he said: "Mr. President, your meetings with the president of the U.S., your negotiations and the signed documents have created a great interest among the U.S. public. Everybody is amazed at the closeness of your work schedule here, at the fact how you represent Azerbaijan, how high you raise the interests of your state. You are the founder of the Azerbaijan state and you are the greatest Azerbaijani patriot. I congratulate you on the occasion of the birth of your grandson. I am also expecting to be a grandfather soon."

President Aliyev thanked Mr. Bats for his kind words. Mr. Bats said: "Shell is a joint company of the U.S., Great Britain and Holland. We would like very much that you visit Holland. We know that you have received an invitation to visit Holland and arrangements with the visit have been completed."

President Aliyev said that he will find time and visit Holland. He also expressed his satisfaction with the interest displayed by Shell in its relationships with our republic.

Mr. Bats said that Shell has a great work experience in off-shore oil deposits and that they want to build long-term relations with Azerbaijan and invest a big amount of capital to our economy. He said: "Mr. President, we have achievements in the formation of infrastructures, construction of oil and gas pipelines. Construction of pipelines is very expensive and requires special efforts. Shell is a company always ready to carry out such projects."

He gave a comprehensive information on the proposals of Shell to President Heydar Aliyev. Then he said they will do their best to defend the just cause of Azerbaijan, to assist the solution of problems facing our country.

President Aliyev listened to the proposals attentively and reminded that Shell had sponsored the arrangement of a conference of UNICEF held in Baku not long ago and said that the establishment of close relations between this company and Azerbaijan will be mutually beneficial for both of parties. President Aliyev appreciated particularly the proposals of Shell to create new jobs in Azerbaijan and to help the development of culture and education.

During the talks, there was held an exchange of views and a broad discussion on the further strengthening of cooperation between Azerbaijan and Shell.





#### MEETING OF HEYDAR ALIYEV, PRESIDENT OF AZERBAIJAN, WITH THE PRESIDENT OF ARCO COMPANY

On August 3, President of the Republic of the Azerbaijan Heydar Aliyev met Mr. Mike Boblin, president of Arco in Houston.

Mr. Mike Boblin greeted President Aliyev warmly and said that his first official visit to the U.S. has created a great resonance. The public display great interest in this visit and he has amazed him. He said: "Mr. President, we are amazed by your negotiations with President Clinton and other high officials of the U.S. government."

President Aliyev thanked Mr. Boblin and spoke with great satisfaction of his official visit to the U.S. Boblin, president of Arco company congratulated Mr. Aliyev on the birth of his grandson heartily. He presented Mr. Aliyev with a China vase with the imprint of the oldest world map on it. Mr. Boblin said that in ancient times Azerbaijan occupied an important place in the world map like now.

Mr. Boblin also stressed that the meeting of President Aliyev at the Conference of Presidents of Jewish Organizations had been met with great sympathy.

President Aliyev noted the importance of that meeting and said that he was very pleased with that meeting. He said: "They paid me great attention and a close friendly relations have been established between us."



Mr. Boblin said that he intends to intensify the relationship between Arco with Azerbaijan and made some proposals in order to revive these relations. He said: "Arco supports all the measures undertaken because of the wise policies of President Aliyev and will help the peaceful solution of the Armenian-Azerbaijan conflict which Azerbaijan is facing now and do its best to assist the repeal of Section 907 adopted by the U.S. Congress in 1992."

President Aliyev thanked him for all this and said that Azerbaijan has chosen the road of market relations and is building a legal, democratic state, paying a special attention to strengthening of relations with the businessmen of foreign countries and also displaying a great interest in cooperation with Arco.

There was held an exchange of views on a number of issues connected with the establishment of cooperation, concrete proposals were discussed during the meeting.

#### MEETING OF HEYDAR ALIYEV, RESIDENT OF AZERBAIJAN, WITH ROBERT BLACK, VICE PRESIDENT OF TEXACO COMPANY

On August 3, President Aliyev met Robert Black, vice-president of Texaco, in Houston.

Mr. Black greeted President Aliyev warmly and said that they had been waiting for his arrival and was very pleased that the first official visit of the Azerbaijani President to the U.S. was a great success.

Mr. Black introduced to President Aliyev representatives' of his company who were present at the meeting. Speaking about himself, he said that he was the head of international operations carried out by the company. He said that Texaco is displaying a great interest in Azerbaijan, in the basin of the Caspian Sea.

President Aliyev thanked Mr. Black for his kind words and said that he was pleased with the meeting with him and other officials of the company.

Mr. Black said that he was greatly honored to be present at the dinner party of President Aliyev and added that perhaps President Aliyev had already got acquainted with the hospitality of Texas.

President Aliyev confirmed his words and said that really it was amazing.

Then the president of Texaco said his company was founded 195 years ago and has been implementing various projects in different countries of the world for about 80 years. He added: "But we are late in coming to Azerbaijan. Several years ago, the Board of Directors of our company adopted a decision not to come to the Caspian Sea basin and now I feel very sorry for that decision. As with many world companies, we have also made mistakes."

In his reply, President Aliyev said that if any one says that he never makes mistakes, he lies. The most important is to understand one's mistakes, to confess them and to agree that you have committed them.

Mr. Black said the Board of the Company has undergone changes and the new administration wants to participate in long-term cooperation in joint oil developments in oil deposits of Azerbaijan.

President Aliyev said that he has declared the doors of Azerbaijan are open to the whole world, to all companies, in particular to the companies of the U.S. Then he added: "So you have chances, and that is good that you have understood your mistake." They exchanged views on issues concerning the cooperation between Texaco and Azerbaijan.



#### PRESIDENT OF AZERBAIJAN VISITED THE BLOOD CENTER IN HOUSTON

The President of the Republic of Azerbaijan Heydar Aliyev visited the Blood Center in Houston on August 3.

The leaders of the center greeted the head of our state warmly. This center is famous not only in the U.S., but also around the world. The director of the center Mr. Bill Teague informed President Aliyev about the center. He said that the blood accumulated in this center, is sent to 21 countries, 161 medical institutions of the world. There are 13 departments in the Blood Center. About 600 specialists are employed here. The center is a non-profit private institution. Patients here have to pay for the medical service they get. The center meets all its expenditures because of source. It has to pay an income tax too. In the center, blood is taken from donors. Part of this blood remains in the center, the rest is taken by the donor. The obtained blood undergoes laboratory testing. The specialists study the structure and the quality of the blood very carefully.

The leader of our Republic watched the work process in the laboratory of the center, and got acquainted with the modern equipment and instruments. He was informed that the center serves 21 provinces of the State of Texas. There are blood centers of this kind in each of the U.S. states.

The Blood Center in the Texas Medical Center. The most outstanding cardiologist-surgeon in the world Professor Michael DeBakey is one of the founders of this center. Michael DeBakey is known for performing surgery on the Russian President Boris Yeltsin's heart. The leader of our Republic was informed that great work is being done here in connection with the prevention of AIDS. Owing to the high results obtained by the American scientists, it is not a serious problem to prevent the infection



with AIDS through blood. In all the U.S. institutions which provide patients with blood, the work has been carried out in accordance with the program to prevent AIDS. As a consequence, this year only 31 patients infected with AIDS through blood have been registered in the U.S.

The head of our state was pleased with his visit to the Blood Center and praised the work carried out there.

Mr. Teague gave a small present to President Aliyev as a reminder of his visit to the Blood Center. And the leader of our Republic gave Mr. Teague books about Azerbaijan. Mr. Teague said that he was deeply would remember this visit for a long time.

#### PRESIDENT ALIYEV'S MEETING WITH THE WORLD-KNOWN HEART-SURGEON PROFESSOR MICHAEL DEBAKEY AT THE MEDICAL CENTER IN HOUSTON

The President of the Republic of Azerbaijan Heydar Aliyev met with the world-known cardiologist-surgeon Professor M.DeBakey at the Medical Centre in Houston on August 3. Mr. DeBakey greeted the head of our State Heydar Aliyev very sincerely and warmly. He gave thorough information to the leader of our Republic about this centre which is one of the biggest health institutions in the USA. Mr. DeBakey said that he was honoured by President Heydar Aliyev's meeting and appreciated the official visit of the head of our State to the USA as a historical event. He said that the outstanding state figure Heydar Aliyev's visit to the health centre once more proved him as a leader living with universal feelings.



Then there was a meeting between the head of our State Heydar Aliyev and Mr. DeBaKey. The Azerbaijani representatives were also taking part in the meeting. In his appeal to the head of the Azerbaijani state, Professor Michael DeBaKey said:

Mr. President, as I have told you, cardiological illnesses are treated here. Our hospital is a big scientific research centre. A lot of theories have been worked out in connection with the treatment of the heart diseases. The heart transplantation surgery was carried out here for the first time in the world. It was in this hospital that the operations on different parts of the heart were performed.

The outstanding scientist-surgeon went on:

As a result of the research, carried out in the hospital, we have invented silk-like materials. It is possible to replace the injured arteries, blood vessels with the material and the blood circulates easily. We have been pioneers in working out and applying the most advanced theories in the world in connection with the cardio-vascular diseases. In 1996 for the first time we used an artificial heart for a temporary use. Now we are carrying out completely new researches and pin great hopes on their results. Our main goal is to create a very small artificial heart.

Professor DeBaKey showed that artificial heart to the President and said:

This is a part, cut from it. And it functions like this. This part moves and generates electro-magnetic waves and starts the small engine. As you see in the picture, that device pumps the blood to the arteries. That is, the device plays the part of an additional supportive force to the heart. The device helps to pump five-six litres of blood per minute, while the patient's heart is unable to pump two-three litres of blood per minute.

Then the surgeon went on:

We are going to test the device on the patients next year. At present our experiments are performed on animals. The operation is being successfully implemented now.

The President was informed that the cardio-vascular diseases are greatly spread in the USA. 5 million persons are suffering from the cardio-vascular diseases. Not all people can use very expensive operations. But with the help of the invented device they will be able to live longer.

Professor DeBaKey gave information to the President about the Medical Centre:

In the 1949, when I came to this Medical Centre, it had just started functioning. There was a small building in this territory. They had not even built a road to the place, there had not been even a pavement here. Once people used to hunt in the place where we are standing now. And it happened not very long ago, but only 50 years ago. Now it is difficult to find a space for parking a car here.

Now you see the buildings here. 60 thousand people are employed in our Medical Centre. We call this place a town. What we have here now we achieved within 50 years. This is an extra-ordinary event. The centre is still growing.

We have two medical universities in our medical centre. One of them is private, another is a State University. The medical department of Texas University comprises the basis of this State University. 160 specialists are annually trained in the private University "Bella Kalach". But twice as many specialists are trained in the Texas University. There is a hospital. It is not a private hospital. There is also a children's hospital in the centre. The rest of the hospitals are private. In general, there are 4 thousand beds for patients in the centre.

Mr. President, let me give these books to you as a present. This is the reference guide to the Texas Medical Centre. But this book, which I have signed, has recently been published. I present this book to you. Next week my book on cardio-vascular diseases is being published. And I am going to send that book to You.

I would like to spare some time for questions too.

Mr. President, if you and your delegation have any questions, I am ready to answer them.

The head of our State Heydar Aliyev made a speech at the meeting.

#### Statement of Heydar Aliyev President of the Republic of Azerbaijan

Dear Dr. DeBaKey

We are extremely pleased to meet you. This is a historic event for us.

When I was preparing for the visit to the U.S. it became clear that I would visit Houston. No sooner had we determined this visit than had I decided to include a meeting with you and a visit to your medical center into my itinerary. I am happy that now I have this chance to meet with you because we all know you as a legendary man.

I remember that your name became famous when the first heart transplant operation was successfully completed. We lived in the Soviet Union then. One could read many articles about you in the press. It was a miracle for us: is it possible to transplant a heart? All these are in the past now. You have accomplished tremendous deeds since then. You are a unique person. I have personally always been amazed by your personality.

You have recently appeared on Russian television a few times. President Boris Yeltsin's illness caused quite a concern in Russia with his heart surgery. You were invited, and you successfully did the operation. We constantly watch Russian television. Although we can tune in to the U.S. CNN and other broadcasting channels in Azerbaijan, we cannot watch American television all the time because of the time difference. However, since Russia and Azerbaijan are located almost in the same time zone, we watch Russian television more often. I personally watched your arrival in Moscow and your detailed explanations about the coming operation. I was aware of the operation that you performed. This was not an isolated case. Your operations in other parts of the world were well publicized, too. When I came here, you pointed to your sculpture that was created after you had treated the King of Belgium. You fully deserve such things. These photos, all these exhibits display your successes.

Another aspect about you that strikes the world public is that you have been engaged in this work for many years and are still very active in the field. The surgeons usually have very hard work to perform. You obviously have great fortitude. Despite all the work you have done so far, you are still actively involved in the industry. I commend and congratulate you. I consider my meeting with you a remarkable event in my life.

We are not in need of any operation yet. However, I still want to invite you to visit our country, Azerbaijan.

You know that I am on an official visit in the United States at the invitation of Bill Clinton. I have held numerous meetings and negotiations. On August 1st, I had a very productive meeting with President Clinton, and we signed very important bilateral documents. The relations between our countries are those of real partners. Our cooperation in the oil industry in particular is growing fast.

Houston became a sister-city of Azerbaijani capital Baku 25 years ago. I was a leader of Azerbaijan at that time. I was one of the initiators of this friendship. I am happy that I came to Houston 25 years later.

I thank you for your attention and hospitality. The information you provided to us was nothing short of being fascinating. I wish you much success in your endeavors.

MICHAEL DEBAKEY: Mr. President, thank you very much.

Mr. President, I would like to note that our prominent schools, research centers and in general this medical center can closely cooperate with Azerbaijan. We can set up executive education of your doctors and scientists. Please, let us know if we can help in any area. We will do that with great pleasure.

HEYDAR ALIYEV: Thank you. We will certainly benefit from these opportunities.

MICHAEL DEBAKEY: Mr. President, I would like to give you my business card too.

HEYDAR ALIYEV: I am also presenting you with these books. But I would also like to write my thoughts in them.

MICHAEL DEBAKEY: Mr. President, you will visit a children's hospital after this meeting. You will notice there that 31 years ago when the first space satellite was launched, we made a historic discovery in the history of surgical operations. That discovery was the ability to demonstrate different parts of a human body using laser. You will see it first hand there. Then we could utilize that satellite and watch the surgery performed in Houston from Geneva. This capability had tremendous ramifications. We termed it telemedicine here. In the future, if you wanted to make these facilities accessible to your people, then we would set up such telemedical equipment in your country. Thus, we would make sure that everyone could benefit from the use of the telemedicine.



In order to keep in close contact with us, we need to establish such a telemedical center in Azerbaijan. We have done such a project in many countries. Let me give you an example that would clarify my ideas. For instance, we have recently examined and diagnosed a patient from the Far East while we were physically located here in Houston. The results were excellent. In other words, we can perform all the surgical operations via telemedicine. This is a great tool to know about in a timely fashion.

HEYDAR ALIYEV: Thank you very much. I would like to present you with this little gift. It is an Azerbaijani rug. You can hang it wherever you wish.

MICHAEL DEBAKEY: This is a fabulous rug, and I am accepting it as a very precious gift. Thank you very much. Mr. President, I am much satisfied with our meeting. I would like to stress again that if you need anything, please inform me.

HEYDAR ALIYEV: Thank you.

Heydar Aliyev invited Professor DeBakey to visit Azerbaijan. Mr. DeBakey expressed his deep satisfaction at the invitation and gladly accepted it.

#### AZERBAIJANI PRESIDENT HEYDAR ALIYEV'S VISIT TO TEXAS CHILDREN'S HOSPITAL

The President of the Republic of Azerbaijan Heydar Aliyev visited Texas Children's Hospital in Houston on August 3.

The leaders of the hospital said that they were honored by the visit of this outstanding statesman. The leader of our republic was informed that the hospital with 456 beds has been functioning since 1954. The children's hospital, attached to the famous Baylor medical college has gained a great prestige in the country. The treatment process has mainly been computerized in this hospital where the latest achievements of science and technology are being applied. The experience obtained here is effec-



tively delivered to many world countries through telecommunications. Educational work is also carried out in the hospital.

President Aliyev was told that the hospital has been co-operating with many countries of the world and serving them. New theories have been applied here in the treatment of a number of children's diseases. It is possible to examine and diagnose the patient thousands of kilometers away from Houston through the telemedical communication equipment in the hospital.

The leaders of the children's hospital visually acquainted the head of our state Heydar Aliyev with the latest achievements of the telemedical communication. They expressed their interest in the establishment of close relations between Azerbaijan and Texas Children's Hospital.

President Aliyev said he was pleased to learn about the great work carried out in this hospital, and wished this medical institution greater achievements in future activities.

#### TOUR OF HOUSTON AND DEPARTURE FOR CHICAGO

On August 3, before his departure from Houston, the President of the Republic of Azerbaijan Heydar Aliyev had a trip round the city, which is one of the world's prestigious oil centers.

President Aliyev, who initiated the fraternization of Baku with Houston 25 years ago, visited a number of sights in the city. President Aliyev left Houston for Chicago



in the evening on August 3. The leaders and other high officials of Houston and the State of Texas saw off President Aliyev at the airport.

#### ARRIVAL OF THE HEAD OF OUR STATE TO CHICAGO AND HIS MEETING WITH REPRESENTATIVES OF THE PRITZERS FAMILY

The President of the Republic of Azerbaijan Heydar Aliyev arrived in Chicago at night on August 3. At the Midway airport the head of our State was welcomed by the high officials of the State Illinois and the city of Chicago.

In Chicago the President of the Republic of Azerbaijan Heydar Aliyev met with one of the richest and elite families of Illinois, the Pritzers. This family founded the corporation Hyatt, famous in the U.S. and all over the world.

The President of the corporation Hyatt Thomas Pritzer, the president of Hyatt Development Nicholas Pritzer, the president of the corporation Hyatt International Bern Korringen, the President of the company Baku Hotel Paulo Parviz and others were taking part in the meeting. The members of the Pritzers showed great hospitality to the Azerbaijani leader and said that it was honor to meet the outstanding statesman.

The President of the corporation Hyatt Thomas Pritzer greeted President Aliyev and congratulated our state leader on his successful official visit to the United States. He expressed his gratitude to our State leader for his attention and care to the corporation Hyatt and to their family.



Thomas Pritzer praised the achievements he obtained in the area of establishing a legal democratic state and implementation of reforms in Azerbaijan under the leadership of President Aliyev. He stated that the successful meetings of the head of our State with Mr. Bill Clinton and other U.S. high officials in Washington D.C., his negotiations and the documents, signed there, caused great interest in the American society and in the official circles. He said that they were very proud of all this and gave credit to President Aliyev's far-sighted policy.

Thomas Pritzer gave broad information about the corporation Hyatt to the leader of our Republic and said that it was doing business with 36 countries in the world. He was especially interested to have closer contact with Azerbaijan. He also informed President Aliyev about their intention to extend their activities in our republic.

The head of our State said that it was his pleasure to meet the Pritzers and emphasized his satisfaction from the present state of the relations of the corporation Hyatt with Azerbaijan. He also pointed out the necessity of further development of the cooperation.

President Aliyev spoke about his first official visit to the U.S. with great pleasure. He also dealt upon his meetings with President Bill Clinton and other high government officials in Washington D.C. on August 1, their negotiations and the documents, signed there, and pointed out that all this opened a new stage in the development of the Azerbaijani-American cooperation.

The head of our State Heydar Aliyev emphasized his special attention to the fact that Azerbaijan is building a legal democratic state, choosing the course of market relationships. He also said that we pay much attention to strengthening the relations with the representatives of foreign business circles and with each company that want to invest in our Republic, and all kinds of conditions are created for them.

President Aliyev also dealt with the negotiations held within the framework of the OSCE Minsk Group on the peaceful settlement of the Armenian-Azerbaijani conflict,



a most painful problem for our Republic. He praised the joint statement signed in Denver by Bill Clinton, Boris Yeltsin, Jacques Chirak - the presidents of the U.S., Russia and France, the three great powers that are the co-chairmen of the Minsk Group. The head of our State said that our republic supports the settlement of the conflict on the basis of the principles adopted at the Lisbon Summit of the state and government leaders of the OSCE member-countries. He directed the attention to the necessity of having the world community and U.S. officials support the true course of Azerbaijan.

President Aliyev expressed his regret about the adoption of unjust Section 907 to the "Freedom Support Act" in the Congress in 1992, despite the Armenian military aggression against our Republic. He also said that he was sure all the authorities who cooperate with Azerbaijan would give assistance to the repeal of this section.

The head of our State drew attention to the close participation of the U.S. companies in the contracts signed with a number of prestigious foreign companies on the joint exploitation of the oil fields in the Azerbaijani sector of the Caspian. He also emphasized the big opportunities for the joint work in the other areas of the Republic and accepted the proposals of the Hyatt leaders with pleasure. At the meeting, there was a wide exchange of views on the present state of affairs and the perspectives of the mutually advantageous relations in the region. At the end of the meeting, the representatives of the Pritzers repeated that they were honored from the meeting with the outstanding state figure President Aliyev and thanked him for the time spared them.

#### THE AZERBAIJANI PRESIDENT HEYDAR ALIYEV'S MEETING WITH THE EDITORIAL STAFF OF THE NEWSPAPER CHICAGO TRIBUNE

The President of the Republic of Azerbaijan Heydar Aliyev met with the editorial staff of the newspaper Chicago Tribune in Chicago on August 4.

The leaders of Chicago Tribune welcomed the head of our state in front of their building. They said they were honored to meet with the outstanding state figure Heydar Aliyev and thanked the leader of our republic for his visit.

President Aliyev made a speech at the meeting.

**Statement of Heydar Aliyev,  
President of the Republic of Azerbaijan**

I am very pleased to meet you-the representatives of Chicago Tribune editorial staff. I arrived in Chicago last night. This is my first meeting in Chicago today. My first meeting here is with the newspaper, the journalists. My attitude to the journalists, the newspaper workers, the organs of information have always been positive.

As you know, I have been paying an official visit to the U.S. at President Bill Clinton's invitation. I have been to New York, Washington D.C, Houston and now have come to Chicago. There have been a lot of meetings. I have had more than 70 meetings.

The most significant meeting for me in the U.S. was my meeting with President Clinton in the White House on August 1. We had very significant negotiations. As a result, we signed very important documents. We stated that the Azerbaijani-American relations are on the level of partnership relations. The joint statement, signed by President Clinton and me, approved the development of the relations between our countries and the existence of the friendly, partnership relations. We also signed several interstate and intergovernmental documents.

Contracts on the joint work of the U.S. oil companies with Azerbaijan were also signed in the White House with the participation of high U.S. government officials. I consider it a historical event in the Azerbaijani-American relationship. I appreciate it very much. A new stage has been opened in the development of our relations in all areas: political, economic, security, humanitarian, cultural spheres. That is why I am very pleased. Generally, I am extremely pleased with the care, attention and hospitality shown to us in the U.S.

After my tour round Chicago today and tomorrow, I am returning home in a very nice mood. This is what I wanted to say. Now I am ready to answer your questions.

QUESTION: Mr. President, with your permission, I shall ask the first question.

There is a very great interest in the U.S. concerning the pipelines built in Azerbaijan, Central Asia, the Caucasus, in general. Some claim that these pipelines will pass through Russia, others claim-through Iran and there are people who think that they will go through Turkey. Some people even consider that the pipe-lines should go the Novorossiysk in Russia. We would like to know which routes of these pipelines you prefer as a President? Generally, what can you say about the pipelines which will be built for the export of rich energy resources from the region to the Western markets?

HELYDAR ALIYEV: Azerbaijan and the Caspian basin are very rich in energy resources. There are also big energy resources in the Central Asian countries in the eastern coast of the Caspian Sea. Azerbaijan has already started the joint exploitation of these oil and gas fields with the big companies of the world, especially with the U.S. companies. The work, done until now, shows that these resources are more than expected. That is why it is impossible to export them through only one pipeline. There must be several pipelines for this purpose. The other reason here is in case of obstacles in one place, it would be possible to export the oil in the other directions.



We had negotiations, consultations with Mr. Bill Clinton two years ago on the export of the first oil, which would be extracted in the result of the joint work of Azerbaijan with the consortium of the Western companies, and we decided to build two oil pipelines. We have already been carrying out it. One pipeline has been built from Baku, Azerbaijan to the Novorossiysk port in Russia. In the coming September-October we are getting the first oil from the oil fields, worked out jointly with the consortium. We shall be able to export that oil through this pipeline. There is a little obstacle here. This pipeline passes through 100 kilometers in the territory of Chechenstan. There was no agreement on it between Chechenstan and Russia. But during my official visit to Moscow in early July we solved this problem. The president of Chechenstan Aslan Mashadov visited Azerbaijan. He asked for the trilateral contract to be signed among Russia, Azerbaijan and Chechenstan on the reliable and safe pass of the pipe-line through Chechenstan. I discussed this issue in Moscow. President Boris Yeltsin agreed to it too. A few days later the representatives of Russia and Chechenstan arrived in Baku, where we signed a trilateral contract. Therefore I consider that we shall export the oil through this pipeline.

We have started the construction of the second oil pipeline. It will be completed in September of the next year. This pipeline is being built in the western direction through the Georgian territory to the Supsa port in the Black Sea. There is no problem here either.

I mentioned that the oil fields in Azerbaijan are very rich, and a very big oil extraction is expected. Those two oil pipelines will not be able to provide the export of the oil. Therefore the consortium has worked out several proposals. We must start the con-

struction of a big oil pipeline. There are several proposals on the routes of this pipeline. All of them will be discussed. But I personally prefer the route passing through Azerbaijan, Georgia, Turkey and reaching the Jeyhan port in the Mediterranean sea.

For now it is not satisfactory either.

For oil has already been produced in the oil field Tengiz of Kazakhstan. We signed a contract with President Nazarbayev during my official visit to Almaty in June. We want to build a pipeline through the depth of the Caspian to carry the oil from Tengiz to Baku and from there to export it to the West through the pipelines above mentioned.

QUESTION: Mr. President, with Your help we would like to have fresh information about the Armenian-Azerbaijani relations. Are there any diplomatic relations with Armenia at present and are there any contacts? I would like to know Your opinion about it.

ANSWER: As you know, Armenia used a military aggression against Azerbaijan in 1988 when both Azerbaijan and Armenia were still in the Soviet Union. Armenia aimed at splitting the Nagorny-Garabagh Region from Azerbaijan and annexing it to herself. This conflict could have been prevented then. But they did not try. The following years the conflict was extended. In the consequence, because of some reasons the Armenian armed forces occupied 20% of the Azerbaijani territory with the help of foreign countries. More than one million Azerbaijani were forcibly driven out from the occupied territory. They have been driven out from their homes and now are living in tents in different regions of Azerbaijan.

All the territory, shown in three colors in the map in front of you, has been occupied by the Armenian armed forces and is still under occupation. More than one million Azerbaijanis who lived there have been forcibly driven out from this territory.

The territory, painted in red, is the territory of Nagorny-Garabagh. The territories, painted in green and yellow, are the territories of our administrative districts around Nagorny-Garabagh, which do not belong to Nagorny-Garabagh. It has been the fourth year that this territory is under occupation. We have agreed on the cease-fire, despite the facts that our territory is under occupation, they inflict on us heavy blows in the occupied territory, we have suffered great losses, our people are living in tents. We signed a contract on the cease-fire with Armenia three years ago.

Negotiations are being held for the peaceful settlement of the conflict. These negotiations are held through the OSCE Minsk Group. In the consequence of the negotiations, held by the OSCE Minsk Group, and our efforts, principles of peaceful settlement of the conflict were defined at the Lisbon Summit of the state and government leaders of the OSCE member-countries last December. These principles comprise three articles: first, the territorial integrity of Azerbaijan and Armenia; second, the provision of Nagorny-Garabagh with the right of high-level self-administration; third, the guarantee of the security of the entire population of Nagorny-Garabagh, including both Armenians and Azerbaijanis. We have accepted these principles. At the Lisbon Summit, 53 states out of 54 OSCE member-countries voted for these principles. But Armenia protests against it. They claim the status of state independence for Nagorny-Garabagh.

We have made a lot of concessions. But we cannot allow the status of state independence for Nagorny-Garabagh and the establishment of another Armenian state on Azerbaijan territory.

At the same time, it is against the international legal standards, the UN Charter, the OSCE principles.

Three co-chairmen have been appointed to the OSCE Minsk Group since the begin-



ning of this year. Now the U.S., Russia, and France are co-chairmen of the Minsk Group. The Presidents of the three countries: Bill Clinton, Boris Yeltsin, Jacques Chirak signed a statement on the peaceful settlement of the Armenian-Azerbaijani conflict in Denver on June 20. All this gives us great hopes for the peaceful settlement of the conflict.

Unfortunately, there have also been some negative occasions lately. At the beginning of this year, it was found out that the high officials of the Russian Defense Ministry have illegally given to Armenia weapons worth of one milliard dollars for the last three years.

Among them there are very horrible heavy weapons, including zenith missiles, long-range missiles. There are even nuclear-headed missiles among them.

We know the lists of these weapons because the Russian press has already published most of them. Even the copies of some orders, adopted by the Russian government for giving these weapons, have already been published in the press.

We are very concerned about this issue.

During my visit to Moscow in March and July of this year, I raised this issue very sharply at my negotiations with President Boris Yeltsin. I have appealed to him in the official press too. We demand the return of these weapons from Armenia to Russia. For it is very dangerous to have so many weapons kept in Armenia, which is a small territory. This is threatening not only for Azerbaijan, but also for the entire region.

The possible targets of these weapons are reflected in the map you have got now. As you know, there are Russian military bases in Armenia. Big Russian military forces are located here. But Azerbaijan is a completely independent state. We do not have even a single soldier of any foreign country, including Russia, in our territory.

No doubt, having Russian weapons in Armenia complicates the situation. But at the same time, I am in a very hopeful mood because of my negotiations with President Clinton.

This issue holds a very important place in my negotiations with President Bill Clinton. I stated that I accepted the proposals, given to both Armenia and Azerbaijan by the Minsk Group, as the basis to intensify the negotiations. According to the joint statement, signed by President and me, the U.S. will make special efforts for the settlement of the conflict in 1997.

We are for the restoration of peace in our region, between Armenia and Azerbaijan. The territorial integrity of Azerbaijan should be restored, the refugees should return to their homes, Nagorny-Garabagh should get the status of high-level self-administration within Azerbaijan. I consider that on these conditions we can get a great peace.

QUESTION: Mr. President, we know that the Nakhchivan Autonomous Republic is situated near the territory of Armenia. And in the territory of Azerbaijan there is an Armenian enclave, named Nagorny-Garabagh. Is the defense problem of Nakhchivans territory discussed during the negotiations with Armenia? Generally, how would you interpret this case?

ANSWER: You know, they are not the same things. Simply in early 1920s they did a lot of injustice when preparing the map of the Soviet Union. The ancient Azerbaijani territory of Nakhchivan was split from the main part of Azerbaijan through this small corridor, given to Armenia. But Nagorny-Garabagh is a place in the center of Azerbaijan, it is not an Armenian enclave. At the beginning of the conflict 70% of the people there were Armenians, 30% Azerbaijanis.

The protection of the security of the Nakhchivan autonomous republic is one of our main duties. We never associate this with the Nagorny-Garabagh issue.



The situation, I described now, was created in Nagorny-Garabagh after the conflict started. I would like to repeat that Nagorny-Garabagh has never belonged to Armenia. In the U.S., there are states where Armenians are densely populated. That does not mean that it is an Armenian territory. Therefore, I point out again: these issues are not alike, they are not connected with each other.

QUESTION: Mr. President, my question is on the weapons. Do you have information, confirmations that the weapons, given to Armenia, were intended to be sent to Chechenstan by the Russian official circles, but were delivered to Armenia, instead of Chechenstan? That is, different Russian forces, circles had bought these weapons with the intention of sending them to the Russian troops in Chechenstan, but later passed the weapons to Armenia with the intention of getting richer?

ANSWER: We do not have such information but we have exact documents showing that those weapons were carried by big airplanes to Armenia from certain military circles in Russia and in the places far away from Armenia. I told you that there are Russian military forces and military basis in the territory of Armenia. The weapons, given to Armenia, were carried there from the military forces in Armenia, also in Georgia. We have documents about it.

The prosecutor's office in Russia is carrying out investigations in this connection. I can tell you that the high officials of Russia, for example, the ex-Defense Minister Grachov, the ex-head of the main headquarters General Kolesnikov, admitted that they had given these weapons.

You know that the U.S. Senate has adopted a decision in this connection. They gave time to the U.S. President to clear out this issue and to report to the Senate till August 1. We are grateful to the Senate for the adoption of such fair decision. Because you know, this is a horrible case directed not only towards Azerbaijan. Generally, while one should limit weapons to prevent the conflicts all over the world, it is beyond these principles that Russia gives such weapons to Armenia.

QUESTION: Mr. President, are you planning to sign any trade contracts in Chicago? Which companies are you meeting in Chicago?

ANSWER: I am very pleased that four big contracts have been signed in the White House. We have signed these contracts with Chevron, Exxon, Mobil and Amoco. Each of them has been signed on the joint exploitation of the big oil fields in the Azerbaijani sector of the Caspian Sea. It is a great step in the development of economic relations between Azerbaijan and the U.S.

Here in Chicago, we plan to sign one document. There will be a lot of meetings in Chicago. These meetings may lead to signing new contracts in Chicago.

The leader of the editorial staff of Chicago Tribune Jim Kallahaer: Mr. President, we are grateful to you for your respect to us and for your visit here.

HELYDAR ALIYEV: I also thank you for your interest in Azerbaijan. I express my gratitude and respect to your newspaper. I hope your newspaper will publish objective materials about the truth in Azerbaijan in the future, too. At the same time, I am pleased to meet again the people whom I have known before. In the past we worked together in Moscow. It is true we were on different sides. But now we are together. This is also a historical event.

JIM KALLAHAER: We would like very much our correspondent in Moscow to go to Baku and write articles on economic development and some other issues in Azerbaijan.

HELYDAR ALIYEV: Let him come. I am ready to receive any correspondent from your newspaper. Every correspondent, visiting Azerbaijan will have a chance to learn



everything about our country. The doors of our country are open to everybody. There is democracy, pluralism, freedom of the press in Azerbaijan. The doors of Azerbaijan are open especially for foreign investments. For foreign journalists they are wide open.

I invite all of you to Azerbaijan. Come to Azerbaijan. Thank you. I give these books and maps to you as a present.

JIM KALLAHAER: Mr. President, our newspaper will celebrate its 150th anniversary this year. Chicago Tribune was founded in 1847. We will celebrate it as a jubilee because there are, very few newspapers in the U.S. as old as Chicago Tribune. Like Azerbaijan, we are also living the self-transition period. You see, changing are taking place here, we are doing some repairs.

HELYDAR ALIYEV: I congratulate you on this jubilee.

JIM KALLAHAER: Mr. President we would like to give the book, dedicated to the 150th anniversary of Chicago Tribune to you as a present. This is the reflection of 150-year-history of the U.S. in the eye of Chicago Tribune. There is very useful information about Chicago and the U.S. in this book.

HELYDAR ALIYEV: That's very nice. I thank you for the book.

#### MEETING OF HEYDAR ALIYEV, PRESIDENT OF THE AZERBAIJAN WITH THE LEADER OF THE FMC<sup>36</sup> COMPANY

Heydar Aliyev, the President of the Republic of Azerbaijan, met Mr. McKlunge, vice-president of FMC at the magnificent building of Amoco corporation on August 4.

Mr. McKlunge greeted the head of our state warmly and sincerely and expressed his regret that the president of their company Robert Byrd could not take part in the meeting because he was in Washington. Mr. McKlunge congratulated the leader of our republic on the occasion of his successful official visit to the United States. He stressed that the public of the U.S. and the official circles welcomed with great interest the first official visit of President Aliyev to the United States, his meetings with President Clinton in the White House as well as with other top officials of the government.

He said that FMC attached a particular attention to its relationship with Azerbaijan and gave wide information to President Aliyev about the company he represented.

He stressed that FMC mostly supplied the companies engaged in oil development in the deepest parts of the sea with technological equipment. He added that his company also produced machinery and chemical products for agriculture and equipment for aviation.

Mr. McKlunge made several new proposals to intensify relations between FMC and Azerbaijan. He said his company would do its best for solving problems facing Azerbaijan, particularly peaceful settlement of conflict between Armenia and Azerbaijan and repeal of Section 907 of the "Freedom Support Act" passed by the Congress in 1992.

Then President Aliyev thanked Mr. McKlunge and said Azerbaijan attached great importance to the intensification of its relationships with the world community. He wishes to strengthen cooperation in many areas with all businessmen of foreign countries, including FMC.

The Azerbaijani president stressed that there are great opportunities and legal bases for broad activities of foreign investors and met the proposals of the vice-president of FMC with satisfaction.

President Aliyev said that in 1970-1980, our republic had great achievements in the



field of engineering and other areas of industry and noted that the revival of cooperation in these fields will be mutually beneficial for both parties.

A wide exchange of views on the perspectives of relations between FMC and Azerbaijan were held during the talks. They underlined the importance of implementing the proposals made by the company.

#### MEETING OF THE HEAD OF OUR STATE WITH THE HIGH OFFICIALS OF CATERPILLAR AND MOTOROLA COMPANIES

On August 4, President Aliyev met in Chicago Mr. Donald Fites, chairman of the Board of Directors of Caterpillar and Mr. Robert Gelvin, former chairman of the Board of Directors of Motorola of the U.S. Mr. Gelvin is one of big investors in Motorola.

Mr. Fites said that he felt honored to meet the outstanding statesman Heydar Aliyev and congratulated him with his successful official visit to the U.S.

Mr. Gelvin said that the U.S. public displays great interest in the achievements of Azerbaijan in the area of construction of a democratic, legal state, in the successful implementation of reforms into life under the leadership of President Aliyev and supports all his initiatives. Mr. Gelvin said: "Mr. President, we are sure that only due to your wise policy Azerbaijan will soon become one of the most developed countries of the world."



Mr. Gelvin highly appreciated the undertaken steps of Azerbaijan in the area of intensification of relations with the world community and said that he was aware that Azerbaijan has chosen the road of market relations and is successfully cooperating with the financial institutions of the world.

Mr. Fites and Mr. Gelvin said that Caterpillar and Motorola companies will do their best to help the solution of problems facing Azerbaijan, particularly peaceful solution of the Armenian-Azerbaijan conflict, removal of Section 907 to the "Freedom Support Act" adopted by the U.S. Congress.

President Aliyev thanked Mr. Fites and Mr. Gelvin for their kind words. Speaking of his successful official visit to the U.S. he appreciated the visit as an important event in the history of relations of our countries and states.

Then he spoke of his meetings in the White House on August 1 with President Bill Clinton and other high officials of the U.S. government, of negotiations carried out by him and signed documents saying that they create a firm foundation for the new stage of the American-Azerbaijan relations. He expressed his satisfaction with the contracts signed between the State Oil Company of Azerbaijan and the U.S. companies Chevron, Exxon, Mobil and Amoco. He laid a special emphasis on the close participation of many USA companies in historical contracts on joint developments in the Azerbaijani sector of the Caspian Sea and said that there are great opportunities for broad relations in all areas in our country with the U.S. He also expressed his satisfaction with the pre-



sent state of relations of Caterpillar and Motorola companies in Azerbaijan.

A broad exchange of views on the further development of these relations between these companies and Azerbaijan were held. Some other concrete proposals of companies were also discussed during the talks.

**MEETING OF HEYDAR ALIYEV, PRESIDENT OF AZERBAIJAN,  
WITH LAWRENCE FULLER, THE CHAIRMAN OF BOARD  
OF DIRECTORS OF AMOCO CORPORATION**

On August 4, in Chicago President Aliyev met Lawrence Fuller, chairman of the Board of Directors of the U.S. Amoco corporation. Mr. Don Stacy, chairman of the Chamber of Commerce of the USA, former president of Amoco and members of the Board of Directors of the company also participated.

Mr. Don Stacy greeted President Aliyev and congratulated him on the occasion of his successful official visit to the U.S. He said that the U.S. public met with great sympathy this official visit, President Aliyev's meeting with President Clinton and other high officials of his administration, the negotiations carried out by him and the signed documents.

Mr. Fuller praised the signed inter-state documents which will play an important role in the development of the U.S.-Azerbaijan relationship. He said he felt a sense of honor that the contracts on joint developments of oil deposits in the Azerbaijani sector of the Caspian Sea with the U.S. companies were signed in the White House with the participation of President Aliyev and officials of the U.S. administration.



Mr. Fuller said the U.S. met with sympathy the achievements of the recent years of Azerbaijan in constructing a legal democratic state, and in realizing political and economic reforms under the wise leadership of President Aliyev. He expressed confidence that the young independent country, which Amoco is closely cooperating with, will soon become one of the most developed countries of the world.

Mr. Fuller said that Azerbaijan has gained a good reputation in the world community due to the great sympathy towards the personality of Heydar Aliyev, and that the independent Republic of Azerbaijan has numerous friends in the U.S. He said that Amoco is undertaking special efforts to remove the problems facing Azerbaijan and will increase these efforts further.

Mr. Fuller expressed his confidence that due to foresighted policy of President Heydar Aliyev, the Armenian-Azerbaijan conflict will soon be settled. He also spoke with great satisfaction of the determination of President Clinton to solve the conflict in 1997. He also expressed his confidence that Section 907 to "the Freedom Support Act" adopted in 1992 also will be repealed.

Mr. Fuller reminded that Amoco corporation is a close friend of Azerbaijan and said that they will pay attention to the development of cooperation with your republic not only in the sphere of economy, but also in the field of science, culture and education. He informed President Aliyev on the works carried out by Amoco in this area.

President Aliyev said that he was pleased to meet Mr. Fuller and other Board members of Amoco and said that he was satisfied with the fact that Amoco paid a constant attention to the intensification of relations and cooperation with Azerbaijan.

The Azerbaijani president highly praised the merits of Mr. Don Stacy, former president of Amoco, and expressed his confidence that the newly appointed president of



Amoco, Chuck Pitman, will do his best for the further development of our relations which have been built on a firm foundation.

President Aliyev spoke with great satisfaction of the work done in the republic by Amoco for which it has won a good reputation, and of close assistance rendered by Amoco to Azerbaijan in many areas.

He also spoke of the importance of efforts of Amoco for the propagation of the just cause of Azerbaijan in the international arena and for the solution of problems facing our republic. He particularly stressed the importance of removal of Section 907 to the "Freedom Support Act" adopted by the U.S. Congress in 1992.

He noted that his meetings with President Bill Clinton during his official visit in Washington, the talks he carried out, the signed interstate documents have played an important role in raising U.S.-Azerbaijan cooperation to the level of partnership. He characterized the signature of contracts on joint oil developments in the Azerbaijani sector of the Caspian Sea by Chevron, Exxon, Mobil and Amoco with the State Oil Company of Azerbaijan as a historical event.

President Aliyev noted that there are all conditions for Amoco to expand the cooperation further in all areas in Azerbaijan and that we display a great interest in relations with this company. He stressed the importance of mutually beneficial relations for strengthening of cooperation between our countries and peoples.

At the meeting which was held in a friendly atmosphere Heydar Aliyev, head of our nation invited Mr. Lawrence Fuller, Chairman of the Board of Directors of Amoco corporation, to visit Azerbaijan.

Mr. Fuller said that he felt proud of his meeting with Heydar Aliyev and thanked him for coming to the magnificent office building of the corporation. He accepted the invitation with great gratitude.

At the end of the meeting he gave President Aliyev a small statue of President Abraham Lincoln, who had unparalleled merits in U.S. history, and said:

"Mr. President, I think you know that had it not been for President Lincoln the United States would have consisted of two parts now. Mr. President, I feel greatly honored by presenting the statue of President Lincoln to you, and I know that your services for the people of Azerbaijan are also matchless".

Heydar Aliyev, President of Azerbaijan, praised the merits of President Lincoln in the history of the United States and said that because of him, the American people never forget him. The head of our state accepted the statue as a precious gift with a great satisfaction.

**OFFICIAL RECEPTION IN HONOR OF PRESIDENT ALIYEV  
OF AZERBAIJAN GIVEN BY AMERICA-EUROPE-ASIA CHAMBER  
OF COMMERCE AND MID-AMERICAN COMMITTEE  
ON INTERNATIONAL BUSINESS COOPERATION**

On August 4, An official reception was held in honor of Heydar Aliyev, President of the Republic of Azerbaijan, given by America-Europe-Asia Chamber of Commerce and the Mid-American Committee on International Business Cooperation on the eightieth floor of the magnificent building of Amoco in Chicago.

The official reception was attended by U.S. , heads of administration of the State of Illinois and the city of Chicago, political scientists, heads of Amoco, Motorola, Caterpillar, FMC, and scientists, men of culture and representatives of the media.

The reception ceremony was opened by Mr. McKlung, vice-president of FMC.

**Speech of Mr. McKlung, Vice-President of FMS**

Highly esteemed President Aliyev

Ladies and gentlemen

Our honored guest Mr. Heydar Aliyev is very popular with his wisdom and far-sightedness. He has done lots of services for his country. He has led the Republic of Azerbaijan to economic and political independence.

Ladies and gentlemen

On behalf of the government of the state of Illinois, the city of Chicago, citizens and business circles, I ask you to stand and raise a toast in honor of President Heydar Aliyev. Mr. President, you are welcome to Chicago!

Then Thomas Miner, the Chairman of the Mid-American Committee on International Business Cooperation, took the floor.

**Speech of Thomas Miner,  
Chairman of the Mid-American Committee**

Highly esteemed President Aliyev

Dear members of the Azerbaijan delegation

I thank the sponsors of this official reception arranged on behalf of the Mid-American Committee on International Business Cooperation and the Chamber of Commerce of America-Europe-Asia. Amoco is the first sponsor. The companies Caterpillar, Motorola and FMC have also taken part in the sponsorship. I thank them for their participation in this historical event once more.

Then Mr. Donald Fites, Chairman of the Board of Directors of Caterpillar made a brief statement.

**Speech of Mr. Donald Fites,  
Chairman of the Board of Directors of Caterpillar**

Mr. President

I welcome you on behalf of Caterpillar, Amoco, Motorola and the American-European-Asian Chamber of Commerce and Mid-American Committee. I want to introduce the members of the delegation of the president. Hasan Hasanov, Minister of Foreign Affairs of the Republic of Azerbaijan, Fikret Yusifov, Minister of Finance, Hafiz Pashayev, Ambassador of the Republic of Azerbaijan to the U.S., Eldar Guliyev, representative of Azerbaijan on the Organization of United Nations.

Mr. President, you are one of the rare statesmen in the world. You headed the Republic of Azerbaijan in the years of the Soviet power and you were also one of the leaders of the Soviet Union.

Mr. President, you have transformed your republic from the old system to a democratic state with free market relations. Your leadership qualities, natural resources of your republic and qualified manpower have played an important role in the transformation of Azerbaijan to a democratic country. Everybody is well aware of the present day achievements of Azerbaijan which find their expression in the great interest displayed by the world public in your country.

This year, \$872 million have been invested into the economy of Azerbaijan. In 1993, it was only \$15 million. About 70% of the investors are U.S. companies. One of them is Caterpillar.

We are greatly pleased to help the development of the economy of your country. We supply your economy with machinery and installations. They are widely used in the oil industry, in agriculture, in the construction of pipelines. We are taking a close participation in the establishment of infrastructure of your country.

In the present peculiar history of Azerbaijan, your republic is taking important steps on the road of economic independence. Caterpillar will be with you in future, too, and help you.

Mr. President, we feel greatly honored for being here today with you.

Then Mr. Laurence Fuller, Chairman of the Board of Directors of Amoco made a brief statement.

**Speech of Laurence Fuller, Chairman of the Board  
of Directors of Amoco Corporation**

Dear President Aliyev

I feel a great honor to welcome you.

It is a very important event that you have become a grandfather again since your arrival in the U.S. I congratulate you on this occasion with all my heart.



Mr. President, I know that the areas in which you are interested are politics and architecture. Both of them you may encounter in Chicago.

Mr. President, you know that Baku and Chicago are popular as cities of winds. Both of them are located on the seashore. Chicago is famous for its skyscrapers. It is one of economic and technological centers here. As one of writers once has said, Chicago houses the might and authority of the country. They are evident in the skyscrapers of Chicago. As you know, there was a big fire in Chicago in 1871. Later Chicago was completely reconstructed. Therefore the historians call Chicago the city of the 20th century. Now Chicago is again reviving, it is like the revival process of your Baku.

At the beginning of this century Baku was the center of the oil industry and commerce. Baku left behind many events, survived, became strong and healthy. Azerbaijan has experienced a great revival process since. At present your country is in the stage of economic prosperity. Mr. President, all this is due to your leadership.

We are very glad that you signed contracts with several American companies in the White House. These documents will play an important role in the development of oil and gas industry of our countries. I congratulate you heartily.

You know that most of the investors in Azerbaijan are the U.S. companies. We have

done lots of things to achieve this result. We are very pleased of our present cooperation with Azerbaijan.

Mr. President, perhaps you will speak about what has been done in Azerbaijan. I want to say only one thing that when the historians write about the new fame of Baku. They believe that Baku will be one of the biggest cities of the 21st century. All this has become possible because of the leadership of President Aliyev.

Allow me now to give the floor to Mr. Heydar Aliyev, President of the Republic of Azerbaijan.

#### Statement of Heydar Aliyev, President of the Republic of Azerbaijan

Mr. Lawrence Fuller, chairman of the Board of Directors of Amoco corporation  
Mr. Donald Fites, chairman of the Board of Directors of Caterpillar

Mr. McKlung, vice-president of FMC

Mr. President of Motorola

I am very pleased to meet all of you here. Chicago is one of the biggest cities of the world, one of the biggest industrial, financial and cultural centers of the U.S. When we make an excursion to the grand and huge history of the U.S., we see that Chicago and the state of Illinois acquire a special place in it. The whole world displays great interest in your city. Chicago exerts interest in the world. Lots of people from all corners of the world want to come to your city. They come, they visit Chicago as guests. Everyone who visits Chicago and gets acquainted with the nature, architecture, climate, especially with the business atmosphere of your city, finds something precious, something very valuable for himself to help to build ones work, to make use of them.

Therefore I had a great desire to visit Chicago. When I made preparations to visit the U.S. I included a visit to Chicago, too. Fortunately I realized my dream.

Today we have here many respectful, important persons, representatives of the American-European-Asian Chamber of Commerce, Mid-American Committee on International Business cooperation, press and mass media, big companies, and popular financial centers.

I thank you for the attention, care and respect shown to me and to members of my delegation. I am very glad to meet you here. I know that this hall is a historical place. As a custom, all meetings with high officials, statesmen, politicians and persons involved in economy, who visit America, are held in this hall. The walls of this hall have witnessed many such meetings. I am very happy that I, president of the independent Republic of Azerbaijan, the members of my delegation have the honor to hold such a high level meeting in this historical place.

You can be sure that I appreciate this meeting highly. I think that this meeting will be a good incentive for the development of the USA-Azerbaijan economic relations. In any case, we have come with the above-mentioned desires to this meeting. I hope that our desires will be realized.

You already know Azerbaijan. But perhaps not all of you have full imagination about Azerbaijan. Therefore I would like to take a little time to say some words about the present day Azerbaijan.

Azerbaijan is a country located in the Caucasus. It has an ancient, a very long history. In this long history Azerbaijan has experienced many hardships, ordeals and stages. But the Azerbaijan people have never quitted their Motherland, they have fought, created, lived with the dream for national liberation and state independence, finally achieved all of them in the recent years.



You know that Azerbaijan gained its independence at the beginning of the 20th century. Azerbaijan functioned as an independent country in the past centuries as well, but later lost its independence. In 1918, Azerbaijan became independent, the first democratic republic was established. But unfortunately it lived only 23 months. Then the Soviet power was established in Azerbaijan. This power lived for 70 years. By the end of 1991 the Union of Soviets collapsed and as a result of it Azerbaijan gained its independence. The U.S. was one of the first states to recognize the independence of Azerbaijan. We are always thankful for it.

In the recent years, Azerbaijan has established diplomatic relationships with many countries in the world, cooperating with them on mutually beneficial bases. Azerbaijan is the member of all international organizations. And finally, Azerbaijan occupies a worthy place in the world community.

After gaining independence, Azerbaijan has adopted a decision to build a legal, democratic and secular state. We implement into life this decision consistently. This is our strategic goal.

It is true that safeguarding the independence of Azerbaijan has not been very easy. We came face to face with many difficulties. Foreign interferences, various pressures, ongoing socio-political processes in the country, struggles of various armed groups for the state power created great strains in the republic. But the most difficult, the hardest of all this is the armed aggression of Armenia against Azerbaijan.

Nine years ago, when Azerbaijan and Armenia were still in the composition of the Soviet Union, Armenia committed an armed aggression against Azerbaijan. Armenia is aiming at tearing away the Upper Garabag province from Azerbaijan and join it to Armenia. It resulted in this big conflict. A war has been waged and people have been

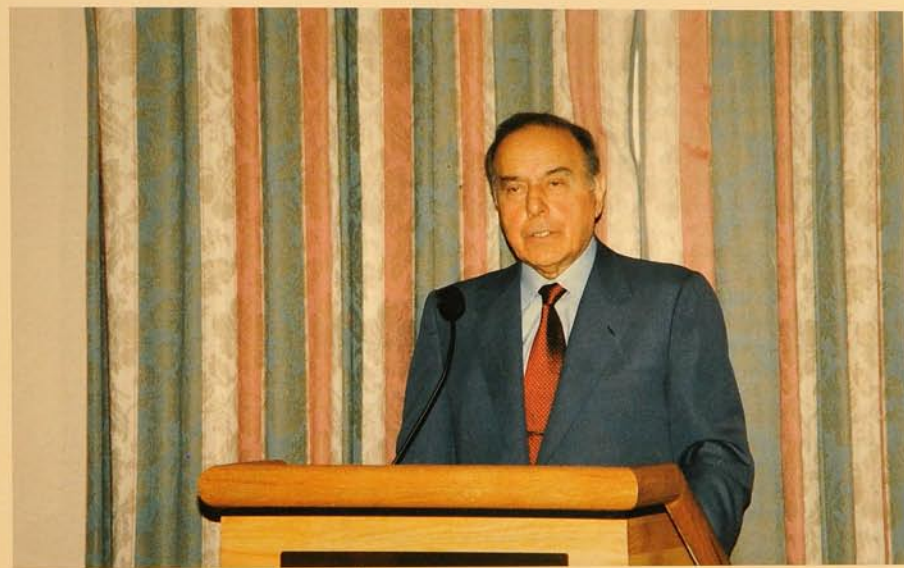


killed. Azerbaijan has given martyrs, tens of thousands people have been murdered. Being supported by some countries, the armed forces of Armenia have occupied 20% of the Azerbaijan territory. Over one million people have become refugees, displaced persons. They have been living in tent camps since.

We want to solve this conflict. Therefore we signed a cease-fire agreement with Armenia three years ago. We observe the cease-fire. There is no fire at present, but at the same time there is no peace as well. The territorial integrity of Azerbaijan has been violated. A part of territory of Azerbaijan is under the occupation of the armed forces of Armenia. Despite all this we want to settle the conflict peacefully and for this purpose we use the mediation efforts of the Minsk Group of OSCE constantly.

I can note with great satisfaction that in December of the last year the Minsk Group came out with a proposal at the summit meeting of OSCE-member states in Lisbon. As a result of it the general principles of solution of the Armenian-Azerbaijan conflict were adopted. These principles consist of the followings: recognition of the territorial integrity of Azerbaijan and Armenia, to grant self-governance right to the Upper Garabag in the composition of Azerbaijan, provision of security of the Armenian and Azerbaijan population of the Upper Garabag.

We have adopted these principles. At the Lisbon summit of OSCE-member states 53 out of 54 countries supported these principles. But it is very regretful that Armenia objected to them. What does Armenia want? It claims to have the status of an independent state for the Upper Garabag. This is impossible in any case. We can not agree with it. And the world community can not accept it. This claim contradicts the Charter of the United Nations Organization, the principles of the Organization for Security and Cooperation in Europe and the norms of the international law. We can not allow the



formation of a second Armenian state in the territory of Azerbaijan.

The Armenian people have self-determination right and have already realized this right. They have their independent state, independent republic. It is impossible to create a second Armenian state. Therefore Armenia must accept the compromise. We have accepted many compromises. Acceptance of the principles of the Lisbon Summit by us is one of our compromises.

Now one thing that gives us much hope is that after the Lisbon Summit, the new co-chairpersons for the Minsk Group of OSCE - the U.S., Russia and France - have been appointed for the solution of the Armenian-Azerbaijan conflict.

The presidents of the United States, Russian Federation and France - Bill Clinton, Boris Yeltsin and Jacques Chirac - made a statement on June 20, in the city of Denver, on the peaceful solution of the Armenian-Azerbaijan conflict. It gives grounds to hope for better.

The Minsk Group of OSCE has recently introduced constructive proposals to us for the solution of the conflict. We have accepted them as a basis for the intensification of negotiations. They all give us great hopes. These hopes have grown even stronger during my visit to the U.S.

You know that it is my first official visit to the U.S. as the president of the Republic of Azerbaijan. I want you to know everywhere here, everyday, every hour we have been surrounded with great care attention and hospitality. I thank everybody for them.

On August 1, I met President Clinton in the White House. It was a very important meeting of great historical significance. We discussed all the interesting issues. Our negotiations were held in the atmosphere of sincerity, kindness and friendship. It gladdens me very much, gladdens all of us very greatly. We expressed unanimity of opin-

ions in many issues during the talks. We particularly discussed the problem of peaceful solution of the Armenian-Azerbaijan conflict comprehensively. The talks give hope for better. President Clinton is personally dealing with this problem and he promised and declared that he will continue his efforts in future as well.

As a result of these talks, negotiations we signed in the White House a number of significant documents of historical importance which will contribute to the development of relations between the U.S. and Azerbaijan. The most striking feature of these documents is that our cooperation bears a friendly nature. It shows a relationship of two partners. This idea and many other similar ideas have found their expression in the joint statement signed by President Clinton and me. We also signed a very important agreement on the protection of investments, and a contract on cooperation in the area of energy resources.

I had meetings at the Defense Department. We also signed an agreement on cooperation between the U.S. Defense Department and Azerbaijan. Along with all this, on August 1, very important contracts were signed between Azerbaijan and the U.S. oil companies Chevron, Exxon, Mobil, Amoco. These contracts are connected with developments of the U.S. companies in new oil and gas deposits of Azerbaijan. Al Gore, vice-president of the United States, attended the signing ceremony and made a speech. Also attending were Madeleine Albright, the State Secretary, Ministers Mr. Pena and Mr. Daly, Mr. Berger and other high officials.

August 1 became a historical day in the Azerbaijan-U.S. relationship. We are pleased with it very much. During the talks, in the signed documents and particularly in the joint statement, the U.S. supported Azerbaijan as a democratic republic which has chosen the road of economic reforms due to which has become an integral party of the world community. All this has found their expression in the signed documents. They acquire a great importance for us.

As I noted, we are building a legal, democratic and secular state in Azerbaijan. It is not an easy task to be implemented into life in our country. It is a very difficult problem for a country that has lived under the totalitarian regime for many years to follow the road of democracy and market economy, to carry out reforms, to change the economy. We have been facing great difficulties. But today I declare to you, it is our strategy and we shall follow it.

The documents signed by President Clinton and me reflect the support of the U.S. of the state independence, sovereignty and territorial integrity of Azerbaijan. I want to declare to you today that Azerbaijan regards its state independence a historical achievement. We are defending this independence and will continue defending it further. We shall never give up our state independence. The state independence of Azerbaijan is forever, eternal and invincible.

You know that there are various forces exerting pressure on us from various directions and do not want us to be independent.

They are great forces. But everybody must know we shall defend and protect our state independence at any cost. We shall never allow anybody to own our country any more, or deprive us from our national freedom. We shall never allow it.

We are building a democratic republic, a democratic state, we are establishing market relations in the country, implementing into life economic reforms. I want to say that we have achievements in all this spheres. The rate of inflation in Azerbaijan in 1994 was 1800%, it was 84% in 1995, but in 1996 it fell to 6%. In the first half of this year, its rate was 0%.

The economy of Azerbaijan was in decline since 1989. It continued to decline till the last year. We were in a deep social and economic crisis. National income, domestic production fell 25%. The production of industrial products was reduced by 25-30%. We managed to stop the decline. 1996 was a turning point. Last year the output of industrial production and aggregate domestic production grew 1.2%. In the first half of 1997 aggregate domestic production grew 5.2. Output of agricultural and industrial products is growing. Our national currency have become convertible. Taken together, we have given freedom and independence to many things.

Foreign trade in our country grew for 40% last year. We have liberalized the foreign trade. We have carried out liberalization in economy. We have opened the doors of the republic for the foreign investment. We have created favorable conditions for the attraction of investments to Azerbaijan. As a result of these steps, foreign investment is consistently flowing to Azerbaijan and the total amount of investments is growing day by day. Finally, we have gained a positive balance in our import and export last year. In the first half of this year our export exceeds the import. We have liberalized customs duties in order to enable any company come to Azerbaijan, invest and function independently in our republic. We have the lowest rate of customs duty.

We have adopted very positive laws for the protection of foreign investment in Azerbaijan. We adopted an immunity law for foreign investments. Any legal, or physical entity who invests capital in Azerbaijan may work on conditions when capital was invested for ten years irrespective of changes in laws which follow.

We have also adopted a law on repatriation of incomes of foreign investors. We have adopted a number of other laws, as well. All this has created great opportunities for initiatives, free entrepreneurship, liberalized the economy in Azerbaijan, on one hand, creating favorable conditions for the attraction of foreign investments, on the other.

We have implemented into life great economic reforms in the agrarian sector. The livestock in the agrarian sector has completely been privatized. We are privatizing the land now. Last year we adopted a very radical law on the transfer of lands to the private ownership. I want to say that it is the most radical law on land among those adopted by the Commonwealth of Independent States (CIS). Some CIS member-states even do not dare to adopt a law on the transfer of land to the private ownership. But we have done it, giving land for private ownership. Each landowner has the right to sell his portion of land, or give it to somebody.

Privatization is carried out in full scope. Foreign companies, citizens of foreign states have equal rights with local citizens and companies for taking part in privatization. A good number of joint ventures have been created in the republic with the participation of foreign businessmen. The number of these joint ventures is really great. Among these, joint ventures and economic relations the U.S. occupies a special place. In 1994, we signed the biggest oil contract for the first time. It got the name of "the Contract of the Century." It was signed for 30 years, but it seems that its term will be prolonged not once.

This contract is participated by five American oil companies. One of the founders and initiator of this contract is Amoco. Our cooperation with Amoco is of great historical importance. I am very glad to be in the office of Amoco, to meet its high officials. I must note that it was the first contract.

On August 1, we signed four big contracts, all within one day. They were signed in the capital of the U.S., in the White House, which is an important place in the whole world. It is a historical event both for us and for the U.S. companies.



Now, when speaking to you I declare that Azerbaijan will pursue the road of market economy, market relations in future, too. No other form of economy can be restored in Azerbaijan.

You know that there appear ideas in Russia and other CIS countries to restore the former U.S.S.R., to return to the socialist system. You are to know what processes are going on in the space of the former Soviet Union. But I declare to you that in Azerbaijan there is no road back for Azerbaijan. We shall never allow the restoration of the socialist political and social system. Our political road is the road of democratic state building. Political pluralism, protection of human rights and basic liberties, freedom of consciousness, freedom of word and press and many others have been established in Azerbaijan and they will be consolidated further.

From the point of view of development of the economy of our republic, our aim is to create a market economy and follow it, to give freedom of action and independence to people. In general, we give freedom and independence to people and we shall expand granting of them in future as well. In order to revive and develop our economy, we try to apply to it the principles of the market economy, and to achieve it undoubtedly we strive to attract foreign investment to Azerbaijan. Fortunately, we are already witnessing the benefits.

As it was said here today, the investment of the U.S. companies in Azerbaijan soon will reach to one billion dollars. But in conformity with the signed contracts the total amount of investments of the U.S. companies should be about 10 billion dollars. It is not only intended for the development of oil deposits, but also covers the output of oil. You must also know that the Caspian Sea is a basin rich in oil and gas reserves. Its oil and gas reserves continue to be explored day by day, year by year.

The countries of the Caucasus, Central Asia and those which encircle the Caspian Sea must cooperate in all areas. We are for cooperation. We have also opened a transport corridor that passes from the central Asia-the Caspian Sea-Azerbaijan- the Black Sea which then will follow to Europe. This transport corridor is already functioning. It is the restoration of the ancient "Silk Road." Through this corridor cargo is transported from the Central Asia to the remotest countries of Europe and back from Europe to the Central Asia. We have done lots of things in this area. We shall develop and expand this transport corridor further.

We also take steps to transport the oil produced in the basin of the Caspian Sea. Decisions have been adopted on the construction of two oil pipelines. One of them is already functioning, it lies from Baku through the territory of the Russian federation to the port of Novorossiysk on the Black Sea. The second pipeline is being built from Azerbaijan through the territory of Georgia to the port of Supsa. Both of these pipelines are for the transportation of the early oil. At present we are facing the construction of the main pipeline. As a result of realization of all the contracts Azerbaijan must export 60 million tons of oil in some years. Therefore construction of the route is from Azerbaijan to Turkey, then through the Mediterranean to the Turkish port of Jeyhan. There are other routes, too. But we prefer this one.

We are opening a corridor in Azerbaijan for the transportation of oil produced in Kazakhstan by the company "Chevron-Tengiz." And 1350 tons of oil has already been transported from Kazakhstan to Baku by tankers, which get delivered to the Black Sea by railway. As there is a big reserve of oil in "Tengiz" deposit. Kazakhstan and Azerbaijan signed an agreement that provides transportation of oil by a pipeline to be constructed on the bed of the Caspian Sea. The shortest and most effective pipeline in future is also the one that may lie through the Caspian Sea and Azerbaijan transporting

the oil from the Central Asia to the West, to Europe. We are for the development of this transport route in the future and are taking necessary steps toward it.

Many other U.S. companies together with the oil companies are cooperating with us. Caterpillar's president spoke of it here. They are doing a lot of work in Azerbaijan now and are determined to continue their efforts as well. The president of Motorola company is here. Motorola occupies a special place in Azerbaijan. The company will further expand the scope of its activities in Azerbaijan. Other companies have joined the realization process of all this contracts. You know that any oil company is followed by tens of other companies in order to realize the signed contracts.

Many companies may work in Azerbaijan. It is beneficial both for the U.S. and Azerbaijan. It will also expand our inter-country economic relations and develop them.

But there are factors which bar our effective cooperation. The main one of these factors is Section 907 adopted by the U.S. Congress against Azerbaijan in 1992. It is already five years that Azerbaijan has been deprived of any kind of assistance from the U.S. on the state level. You know that America gives financial and other forms of assistance to many countries, including the republics of the former Soviet Union. Our neighbors Armenia, Georgia, the republics of the Central Asia get 100 million dollars, or perhaps more than that financial aid. But Azerbaijan is deprived of this aid. It is a very serious paradox.

We brought the U.S. to Azerbaijan, to the Caspian Sea. Because of this, some of our neighbors have become offended. Now they accuse us why we have brought the U.S. companies to the Caspian Sea, Azerbaijan, and the Caucasus. On the other hand, the Congress of the U.S. has imposed an embargo on all kinds of assistance to Azerbaijan. We have dealt with this problem in recent years. And I am happy that finally these days an opinion has been formed in the U.S. public, in government circles, in Congress, that Section 907 is groundless and unjust against Azerbaijan. Some congressmen say that they do not know in what way the Section has been adopted in Congress and who has included it into the agenda of the Congress. They have voted for it without understanding the essence of the matter. We have heard all this. But let bygones be bygones. We have lived under deprivations for five years, and tolerated such a discrimination. But we cannot endure further.

During my stay in the U.S., I had meetings with more than 40 congressmen. I met the speaker of the House of Representatives Mr. Gingrich. I had comprehensive talks with Mr. Gilman, chairman of the Committee of International Relations. I had talks with several influential senators. They all told me that they will try to repeal this Section.

President Clinton has said it before and also declared it on August 1 that Section 907 must be repealed, and this idea has also found its expression in the document signed by us. Congressman from New York Mr. King has submitted a good bill for the removal of the Section. I suppose that the Congress, the U.S. government and other forces will join their efforts and try to repeal this Section in September. This Amendment is not only a discrimination against Azerbaijan, it obstructs the development of the USA-Azerbaijan economic relations. Therefore the U.S. companies, businessmen and investors in Azerbaijan must try to repeal this Section.

And finally I want to speak of one thing else. We have gained our independence, we are a sovereign state. We need peace in order live and develop as an independent state. Therefore the peaceful solution of the Armenian-Azerbaijan conflict is a basic problem for us. Unfortunately, there are forces which bar it.

It became evident at the beginning of this year that some high officials of the Ministry of Defense of the Russian Federation have sold a great amount modern, dangerous arms and ammunition to Armenia illegally which are worth of US\$1 billion. Of course, all this contradicts the peace negotiations of the three recent years, to the peace process, in general. This fact has been confessed by the Ministry of Defense of the Russian Federation and by other government circles of Russia. We declared our protest as we became aware of the fact. I have asked the Russian president to demand back the arms from Armenia.

You know that there are military bases, military detachments of Russia in Armenia. There are such military bases and detachments of Russia in the Caucasus, in Georgia as well. But in Azerbaijan there are no such bases and military units, and there shall never be. We are completely independent and shall defend our sovereignty by all means. But transfer of such an amount of dangerous weapons to our region has caused a great anxiety. The senate of the U.S. has also considered this problem and adopted a corresponding decision. I suppose that the Senate will continue its initiative and make efforts for the solution of this problem. All this is necessary and very important to establish peace in the Caucasus, to solve the Armenian-Azerbaijan conflict peacefully.

We want the liberation of all the occupied territories, return of refugees and displaced persons to their native lands, restoration of the territorial integrity of Azerbaijan and long-term, reliable peace with Armenia, in one word, we want to live in conditions of peace. I think that if such a peace is gained it will open great opportunities both for Armenia and Azerbaijan. I am sure that such a peace can be achieved between Azerbaijan and Armenia. And it will create strong foundations for the establishment of peace in our region, in the Caucasus. I am sure that President Clinton and the U.S. government will do their best toward the solution of this problem.

I want to express my pleasure with this meeting, with you here, today once more. I express my respect and appreciation to you. I invite you and all the businessmen of the U.S. companies to come to Azerbaijan, to start their business.

Azerbaijan has a beautiful landscape. Chicago is also beautiful. The same is true for Baku. There are many sightseeing in Azerbaijan. To see them, to enjoy them, will be a pleasure for each of you. I want to see you in Azerbaijan. I thank you once more. I wish more prosperity in Chicago. Now we are on the 80th floor. If you wish to rise higher, do it. You have won many records in the world. I wish the U.S. wouldn't raise the floors of buildings higher and higher, but to raise the might, the economy higher and higher. I wish you a strong health, happiness. I wish the people of the U.S. happiness and prosperity.

Today, Amoco gave me a very valuable present, a small statue of President Abraham Lincoln made of white marble. It is a very valuable gift for me. I know that President Lincoln had his special role in U.S. history. I fully agree with the president of Amoco that without the bravery, heroism and wisdom of Lincoln, the U.S. would have gone into pieces. Dividing the country is very dangerous. In his time, Lincoln saved the U.S. from splitting. Now we are trying to escape the danger of split. Like President Lincoln, we try to save Azerbaijan from splitting, and to maintain the territorial integrity of Azerbaijan. Therefore, this gift is very precious to me.

Now I want to give a present to Amoco. That is a painting of a famous Azerbaijani artist. It is a very interesting drawing. You know that Azerbaijan is an ancient oil country. Gas and oil were discovered in Azerbaijan hundreds of years ago. The first oil well gushed in Azerbaijan in 1848. It gushed in the U.S., in Pennsylvania, in 1852 or 1855. We are ahead of you. At that time, oil was extracted with such a great difficulty. We



must not forget it. If people had not produced oil in such hard conditions, Azerbaijan would have not been an oil country.

Therefore, I present this picture to Amoco as a symbol of relations in the area of oil industry between Azerbaijan and the U.S. oil companies. I think that this picture will occupy a worthy place in your company.

You see, we began to extract oil by the way described in this picture. The oilmen of Azerbaijan had the first oil gush 50 years ago in the Caspian Sea, in the Oil Rocks. They discovered oil deposits in the Caspian Sea. We were pioneers in it, too. Now, at the end of the 20th century, it is Azerbaijan, the very Azerbaijan that introduces the rich oil deposits of the Caspian Sea to the world. In the past 50 years all the oil deposits of the Caspian Sea were explored and discovered by the oil workers of Azerbaijan.

Now, many oil companies of the world are involved in joint oil developments. All these are factors that closely connect our countries. I wish the relations of our countries grew further. I greet you once more and wish you happiness.

I toast to the U.S., to the American people, to the American oil companies, to the U.S. government, to President Clinton, my friend, and to all of you. Thank you.

LAWRENCE FULLER: Mr. President, I have been sent many questions to ask you. Many of them found their answers in your speech. I ask you, if possible answer the followings.

QUESTION: Mr. President, can you share with us your impressions connected with your visit to the USA, to Washington, New York, Houston, Chicago. What do you think, was this visit a success? What novelties would you like to see during your next visit to the U.S.?



ANSWER: I want to say that it is my first official visit to the USA. The members of my delegation and I are fully satisfied with the visit. My assistants have counted that up to this day, to this minute, I had 75 meetings with different people in various places. My meetings will still continue today and tomorrow. It is a great achievement for me, because each meeting is businesslike in character, all of them have been devoted to the development of our U.S.-Azerbaijan relationship, each meeting follows the purpose to tell the truth about Azerbaijan. We are greatly pleased with all the days since July 27. We felt great hospitality, care and attention everywhere. All my meetings were held in the atmosphere of friendship and sincerity. I think that a friendliness, a sincerity have emerged in the Azerbaijan-U.S. relations.

We signed a document with President Clinton on the partnership of our countries. I think that it is the best result of my official visit.

I thank Mr. Bill Clinton and all persons with whom I had meetings. All the meetings held by us have created new opportunities for the development of relations between our countries. Our objectives in Azerbaijan, my own goal is to make an effective use of these opportunities. We are determined to do it.

I think that our relations will improve and rise to the highest level till I visit the U.S. next time. Then we shall be able to make bigger steps. I believe it. All relations between the U.S. and Azerbaijan in all areas are based on long-term bases. We regard these relationships as necessary and very important. Thank you.

LAWRENCE FULLER: Mr. President, I congratulate you on the occasion of your official visit to the USA, on the great achievement you have gained during this visit. I

thank you for your visit to the state of Illinois, to Chicago and for the meeting that you have arranged for us. Mr. President, we are grateful to you for the care and attention which you pay to the U.S. companies working in Azerbaijan.

Then a vase was presented to head of our nation as a gift on behalf of "Motorola" company.

HELYDAR ALIYEV: The most important page of my official visit to the U.S. is that my grandson was born August 2 while I was here. It gives me great happiness. I thank you for your congratulations and I shall give this vase to my grandson as a present from you.

After the official reception, the politicians, members of the administration of the state of Illinois and Chicago, high officials of the U.S. companies, men of science and culture, and newspaper and television reporters shook hands with President Aliyev. They expressed their confidence that Azerbaijan will soon become one of the developed countries of the world.

#### HEYDAR ALIYEV, PRESIDENT OF AZERBAIJAN, VISITED THE RESCUE CENTER 911 IN CHICAGO

On August 4 Azerbaijani, President Aliyev got acquainted with the Rescue Center 911 in Chicago.

The administrators of the Center gave a hearty welcome to the Azerbaijani President and thanked him for his interest in the activities of the Center.

The Rescue Service 911 is very popular in America. The residents of Chicago call the Rescue Center "the heart of Chicago." President Aliyev was told the equipment of the Center was produced by Motorola, which also carries out technical and other service programs in the center.

The Center admits all the operative information from the first aid, fire-fighting service, police and other services. With the help of 3000 computers, they are sent to addresses in need. The 911 service can accept information in 140 languages. The number of employees exceeds 800. The Center is able to contact all the necessary places. They have contacts with the municipality as well as with the administrative structures of Chicago's government. Because of this, they pay special attention to keeping information confidential.

#### HEYDAR ALIYEV, PRESIDENT OF AZERBAIJAN, MET WITH THE LEADERS OF INTERNATIONAL NETWORKS SYSTEM OF MOTOROLA

On August 4, Azerbaijani President Aliyev came to the Association Chicago History and met Fernanda Amandi, president of Motorola, Jerry Lukomsky, vice-president, Loren Mincot, executive manager in Asian and African countries, Greg Thomson, executive director in European countries, and other members of the steering body of the corporation.

The members of the steering body of the international networks system of Motorola gave a hearty welcome to President Aliyev. They spoke about the history of Chicago, one of the greatest cities of the United States. They also gave detailed information about the Association of Chicago History.

Fernando Amandi spoke about the Motorola corporation and its representative offices in 110 countries in all continents. The corporation was founded in 1928 and its



revenues were about US \$287,000 at that time. Now, they are more than U.S. \$38 billion. At present, the corporation has 230,000 employees. According to estimations in 2010, the financial turnover of the corporation may reach \$6 trillion. According to the American magazine Fortune, Motorola occupies the 28th place among the most advanced 500 companies of the world.

Azerbaijani president was informed that Motorola has been working in the Middle East, Europe and Africa for 25 years. The corporation has 12 plants, 12 research and design centers and more than 110 service centers in those regions. The corporation derives one-fourth of its annual incomes from these regions. Mr. Amandi said that Motorola pays particular attention to research and spends several billion dollars a year on research.

Kamal Madatov, vice-president of Bakcell, informed participants about the activities of Motorola in Azerbaijan. It was noted that Motorola displays great interest in the formation of a technical center in Azerbaijan, employing local Azerbaijani specialists.

During the talks, the officials of Motorola expressed their pleasure and satisfaction with the first successful visit of the Azerbaijani president to the U.S. They stressed the negotiations held in the White House with President Clinton, his meetings with top officials and signed documents, which attached historical importance to this visit. All this will serve to expand and strengthen the relationship between the U.S. and Azerbaijan.

President Aliyev expressed his satisfaction with meeting the steering body of the international networks system of Motorola. He said that a legal basis has been created in Azerbaijan for normal activities of foreign businessmen. Azerbaijan is open for development from all the companies of the world.

President Aliyev also spoke of the problems troubling Azerbaijan and stressed the role of the steering body of Motorola in the solution of these problems.



Mr. Amandi emphasized that, in the recent years, the position of Azerbaijan among the world states has strengthened. He believed this was the result of the successful policy pursued by an independent Azerbaijan, and particularly by its President Aliyev. Mr. Amandi assured President Aliyev that Motorola will support the peaceful solution of the Nagorno-Karabakh conflict, which worries the Azerbaijan people very much. They will also render assistance to repeal Section 907 adopted by the Congress.

President Aliyev invited the members of the steering body of Motorola to visit Azerbaijan. They accepted the invitation with great pleasure.

#### IN HONOR OF THE PRESIDENT OF AZERBAIJAN

The top officials of Motorola gave a dinner in honor of the Azerbaijani President Aliyev on August 4. During dinner, Mr. Fernando Amandi, president of the international networks system of Motorola, and President Aliyev, of the Republic of Azerbaijan, made speeches.

Mr. Amandi greeted President Aliyev on behalf of the participants of the dinner and said that with his participation at the dinner the Azerbaijani president honored them greatly. He wished good health to President Aliyev and proposed to drink to his health.



and the health of the Azerbaijani delegation which accompanied him. He said: "We wish prosperity to the Azerbaijan people, and we wish the visit to be a success. We know the Azerbaijan president is interested in architecture. We wish you a long life, a strong health, and ask you to accept these presents."

#### Speech of Heydar Aliyev, Azerbaijani President, to Motorola

Highly esteemed ladies and gentlemen

I thank you that to day we are holding this meeting in this beautiful and magnificent museum in Chicago rich in exhibits reflecting the history. I thank for the initiative and hospitality of Motorola. I am grateful to all present here. I appreciate this dinner party as the attention and care of the United States of America and of Motorola in Azerbaijan.

Today during the talks I learned that Motorola has done lots of things in Azerbaijan. We have invested a good deal of capital and has very great future plans in Azerbaijan. I hope that in future we shall cooperate more closely. It is a part of the American-Azerbaijani economic cooperation. All this conforms with the documents signed on August 1 in the White House by me and President Clinton, and also the implementation of the objectives which derive from these documents. I thank you once more.

I thank you for the gifts you presented. It is true that I am closely connected with architecture and all gifts connected with architecture, including the book which you gave me now, are valuable to me. The Tree of Life is necessary for any man, perhaps more necessary for me than for any one else. Because I have taken a great responsibility - the responsibility of making the Republic of Azerbaijan a democratic, secular, legal state - and the responsibility of making it follow the road of market economy at a time when it experiences hardships, when 20% of its territory is under the occupation of the armed forces of Armenia. I am sure I shall fulfill these great duties honorably. Thank you. I wish all of you good health, happiness and success in all your activities.

#### HEYDAR ALIYEV, PRESIDENT OF AZERBAIJAN, MET WITH CHAIRWOMAN OF AMERICA-ASIA CHAMBER OF INDUSTRY AND COMMERCE

On August 4, in Chicago, Azerbaijani President Aliyev met Yelena Teplitskaya, Chairwoman of the America-Asia Chamber of Industry and Commerce.

Ms. Teplitskaya thanked President Aliyev for the meeting and said:

"I have a surprise for you. The America-Asia Chamber of Industry and Commerce has decided to elect you "Man of the year." We have following your success for a long time. It is not just to please you. You have done really unimaginable things for your country. The reforms you implemented to develop the country and other performed works are evidence. I thank you very much for giving me an opportunity to present the award to you personally.

We are cooperating not only with the American companies, but also with many companies of Europe. They do not join not every organization. I hope our meeting will lay foundations for long-term cooperation between our board and the Republic of Azerbaijan. Unfortunately, we did not have the chance to hand you the award during the receptions today. I think the media will tell your countrymen about the great work you did abroad.



I wish you, first of all, strong health, happiness and prosperity to your country. And I also want to congratulate you on the birth of your grandson. It is a great event that your grandson was born while you are on a visit. You will soon see him. I think his birth in these days is symbolic. Now we are confident that our grandchildren will continue to develop the relationship between our countries which have been established."

Addressing President Aliyev, Ms. Teplitskaya stressed that the arrival of companies, firms in Azerbaijan and their investments were the result of the tireless work of the Azerbaijani president. "We want to help you within our opportunities in order to increase the number of the representatives of the American business. We also want to acquaint the representatives of small and medium business with your country. The prosperity and welfare of all countries are based mainly on small and medium business. Such a cooperation is fruitful both for America and Azerbaijan."

President Aliyev thanked the chairwoman of the America-Asia Chamber of Industry and Commerce, and said the decision of the Board was very unexpected for him. Not only was it unexpected, but unimaginable for him. As an approval of the words of the chairwoman of the Board, President Aliyev emphasized the idea that there were great opportunities to expand cooperation and economic relations between the two countries, saying, "We have to cooperate and shall cooperate."

Yelena Teplitskaya appealed the Azerbaijani President with several questions connected with foreign investment in Azerbaijan, the areas they covered, the Azerbaijani-Armenian conflict and some issues. In reply to her questions, President Aliyev said, "our country was open for all the world states, all legal-normative bases have been formed for the foreign companies desiring to invest in Azerbaijan. In connection with the

Azerbaijani-Armenian conflict, the head of our state said it should be solved peacefully and on the principles adopted in the Lisbon summit of the OSCE. He also hoped that Section 907 adopted by the Congress would be repealed.

#### MEETING OF PRESIDENT ALIYEV WITH THE HIGH OFFICIALS OF CATERPILLAR

On August 5, President Aliyev met with the high officials of Caterpillar.

Caterpillar is considered to be one of the biggest U.S. companies as well as in the world. The U.S. companies Boursan Makinan and Solar Turbines work together Caterpillar.

Participating in the meeting were El Rossi, vice-president of Caterpillar, Hans During, executive director of this company on former Soviet countries, Ekrem Genj Aslan, sales dealer of this company, Warry Stabs, executive director of Boursan Makina<sup>37</sup> company, John Porter, vice-president of Solar Turbines company, Dan Dogramachi, engineer of this company, Terry Golf, head of energy and oil department of Caterpillar, Ronald Kolgan, official in charge of relations of the company with the government in Washington.

EL ROSSI: Your Excellency President Aliyev

I express our gratitude once more to you for sparing your time to meet us. We feel greatly honored to welcome and greet you in Chicago, in the state of Illinois.

Mr. President, we want very much that you visit one of enterprises of our Caterpillar company. We know that you have a very tight schedule. If you and members of your delegation visit one of our enterprises we shall be greatly honored".

HELYDAR ALIYEV: I would like very much to visit to one of your enterprises. But you see that I have not a single minute of free time. I suppose that our cooperation will continue, in my next visit to the U.S. I shall fulfil your request by all means."

EL ROSSI: Thank you, Mr. President.

Mr. President, today our meeting here is participated by representatives of the subsidiary companies which cover different areas of the Caterpillar company. We work in



various areas of the economy. We also produce building materials and use them both in the process of construction and reconstruction. Agricultural equipment and facilities produced by U.S. help to increase productivity. Drilling installations manufactured by our enterprises for extraction of natural resources are distinguished by their high quality. Caterpillar has won world popularity in the area of engine production. These engines have great importance for the reception and distribution of gas and oil.

Mr. President, in these days we signed contracts between the State Oil Company of Azerbaijan and the U.S. companies Chevron, Exxon, Mobil and Amoco in the White House with great interest. Caterpillar is closely cooperating with these companies.

Mr. President, we invited you to one of our factories, to Aurora, to demonstrate that Caterpillar is a leading, mighty company in the world. The products by our enterprises and services rendered by the U.S. are distinguished by their high quality. We have done reconstruction and updating work in our plants and factories worth \$1.8 billion. A week ago when your ambassador Mr. Hafiz Pashayev was in the factory Aurora, he saw everything himself. The reconstruction works performed by us allows to improve the quality of manufactured products and satisfy the demands of our purchasers.

We pay a special attention to replace manpower by machines in our enterprises which has resulted in the reduction of costs. Our enterprises have been completely computerized. All operations in them have been automated, all processes

are done with the help of robots. All this is evidence to Caterpillar's being a leading company in the industry. They all have helped increase the economic capacity of our company in order to satisfy the demands of our customers in time and quality.

The might of Caterpillar lies also in the fact that we have a lot of distributors and good contacts with many companies. They support the activities of Caterpillar and, at the same time, take close participation in the sale of our products. We have distributors in 192 countries of the world. The network of these distributors is bigger than Caterpillar itself. This network forms the backbone of Caterpillar.

We have our representation in Azerbaijan fulfilled by the Borsuan Makinan company. The executive director of that company Mr. Warry Stabs is here. He will speak himself. The dealer of our company Ekrem Genj Aslan is our representative in Azerbaijan. Now I give the floor to Mr. Hans During, executive director of our company in the Commonwealth of Independent States.

HANS DURING: Mr. Rossi noted quite rightly that our network of distributors in the world is the basis of achievements of Caterpillar. We now intend to create such a network in countries of the former U.S.S.R. We want this network cover a wide territory from Sakhalin, Magadan, the Ukraine up to Azerbaijan. I am from Switzerland, a small country. Therefore, to control such a large territory seems very difficult to me. We already know that if we want to be successful, it is necessary to use local people to make a good use of their capacity comprehensively.

We are speaking now of rich natural resources hidden under the earth. From my own experience, I can say that there are rich resources on the earth as well as people. There are many well-educated and qualified specialists in the Commonwealth of Independent States. We pay special attention to the improvement of qualifications of these specialists, because local people know well the local clients. We think that we shall have great success in this region.

WARRY STABS: Mr. President, I feel greatly honored to be present here. Caterpillar differs from its rivals by the fact that it renders services in supporting its clients.

What is it to be a dealer? Dealer takes part in the elaboration policy of export, taxation, customs and in the sale of products. But according to the rules established by Caterpillar for its distributors, the dealers supply spare parts to the client after the sale of products, in cases of necessity organize services for clients by its technical personnel, render additional assistance to them. Nearly 65-70 % of Caterpillars work consists of rendering additional services to customers. If I speak of what we have done in Baku I can say that we are at the initial stage of our work there. We have sent three of our experienced specialists to that region. One of them is Mr. Genj Aslan. Up to now, we have employed eight Azerbaijanis. By the end of the year, we shall employ another 20 people. Additionally in 1998 we shall employ 60 local Azerbaijanis. We are planning to invest \$4 million in Azerbaijan by the end of 1998. We don't consider Azerbaijan to be a hard market. We have organized the same services and additional assistance to our clients in Azerbaijan, which we do for our customers in Turkey where we have 13,000 pieces of equipment and facilities, and 7,000 engines working there. We supply these engines with spare parts through our warehouses located in Turkey. We shall do all this in Azerbaijan as well. We have already begun training the Azerbaijani specialists in Istanbul by our specialists. Our company does not intend to bring foreign specialists to Azerbaijan. We want to perform all work by using the local manpower. We have a 1500 square meter floor in Baku. But we lack two things: the first is that we have few clients. Mr. President, we know that you cannot help us in this matter. But, in the second thing you can help us. We have not held the opening ceremony of our representative office yet. Therefore we ask you if you have time at the end of October, please come and take part in the opening ceremony of the representative office of Caterpillar. Your participation in the opening ceremony will be a great honor to us.

Mr. President, you said in your speech yesterday that you are very happy and feel proud to have a new grandson. When you were presented with a vase at that meeting, you said that you will present it to your grandson. But we have decided to make a pre-

sent to your grandson, which will be useful to him in the first years of his life. Now I want to present it to you. This gift consists of a bulldozer and two caps.

HEYDAR ALIYEV: Thank you very much.

EL ROSSI: As I said, Caterpillar uses various distributors. Therefore I give the floor to Mr. John Porter, vice-president of Solar Turbines company. They are involved in the sale of engines produced by our company.

JOHN PORTER: Highly esteemed Mr. President, I feel greatly honored to be at your reception. Solar Turbines is proud to be a member of the Caterpillar family. We deal with the sale of products produced by Caterpillar. Our representative here Mr. Dan Dogramachi runs our sales operations in Azerbaijan.

You know that Caterpillar is the leading world company in the area of production and sale of gas turbines and engines. Our company satisfies the demands of 70% of the oil and gas producing countries for equipment and machinery. We have very close relationships with such well-known U.S. companies as Chevron, Mobil, Amoco, Exxon. Our good and broad relations with these companies have been achieved due to the high quality of services delivered by our company. We are also glad that we shall be able to offer our services to the State Oil Company of Azerbaijan. At present, we are involved in oil and gas developments in the deposit "May 28." We supplied the gas turbines and compressors used there. We have also supplied the Azerbaijan International Operating Company (AIOC) with electric generator stations and gas turbines.

In conformity with the contract signed between Itochu of Japan and the State Oil Company of Azerbaijan, we shall deliver a lot of equipment and machinery to your republic. We shall also send a power station to the Oil Rocks and gas turbines and a compressor station to the deposit "Bahar."

We always pay a special attention to the protection of the image of our company, therefore we shall supply such machinery and equipment to your republic that will serve as examples of the best quality for all observers. We want the work performed with the participation of our company to assist the rapid development of the oil industry of Azerbaijan and also have U.S. machinery we supply serve as models of modern and sophisticated technology.

At present, we are negotiating with the State Oil Company of Azerbaijan and the Azerbaijan International Operating Company to use our new devices and methodology in the exploitation of oil and gas deposits in Azerbaijan. We are also interested in the improvement of electric system of Azerbaijan and looking to find ways to supply this area with necessary equipment.

Mr. President, we thank you once more for receiving us.

Mr. President, you say that Chicago is a beautiful city, but the city of San Diego is more beautiful than Chicago. With great pleasure, I would like to see you there, too. We are looking forward impatiently to see you in San Diego. Thank you.

EL ROSSI: I do not intend to argue with Mr. Porter. San Diego is really a beautiful city.

Mr. President, I hope that our information here enabled you to have a certain imagination on our companies and enterprises. Caterpillar and Borsuan Makinan will work for a long time in Azerbaijan. I express my gratitude to you on behalf of Mr. Fites, president of Caterpillar. As a token of your official visit to the U.S. and meeting of the representatives of Caterpillar, I want to present you with this small gift. I would like you to put this small generator on your writing-desk and always remember the importance of the generator for the supply of electric equipment in Azerbaijan.

**Statement of Heydar Aliyev,  
President of the Republic of Azerbaijan**

I am very pleased that today I meet the representatives of your company. Caterpillar is a very popular, influential company in the world. You do much work in all the corners of the world. I heard many things about Caterpillar even 10 years ago. When I was in Moscow and worked the first deputy-prime minister in the Soviet Union, I knew well that Caterpillar was cooperating closely with the U.S.S.R. At that time, you were doing many things in the Soviet Union. I knew them, I was aware of everything.

Now I am the President of the Republic of Azerbaijan. I am thinking about the interests of the independent Republic of Azerbaijan. I consider our cooperation with your company with great importance. Irrespective of our desire, you have already joined this cooperation.

Your information here today shows that the contracts signed by us with the oil companies of the U.S. and other companies since 1994 have created conditions for many U.S. companies and companies of other countries to take a constructive part in the implementation of these contracts. Many people thought at that time that if we sign contracts with such companies like Amoco, Chevron, Pennzoil, Unocal, Mobil, Exxon, McDermott and others. We should cooperate only with these companies. But as I know and as it is evident from your information here today, each contract has attracted various companies, mostly U.S. companies, and they are signing contracts collectively. It is quite natural. We think that there is no other way to carry out the contracts, because a single company is not able to do everything connected with the realization of this or that contract.

Thus, the companies of foreign countries are coming and will come to Azerbaijan. Our duty is to create all necessary conditions for their functioning. Your information today testifies that Azerbaijan really has opened its doors widely to the world companies. There are favorable conditions in Azerbaijan for business and cooperation. An independent economy is being formed in Azerbaijan, any company can come and occupy its own place there.

I knew that Caterpillar was doing business in Azerbaijan. But perhaps I knew only 5% of the information you supplied now. The other 95% I learned from you. For example, you said that you have a big office in Baku, the floor of which is 1500 square meters, and your representative Genj Aslan is working in our republic. But I do not know where your office is. I simply want to say that we have such a freedom, such an independence that it is easy for foreign companies to come to our country and join different organizations to do their work. We never apply any restriction to activities of any company. We never apply control on their activities as in the past times. I think that it must be as it is.

Yesterday in my speech, I noted that there is a freedom of activities in Azerbaijan. Your activities in Azerbaijan are a visual proof of what I said.

I met the president of your company yesterday. He also made a speech at the reception. But only today and here, I understood exactly what is the present state of Caterpillar in Azerbaijan and what is the future of its cooperation in Azerbaijan.

You have paved the way to Azerbaijan yourself. I support it. If in future you need my assistance I am ready to render it.

Construction of gas-compressor stations is very important for us. I am well aware of it, I control this process. But I did not know that Caterpillar was taking part in it. Of course, Caterpillar is a big family. The companies in its composition are involved in





various spheres of work. I congratulate you. I tell it once more that I fully support your company. I believe that you will do a lot of work in Azerbaijan in future as well.

You know that we have signed 9 contracts with the oil companies of foreign companies. We signed the first contract in 1994. Our activities are not restricted only to oil developments and the oil industry. We have many things to do in other areas, too. I hope that you will and must do many things in other spheres, as well. Therefore, our partnership is a long-term partnership. You are our partner. We shall create all necessary conditions for the work of your company in our republic.

I think that as a partner of Azerbaijan, your duty is to promote Azerbaijan in the United States more and more. You see, you witness the scope of freedom in Azerbaijan. You must promote this information in the U.S. widely, wherever it is possible. Of course, I do not urge you to go CNN and speak on that channel, though it is also possible.

You know that one of the problems that we are facing is the elimination of Section 907 to the "Freedom Support Act" adopted by the U.S. Congress. Yesterday I spoke to you about it in detail. You know our condition. You know that our greatest problem is the peaceful solution of the Armenian-Azerbaijan conflict. Azerbaijan can not be blamed in anything connected with this conflict. We have not attacked Armenia. We have not territorial claims to Armenia. Armenia claims to our territory. Armenia has made an attempt to annex the Upper Garabag province, which is an integral part of Azerbaijan. Therefore Armenia has waged a war against Azerbaijan.

The duty of each country is to defend its territory, the motherland. We do the same. That is why we cannot be blamed in this conflict. I said it yesterday, because of some reasons and due to the assistance of a number of states to Armenia the armed forces of the latter have occupied 20% of the Azerbaijan territory. One million people in the occupied territories have become refugees and displaced persons. They live in tent camps in very hard conditions. Now you see what kind of injustice was done to Azerbaijan in 1992: We have been subjected to armed aggression and we have been punished by the Congress. Have you ever witnessed such an injustice ?

Of course, it has reasons. We know that there is a strong, influential Armenian lobby in the U.S. In 1992 when Section 907 was adopted, not everybody knew Azerbaijan in the U.S. well. Through propaganda, the Armenian lobby managed to make the Congress adopt such an unjust decision. For several years, we have been trying to repeal this Section. We want to prove to the U.S. that we are its friend.

The U.S. has great economic interests in Azerbaijan. We fully satisfy these interests. The U.S. has also great political interests in the Caucasus, including Azerbaijan, as well. In such a case is it just, is it fair to commit such an injustice against Azerbaijan?

I am in the U.S. on an official visit already for 10 days. I had many meetings, held many negotiations. I am very pleased that all my meetings, negotiations had a positive effect. In my meetings in the White House and in the Congress, and in other circles I became convinced once more that the people here already know the truth. The mass media also knows the truth.

You know that Congressman King has submitted a bill to the Congress for the elimination of Section 907. Now it is necessary that the Congress vote for it. If a large group of Congressmen sign the bill, support it before it is discussed at the Congress this problem may be solved in the nearest following months. We have been given promises by many people. And now my request of you is to join your efforts fully for the solution of this problem.

Caterpillar has many great friends in the Congress. You have close relations with many Congressmen. You must make them understand that they are to act fairly. We do

not want to force anyone, we simply want everything to be just. If this problem is approached fairly, objectively, disinterestedly Section 907 may soon be repealed. I invite you to cooperate with U.S. in this issue.

It is necessary to put an end to the Armenian- Azerbaijan conflict, to solve it peacefully. I call you to cooperate with U.S. in this issue, as well. I ask you to make use of all your opportunities. We shall make a long- term cooperation with you in the 21st century. For this, it is necessary to establish peace between Armenia and Azerbaijan. There must be peace and stability in Azerbaijan, and in the region wholly. Measures must be taken to prevent the beginning of the war again. This is our aim. Thank you ever so much.

EL ROSSI: Mr. President, we know that you have chosen quite a right road. We congratulate you because you have done all this things due to your leadership in Azerbaijan. In order to convince the high U.S. government officials of the truthfulness of your cause, you create close contacts with U.S. business circles It is the most correct and true road.

All whom I know and whom I met want to settle the Armenian- Azerbaijan conflict peacefully. I assure you that we shall act in conformity with the scheme designed by you and do our best for the progress of Azerbaijan.

Mr. President, I thank you once more for your kind words about Caterpillar and Borsuan Makinan. Thank you for this meeting. We assure you that we shall remain devoted to our cooperation.

**HEYDAR ALIYEV, PRESIDENT  
OF AZERBAIJAN VISITED  
THE CHICAGO MERCANTILE  
EXCHANGE**

On August 5, Heydar Aliyev, President of Azerbaijan visited Chicago Mercantile Exchange. Every day trade operations worth of billions of dollars is carried out at



the Chicago Merchantile Exchange which is one of the largest in the United States and in the world. In one of the biggest halls of it the exchange rates for eurodollar is set which remains valid for 90 days.

John Santer, President of the Chicago Merchantile Exchange welcomed President Aliyev very warmly. He gave a very detailed information to President Aliyev about activities of the Chicago Merchantile Exchange. He said that different banks and institutions participate in its trades. He emphasized that there were many Japanese banks trading foreign exchange. Mr. Santer stressed that 750 billion dollars are traded every day and exchange rates were set. In addition to eurodollar currencies of highly developed countries of the industrial world were traded. The President of the Chicago Merchantile Exchange also said that recently they have started to trade currencies of Mexico and Brazil as well. He added that President of Russia and Mayor of Moscow also visited Chicago Merchantile Exchange and tried to learn the process of trade of Russian ruble.

Mr. Santer also informed the President about commodity exchanges. He underlined that they included both industrial and agricultural products. He added that more the diamond, that is the oil of Azerbaijan would shine these Exchanges would raise its pride to all over the world. He expressed his assurance that given the rich natural resources Azerbaijan had opportunity to strengthen its freedom and turn it into a great country. Mr. Santer also added that Azerbaijan was at the cross roads of many cultures. He appreciated highly the opening of American University in Baku and welcomed other steps taken under the leadership of President Aliyev to open Azerbaijan into the world.

The President of the Chicago Merchantile Exchange emphasized that Azerbaijan should take advantage of having a strong leader and strengthen the strategic path of development for our country. He also offered his help to train specialist from Azerbaijan on emerging markets. He stressed that one of the purposes of his institutions was to manage risk. Given the rich energy resources and their development it was possible to organize similar activities in Azerbaijan.

Mr. Santer named Mexico as an example and said that during the Gulf War the energy prices went very much up. Mexico having rich oil reserves sold its stocks very high in energy markets. He said that if he was not mistaken they managed to increase the price of oil up to 48 dollars per barrel. Although the prices went down later Mexico benefited very much from an open markets.

Mr. Santer told the President that they have decided to make him an honorary member of the Chicago Merchantile Exchange.

Then President of the Chicago Merchantile Exchange made a statement.

**Statement of John Santer,  
President of the Chicago Merchantile Exchange**

I would like to welcome His Excellency Heydar Aliyev, President of the Republic of Azerbaijan. President Aliyev had a tremendous carrier as an statesman in Eastern Europe. He has succeeded to become the President of the great country of Azerbaijan which is as rich as any other country in the world and is located at the edge of the Caspian Sea.

As many of you may know, this great country under the umbrella of Russia was never really allowed to capitalized its abundant and vast natural resources. The people of this great country suffered as a result of this neglect. President Aliyev has had a tremendous amount of experience watching all that for so many years. Now he has



started on a path to take that diamond that has been sitting for so long and polish it to become one of the brilliant diamonds and countries of the world. His sole purpose is to raise the quality of life for people that he represents.

He has done many things in the last few years to change the course of this great country. He formed a University called American University which is taught in English and I would say it is singularly the only University of its kind in all of Eastern Europe. It is a great idea for a great country done by a great leader.

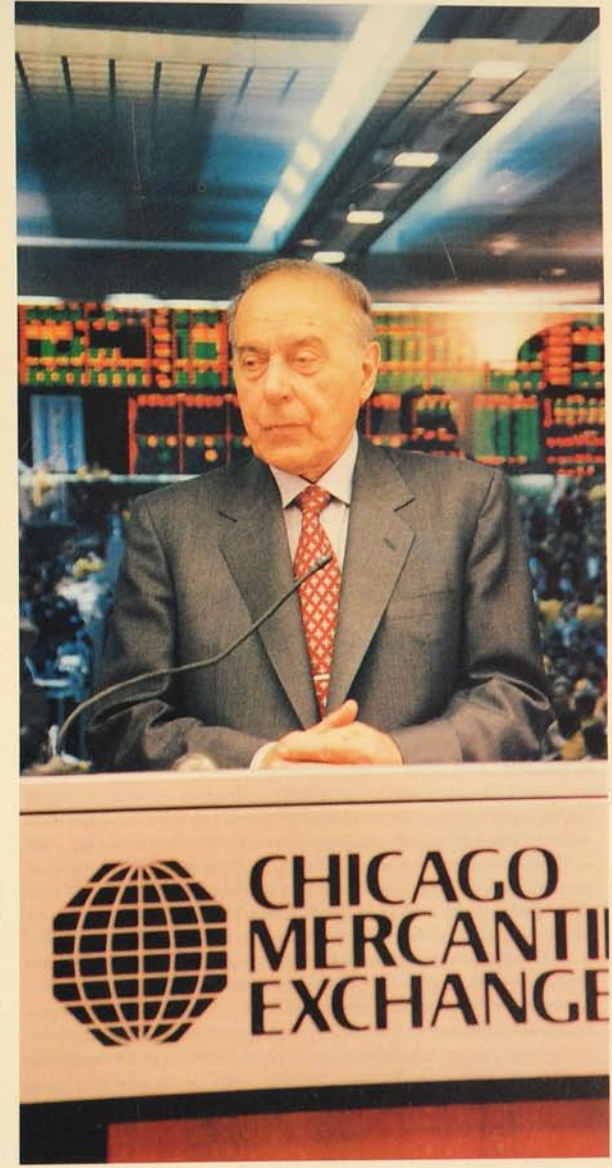
I could have talked more about President Aliyev but now I would like to ask the President to say few words. Then I would like to give a gift and make him an honorary member of our institution.

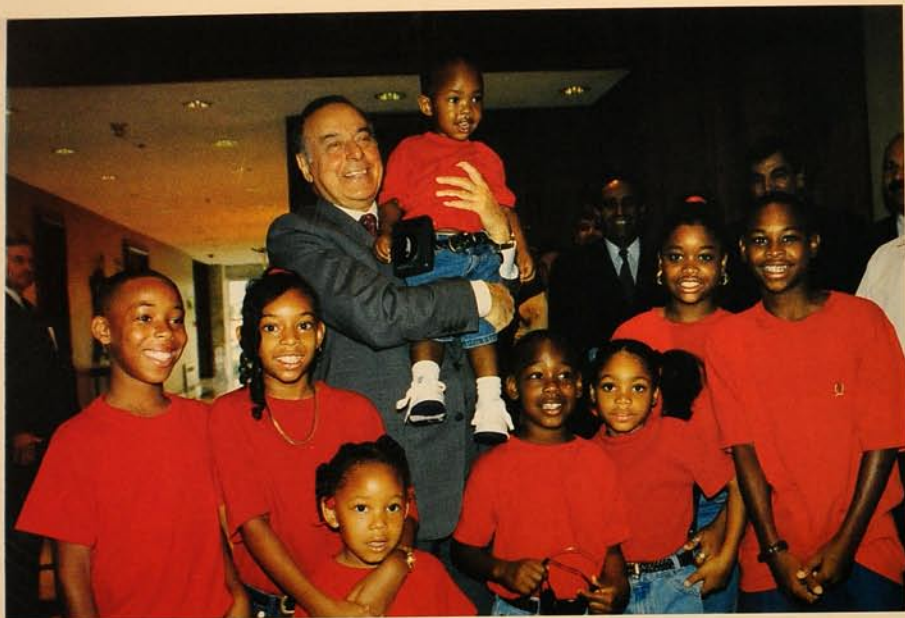
Then Heydar Aliyev, President of Azerbaijan made a statement.

**Statement of Heydar Aliyev,  
President of Azerbaijan**

Esteemed Mr. President!  
Esteemed Ladies and Gentlemen!

It is a remarkable event for me to visit your impressive exchange in Chicago during my official visit to the United States.





We who grew up under the socialist system were surprised to see such exchanges either on TV screens or movies. We also thought it to be a strange phenomenon. Since we lived in a closed society whose currency and financial system was not linked to the world markets whatsoever, the country that had a distinct financial and economic system, the enterprises such as your exchange seemed quite alien to us.

Only after having gained our independence, becoming a true owner of our country and its natural resources, opening our economy to the world, did we begin comprehending the enormous importance of financial systems and their critical instruments such as exchanges that existed in the United States and other countries of the free world.

We are developing our economy based on the market principles. We are implementing a large program of privatization; we broaden private ownership. All these efforts lead us to the need to reform the financial and banking industries in the Republic of Azerbaijan. That's why we are trying to benefit from the experience of other countries including the United States. We have done considerable work in this direction, and they bore their fruits. However, we have to do even more. For instance, we have to establish an exchange similar to yours. We have passed laws in this regard, and I have made executive decisions. Now we are working on their implementation. Thus, your experience is important to us. That's why I decided to visit the Chicago Mercantile Exchange during my stay in the United States.

Thank you for the information you provided. One is truly fascinated while watching the bustle on the floor of your exchange from this vantage point. This picture has been unfamiliar to us. I repeat that when we saw this scene on TV we would look at it



as something exotic. But look how important it is. You say that 750 billion US Dollars exchange hands in buy and sell orders in a day at CME. I can not imagine that. This is the advantage of your system of free market.

You have said very warm words about the processes in Azerbaijan and myself personally. I thank you. At the same time I am quite content that you know and appreciate the changes that take place in Azerbaijan from here, Chicago. This fact makes me happy. You have spoken about the Azerbaijani natural resources, our economic potential and especially about the abundant oil reserves in our country. You noted corrected that in the past we could not benefit from our natural resources independently as we were incorporated into the larger country like the Soviet Union. Today we are the owners of these resources, and we manage them as we wish. Within a short period, two and half years, we signed 9 major oil contracts, including contracts with large US oil firms. All these agreements have strong prospects. That's why the information you have just furnished and the huge importance of the exchange are crucial to us.

We have to learn this business from you. We know how to produce oil. We were the ones who discovered all the oil deposits in the Caspian Sea. We are also capable of doing business with major transnational companies, and we have started this process. However, we do not possess the skills to benefit from the works of exchanges yet. You should teach us all the secrets of the trade. After we are equipped with this expertise, we will boost your prices here at the exchange with our huge oil reserves. If you teach us, we can do the work Mexico does. Perhaps, if we cooperate with you, we will achieve even more success.

I thank you very much. The scene that my colleagues are observing is extremely impressive. But we are still not clear what is the essence of this business. We have to master all the tools, but we can not do it in one day. Therefore, we intend to establish regular contact with you and solicit your advice. The Chairman of our National Bank, the Azeri Minister of Finance and my economic advisor are all here. I instruct them to keep in close touch with you and learn the business. I suppose this is the first time you see things like this, don't you?

Thank you very much.

Those present intently listened to and applauded speeches of Mr. John Santner and President Heydar Aliyev.

Mr. Santner addressed our head of the state:

Please, allow me to award you with this badge on the occasion of your honorable membership with Chicago Mercantile Exchange. Every member must wear member badge in order to go on the floor to trade. President Heydar Aliyev joked that we should also give a yellow uniform worn by the brokers. In response to that the Chairman of the Exchange said that You need a red uniform since You become a member of the board. We will definitely send you one of the uniforms used by the officials of the exchange.

The head of the state said that he wanted to give a gift of books. There is nothing about exchanges in these books, however they contain a great deal of information about oil. You can read about that.

When Mr. Santner noticed the photo of the Azerbaijani leader in the books, he remarked that this man was his friend now. President Heydar Aliyev said that Mr. Santner was also his friend.

Later the Azerbaijani President entered the currency operations of the exchange where he was familiarized with the work of the department in detail.

In the end Mr. Santner thanked our President again for visiting the Chicago Mercantile Exchange and emphasized the success of the first official visit by the Azerbaijani President. The President of the exchange noted that the exchange sought to assist various regions of the world. He also remarked that he had recently visited several countries in Europe and now wanted to travel to Azerbaijan.

President Heydar Aliyev expressed his satisfaction with his visit to the Chicago Merchandise Exchange and invited Mr. Santner to visit Azerbaijan.

#### MEETING OF PRESIDENT ALIYEV WITH OFFICIALS OF FINANCIAL INSTITUTIONS AND BANKS

On August 5 Heydar Aliyev, President of the Republic of Azerbaijan, met the high officials of the most influential financial institutions and banks of the U.S. in the Chicago Club<sup>38</sup> which is 100 years old. Participants included John Kol, vice-president of Amoco on finances, May Mallow, vice-president of the bank Society General, Peter Lind, executive director of Chase Manhattan bank, John Gilbertson, executive director of the bank Goldman Sachs, John Greeney, executive director of Citibank, high officials of banks Morgan Stanley, Lazard Freres, Credit Swiss Osten and Bank of America.

Mr. Kol thanked the head of our state for receiving them despite a tight schedule, adding that they were greatly honored by the meeting. He appreciated the successful official visit of President Aliyev to the U.S. as a historical event. Mr. Kol said the meet-



ings which President Aliyev had with President Clinton and high officials of his administration in the White House, with congressmen, senators, Mr. Gringrich, speaker of the House of representatives, Mr. Gilman, chairman of the Committee of International Relations in the Congress in the Capitol, and his negotiations have been met with great interest by the U.S. public and business circles and evoked a warm and wide response.

In their speeches Peter Lind, executive director of Chase Manhattan bank, John Gilbertson, executive director of Goldman Sachs bank, May Mellow, vice-president of the bank Society General, praised the construction of a legal, democratic state and successful implementation into life of economic reforms in Azerbaijan under the leadership of President Heydar Aliyev. They expressed their satisfaction with meeting President Aliyev.

President Aliyev thanked the participants of the meeting for their kind words and spoke with great pleasure of his successful official visit to the U.S. The head of the Republic of Azerbaijan Heydar Aliyev stressed that his meetings in the White House with President Clinton and other high officials of his administration, the negotiations carried out by him and the signed documents acquire a historical importance.

He said that Azerbaijan has chosen the road of market relations, is building a legal, democratic state, giving a wide space to pluralism of thought, protecting human rights.

He noted that the independent Republic of Azerbaijan is facing many problems, one of them being the Armenian-Azerbaijan conflict which he wants to solve peacefully. He mentioned the negotiations held for this purpose, the joint statement signed in Denver by the co-chairpersons of the Minsk Group of OSCE, presidents of three big states - the U.S., France and Russia - Bill Clinton, Boris Yeltsin and Jacques Chirac. He added that we want to settle this conflict on the basis of principles adopted at the Lisbon summit of OSCE member states and hoped that, as Mr. Bill Clinton, President of the U.S. confirmed, this conflict will find its solution in 1997.

President Aliyev stressed the fact that Section 907 to the "Freedom Support Act" adopted by the U.S. Congress in 1992 hinders the development of the USA-Azerbaijan relationship and called the leaders of the influential American financial institutions and banks to join their efforts for the elimination of this Section.

Then he answered the questions of the leaders of financial institutions and banks concerning his meetings with President Clinton in the White House, the results of his negotiations, the perspectives of participation of the U.S. companies in the signed contracts on joint oil developments in the Azerbaijani sector of the Caspian Sea, the routes of pipelines for the transportation of the produced oil to the world market, construction of the oil pipeline through the bed of the Caspian Sea in order to transport the oil produced in the deposit "Tengiz" of Khazakhstan to Baku, the legal status of the Caspian Sea and other issues.

President Aliyev related information about the measures implemented in the area of development of economy of Azerbaijan, the obtained results, about the close relations of Azerbaijan with foreign investors, the wide and favorable conditions created for their functioning, the relations of Azerbaijan with the most influential banks and financial institutions of the world.

He stressed the fact that realization of contracts signed with a number influential companies of foreign countries on joint developments in the Azerbaijani sector of the Caspian Sea and once more highly appreciated the contracts signed on August 1 in the White House between the State Oil Company of Azerbaijan and the U.S. companies Chevron, Exxon, Mobil and Amoco.

He said that we pay a special attention to intensification of relations of Azerbaijan with the world community. He also emphasized the fact that Azerbaijan is the first among the countries of the Commonwealth of Independent States which began to transfer the land to the private ownership, implement into life privatization successfully, to reduce the rate of inflation to nil, and to increase the solvency of the national currency (manat).

President Aliyev said that he was pleased with the meeting of the high officials of influential banks and financial institutions of the U.S. and invited them to visit Azerbaijan. They accepted the invitation with gratitude and thanked President Aliyev for the reception on August 6.

**MEETING OF HEYDAR ALIYEV, PRESIDENT OF AZERBAIJAN,  
WITH REPRESENTATIVES OF AMOCO CORPORATION,  
STATE OF ILLINOIS AND CITY OF CHICAGO DURING A TOUR  
OF THE LAKE OF MICHIGAN IN A SHIP**

On August 5, leaders of Amoco corporation who extended very warm hospitality to Heydar Aliyev, President of the Republic of Azerbaijan, organized a tour of Chicago by



ship to get their guest better acquainted with the city. The ship flew an Azerbaijani flag.

Hundreds of residents of Chicago who had expressed great interest to President Aliyev's visit to the United States were gathered around the dock. President Aliyev had a very friendly conversation with them. Many children surrounded the president of Azerbaijan and took photos with him.

Then President Aliyev and the leaders of the State of Illinois, Amoco corporation, City of Chicago, outstanding public figures of America, members of the Azerbaijani delegation toured Lake Michigan in a ship. Noting the special character of this tour, Richard Fluor, Vice President of Amoco, made an opening statement during the meeting.

**Statement of Richard Fluor**

Dear Mr. President,  
Distinguished members of delagation from Azerbaijan !

First of all I would like to extend to you my personal welcome. I visited your great cuntry several months ago and I was struck by similarities of our water fronts.

President Aliyev I hope you will enjoy these similarities and also enjoy our skirises.

Mr. President, your visit has been a very historic trip. You have met the top leaders





of our country. You have been to Houston where many of our colleagues in oil industry are headquartered. But as Mr. Fuller said yesterday we believe you have saved best for the last to visit Amoco in Chicago.

As you know, Mr. President, Amoco has a tradition of not just investing in oil and gas activities in the country. We also commit to a country as a corporate citizen with the associate responsibilities.

Back in 1991 when we first began exploring opportunities in Azerbaijan we told you we would bring more than our money for the country. I think we have now proved it with our immunization programming that eradicate childhood diseases in Azerbaijan. Our fourteen tons of medical shipments and host of other projects investing in human side. I hope you all enjoy the music during lunch which is music of Azerbaijani and it is on a CD set that Amoco helped fund and put together. It is a very beautiful music.

Today we have 50 expatriates on the ground in Azerbaijan and we believe we have developed sound foundation for a long and successful relationship.

Mr. President, from the first moment you have stepped off the plane in Kennedy airport in New-York to your final hours here in Chicago Amoco takes great pride in having participated in your visit to the United States.

We are honored to have you here today. We know that you have an interest in architecture and we hope that you will enjoy the rest of your tour.

I would ask you to raise your glasses in honor of outstanding statesman and leader of one the developing countries of the world Heydar Aliyev.

Heydar Aliyev, the head of our state made a statement at the meeting.



**Statement of Heydar Aliyev,  
President of the Republic  
of Azerbaijan**

Esteemed Ladies and Gentlemen  
Dear Friends

Today is the last day of my official visit to the United States. Early tomorrow morning at 9 AM, I will leave your country. I am very glad that I am with my American friends again in Chicago these last days and hours. Chicago is one of the most beautiful cities in the United States and at the Lake Michigan. The Azerbaijani delegation and I are very pleased with our visit. We return to our country with great pride.

We think this visit has been successful, and it has produced good results. Most importantly, we have elevated the U.S.-Azerbaijani relationship to a new level. This is a truly historic visit for me and a landmark event in U.S.-Azerbaijani relations. As I have read in a number of U.S. newspapers, this turned out to be not only our opinion, but also that of the U.S. public and government. President Clinton and his cabinet members have also given the same importance to this visit, including the negotiations and the outcomes. We have opened a significant door for the 21st century in U.S.-Azerbaijani relations. The documents we signed in the White House have laid the solid foundation for a long-term and stable development of bilateral relations.

Another pleasing aspect is that the negative and false image of Azerbaijan,

which had been shaped in the U.S. public and some government circles in recent years, has been gradually disappearing.

The agreement signed by the President Clinton and the Azeri President reflects the partnership between our two countries. We highly value this. You can all be assured that we will genuinely be a reliable partner.

President Bill Clinton clearly stated his commitment to Azerbaijan's independence, territorial integrity and sovereignty in the document that we signed. The U.S. President highly praised the accomplishments in the process of building a law-based democratic state in Azerbaijan, the economic reforms and transition to market economy. The U.S. President also declared his determination to continue his efforts to resolve the





Armenian-Azerbaijan, Nagorno-Karabakh conflict in a peaceful manner. The President of the United States stressed the need to repeal Section 907 and promised to exert his efforts in this direction. The U.S. President noted the security issues around Azerbaijan and emphasized the necessity to cooperate in this field. The agreement we signed states that the United States and Azerbaijan will closely cooperate in political, economic, security, humanitarian and other areas. We highly value these commitments. I thank you again for these achievements.

Along with this, the oil contracts signed by the major U.S. oil companies and Azerbaijan in the White House in the presence of U.S. government officials is a significant factor in improving bilateral relations.

From the moment I stepped on American soil at the JFK airport in New York City to this moment when on the boat at Lake Michigan, we have only experienced hospitality and friendship on your land. I thank you for all this. At the same time, I would like to note that Amoco was one of the first companies to lay the foundation of our relations. I have always attached great importance to this fact. I do so today, too. I believe Amoco is doing a great service to its people and the country of the United States of America, since the development of the U.S.-Azerbaijani relations is beneficial to both Azerbaijani and American interests.



During these days of our stay in the U.S., we have always felt the attention and care of the Amoco Corporation. Today we are your guests on board this ship. I thank you for that. You can rest assured that we will reciprocate this friendship. The character of Azeris is respectful. They respond to hospitality with double the respect and hospitality. I suppose you have already had a chance to sense this. I assure you that it will continue in the same vein in the future.

Today on this boat, I recall an event that happened 25 years ago. That time, in 1972 to be exact, prominent artists from Russia including outstanding composers, musicians, writers and poets were visiting Azerbaijan. At that time, the Azeri oil field in the middle of the Caspian Sea, the Oily Rocks, was drawing public attention worldwide. A group of 500 to 600 people including myself rode a boat to the Oily Rocks. It took us four hours to reach our destination. It was a splendid day. It was my utmost honor to demonstrate the Oily Rocks to visitors, as Azeri oilmen were first to extract oil from the depth of the sea. We are proud of it.

However, tremendous changes have taken place during 25 years. Now we have opened the Caspian Sea to the world, while 25 years ago, we did not even know precisely how much oil was in there. Even if we had known, we could not use them as we were not the owners of our resources. The large country we lived in was in control of these reserves. During that period, I was trying hard to expand the Oily Rocks, but Moscow did not allow that. It was more profitable for them to produce cheap oil in Siberia. We did not own the oil we produced either.

Despite all these obstacles, we were still trying. It was Azeris scientists who discovered the oil deposits in the Caspian Sea. I believe that an independent Azerbaijan's greatest service to the world was presenting the oil and gas reserves of the Caspian Sea to the world.

I am glad we are cooperating with the U.S. and its major oil firms. This cooperation has tremendous potential. We have opened a door to the 21st century during our visit. I am confident we will attain all our objectives, and future generations will remember and appreciate our service. We are doing valuable work for our nations, the United States and independent Azerbaijan. We can be proud of our deeds. One day, we will have modern platforms constructed on those deposits, and we will all sail to the Oil Rocks, more distant Azeri, Guneshli, Chirag and other fields together. Those days are not far away. We will see those days.

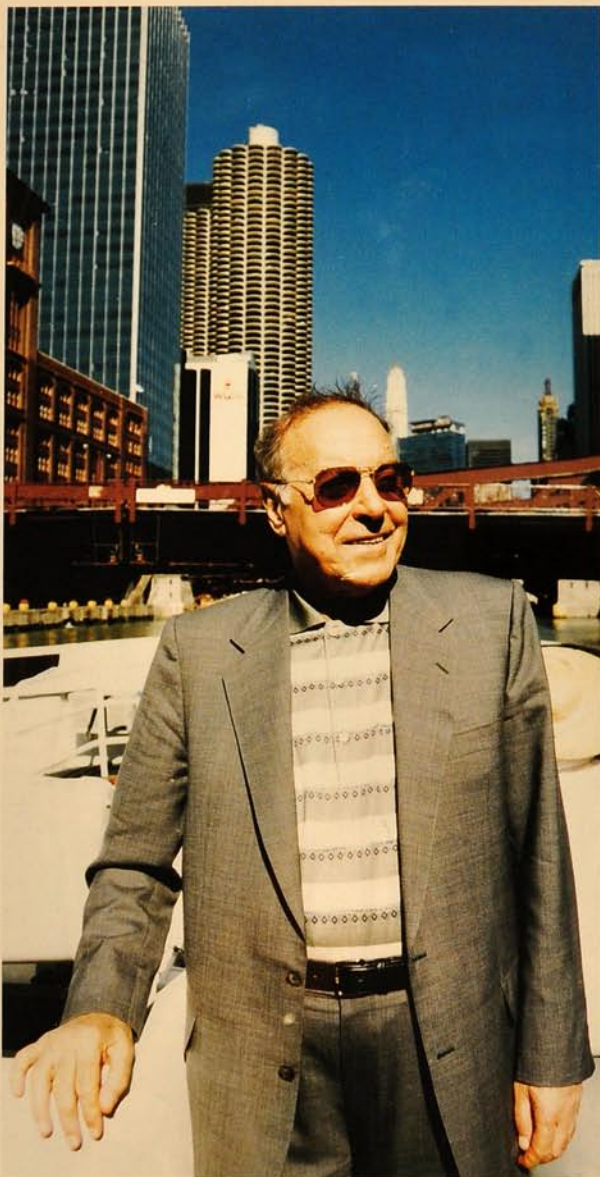
I am glad that today we are watching beautiful scenery of Chicago. The park at this lake reminds me of the Seaboard Boulevard in Baku. But your skyscrapers that embellish your skyline here are amazing. You have correctly noted that I have a special interest in architecture. Here in Chicago, I have witnessed some buildings that are unique in the history of architecture. This city has a unique beauty. Wonderful skyscrapers complete the beauty of the city. You have added immense splendor to the natural beauty of your land. I am stunned. I congratulate you on this success.

Dear friends, I thank the Amoco corporation again. The people who are sitting at these tables on the ship today have now become our close friends. I have met each of you during your visit to Azerbaijan. I am glad I got a chance to meet with you in your homeland. Thank you.

I cheer the people of the United States and I wish you peace, stability and happiness. I salute Amoco, its leadership, the U.S.-Azerbaijani relationship, our friendship and cooperation, and my dear friend President Bill Clinton.

Thank you.

The participants listened to President Heydar Aliyev's speech and frequently applauded his remarks. After the meeting,



President Aliyev and the Azeri delegation enjoyed sightseeing in Chicago. Then the head of our state and other officials took a ride on the Chicago River on board the boat. The level of the Chicago River is much lower than that of the Lake Michigan.

President Aliyev was given extensive information on Chicago, the largest city in the state of Illinois. Chicago was founded in 1803 as a military post. It was later upgraded to the status of a residential area. In 1833, Chicago was incorporated as a city. In the second half of the 19th century, Chicago became the center of the democratic and labor movement.

The Chicago River has a number of bridges spanning it. These bridges do not harm the beautiful view of the magnificent skyscrapers. The majestic buildings that surpass each other in grandeur create a harmonious collection. Our leader Heydar Aliyev was told about each building that was a piece of art.

President Aliyev expressed his satisfaction with this visit and thanked the leadership of Illinois, the city of Chicago and the Amoco Corporation.

The first official visit of Azerbaijani President Heydar Aliyev successfully ended on August 6th. The leaders of the state of Illinois and Chicago saw our leader off at Midway Airport.



## THE AMERICAN AZERBAIJANIS

THE MEETING OF THE HEAD OF OUR STATE  
WITH THE REPRESENTATIVES OF THE AZERBAIJAN COMMUNITY  
IN WASHINGTON, D.C.



The President of the Republic of Azerbaijan, Heydar Aliyev met with the representatives of the Azerbaijani community at the Blair House in Washington D.C. on July 29.

The famous heart surgeon, well-known in the American society - Dr. Ansari, the granddaughter of the ex-millionaire and oil capitalist of Baku, Shamsi Assadullayev - Zuleykha Assadullayeva, the chairperson of the Azerbaijan Cultural Society Ojag - Rza Salashur, the head of the Azerbaijani department of the VOA<sup>39</sup> - Hassan Javadi, the famous engineer in the field of electronics - Farid Niyamyokh and other compatriots were present at the meeting where President Aliyev made a speech and greeted all the participants sincerely.

The leader of our Republic Heydar Aliyev spoke about the social and political situation in our country and the importance of improving links with our compatriots living abroad. He said,

We want the Azerbaijanis to remember their feelings of being Azerbaijanis and their land, wherever they live. We are establishing an independent state in Azerbaijan now. We have gained independence, the process of formation of the statehood is going on. We are establishing the state and we are creating it. And you can be sure that the independence of Azerbaijan is eternal, unshakable. No power can ever hinder us.

There may be some danger for the independence of Azerbaijan. But you should know that we are building our state firmly. We have established our independence, it is difficult to interfere with our affairs. That is, Azerbaijan herself is defending her borders,



which is the sign of independence. We don't have any troops or soldiers, military units from other countries in Azerbaijan. If we can put an end to the Armenian aggression against Azerbaijan and free our occupied territory, we'll manage a lot to protect and strengthen our independence. That is why our willpower in this respect is firm and unshakable. Independence is so dear and precious for us, and our people have desired the independence so much that it would be a crime to lose it after it has been gained. We cannot let it happen, you should be sure that as the President of Azerbaijan I am a person capable to maintain the independence. You can be quite sure of it. Our greatest problem is to free the part of Azerbaijani territory, occupied by Armenia and to withdraw the Armenian armed forces from there. In the consequence of the war that has started since 1988, Azerbaijan could not protect from invasion a part of its territory - Nagorny-Garabagh and some districts neighboring it. Because of different reasons, 20% of the Azerbaijani territory has been invaded by the Armenian armed forces. Three years ago, we decided that there is no use of waging a war, fighting battles. Firstly, we had great losses; secondly, it is impossible to solve the issue in this way, for Armenia is supported and backed by many countries. That is why we decided on the cease-fire and signed an agreement on it.

Then President Aliyev spoke about the work, done for the peaceful solution of this conflict, the principles, adopted at the Lisbon meeting of the state and government leaders of the OSCE member countries and the co-chairmanship of three great powers: the USA, Russia and France to the Minsk Group; the statement, signed in Denver by the presidents: Bill Clinton, Boris Yeltsin and Jacque Chirak.



The leader of our state appreciated the first official visit of the president of independent Azerbaijan to the USA as a historical event and stated that he was pleased with the day-by-day extension of the cooperation between our Republic and the USA.

The compatriots, who spoke at the meeting, stressed that they felt honored from the meeting with the outstanding state figure Heydar Aliyev whom they consider the President of all Azerbaijanis around the world, and said that they follow the development of our Republic under the leadership of our leader and are proud of it. With great pleasure; they dealt with the fact that, owing to the hard work of Heydar Aliyev, the far-sighted state figure of our time, Azerbaijan has gained prestige in the U.S., the strongest power in the world, and in other countries. Our young Republic has taken a worthy position in the world community.

At the meeting, held in the atmosphere of sincerity and kindness, President Aliyev was also interested in our compatriots' problems and listened to their wishes and proposals with attention and gave them useful advice.

#### MEETING WITH THE REPRESENTATIVES OF THE AZERBAIJAN CULTURAL SOCIETY IN AMERICA

The president of the republic of Azerbaijan met with the representatives of the Azerbaijan Cultural Society in America on August 4 in Chicago.

The representative of the society Dr.Shafayi Ansari opened the meeting.



Dr. Shafayi Ansari's Speech

Mr. President

We, the Azerbaijanis who live in Chicago, congratulate you from the bottom of our hearts on your successful official visit to the United States of America. The first official visit of the president of the independent Republic of Azerbaijan is an important historical event and we are very proud of it.

Mr. President, while preparing for the meeting, we wondered what to ask you for. Our firm decision was not to ask you for anything, because we owe you a lot. Within a short period of time, you have brought out our independent state to the great path of development and introduced her to the whole world and earned her great fame.

Mr. President, as you know, millions of Azerbaijanis live abroad. Many of them are distinguished scholars and recognized specialists in the field of technology. These people are always ready to give all kinds of assistance to our country.

Distinguished President, today many of us were participating in the official reception, arranged in your honor in this grand building of Amoco on behalf of the American-European-Asian Chamber of Commerce and Mid-American Committee. There we listened to your interesting speech with great attention.

We want to present this plaque to you on behalf of the Azerbaijan Cultural Society in America. Our society was established in Chicago five or six years ago. Its aim is to introduce the true course of Azerbaijan to the entire world.



Then the floor was given to the representative of the society Dr.Hassan Arnamiya.

Dr. Hassan Arnamiya's Speech

Honorable President

Distinguished representatives of Azerbaijan delegation

Ladies and gentlemen

We feel honored from our meeting with President Aliyev.

While preparing for this meeting yesterday, again we had a discussion of what we could do for Azerbaijan. Unfortunately, some people think: What does Azerbaijan do for me?

We, the Azerbaijanis, feel very honored about President Heydar Aliyev's official visit to the United States. We believe that the historical documents signed in the White House between the two countries will serve as a strong impetus to the further development of Azerbaijani-American cooperation. We also rejoiced at the contracts signed in the White House between the SOCAR and a number of American oil companies.

Our compatriots in America have established a number of societies and are actively participating in their work. Our main goal is to advocate the true course of Azerbaijan in America and in the whole world more widely.

There are also many rich people, distinguished scholars and recognized specialists in the field of technology among our compatriots in the United States of America. We are

ready to do our best for our independent state. Mr. President, on behalf of all the American Azerbaijanis we say to you again: You are welcome! It is great honor for us to meet with you. Thank you.

Heydar Aliyev, head of our nation delivered a speech at the meeting.

#### Azerbaijan President Heydar Aliyev's Speech

Distinguished compatriots

I am very pleased that outside the republic, as well as in the United States of America, the Azerbaijanis are already getting together more closely and establishing societies. It is true that now the Azerbaijanis have spread to all parts of the world. You cannot find a country where there is no Azerbaijani. In one country, there are many, in another there are few. But, unfortunately, the Azerbaijanis who live in different countries cannot get organized and establish good contacts with each other.

After our country gained its independence, even before it, when we were still in the Soviet Union, there was an Armenian lobby in the United States creating an opinion against Azerbaijan. The Armenian lobby, Diaspora, is strong in America. When I ask how many Armenians live in the United States of America, someone says one million and others fewer than that.

A VOICE FROM AMONG THE AUDIENCE: Mr. President, 700,000 Armenians live in America.

HEYDAR ALIYEV: 700,000. As far as I understand, many Armenians live in California. It seems to me that you know it more exactly. You say that 700,000 Armenians live in America. The United States has a population of 30 million people. Mind that in the country with the population of 300 million people, 700,000 Armenians are able to influence U.S. policy. This is true that the relations between the Armenians and Azerbaijanis are bad. There is a conflict between Armenia and Azerbaijan, a war is being waged. There was much Armenian-Azerbaijani bloodshed in the past too. Some people may not like the Armenians, but the Armenians feel very strongly about their nation. We must admit it and say it.

I don't know how many Azerbaijanis live in the United States of America. Anyway, I have been twice to New York, Washington D.C., Houston, and now I have come here to Chicago. I see few Azerbaijanis here. The American Azerbaijanis do not consist of only those who are here today. It may be that not everyone has been able to come here. You said that you have established a society. How many members are there in this society? Do the American Azerbaijanis think of Azerbaijan or not?

The 99% of the American Armenians do not know at all where Nagorny-Garabagh is. Nagorny Garabagh is a small mountainous area. After getting some education, finishing secondary school, those Armenians who live in this territory go to different cities, study there and do not come back. I was the state leader of Azerbaijan in the Soviet period too, and know all about it. Some Armenians from Nagorny-Garabagh stay in Yerevan, but the majority go to Russia or other countries. There are all in all 80,000 Armenians in Nagorny-Garabagh now. But wherever an Armenian is, he is sure to think of Nagorny-Garabagh.

The issue raised in Nagorny-Garabagh is quite false. They have brought it to the extreme on purpose. Recently I have been told that the Armenians in Armenia want a peaceful solution of the conflict more than the Armenians in America. The American Armenians say that Nagorny-Garabagh should be independent and be annexed to Armenia. One should ask them why do you say so, once you are in America?



See, his national devotion has led him to such feelings.

Now, 20% of the Azerbaijani territory is occupied. More than one million of our compatriots have been forcibly driven from their homes. In the country with a population of seven million and half, one million citizens are refugees and live in tents. There is no other country in the world with so many refugees proportionately. But let us see if the Azerbaijanis who live abroad, think of this not? Excuse me for talking to you so openly.

You know I was at the head of Azerbaijani state for 14 years in the past. Then for five years I was one of the persons who led the Soviet Union and again I showed my concern over Azerbaijan. After this for six years, I faced different deprivations. Perhaps you know all about it. But wherever I am, my heart is always with Azerbaijan. For five years I lived in the Kremlin, Moscow, and was one of the highest officials in the Soviet Union. I had responsibilities in the entire Soviet Union. But my heart was in Azerbaijan. Within those five years, I did a lot for Azerbaijan. I don't want to praise myself. The trouble for Azerbaijan started in 1987, when the Armenians got together with some of our Azerbaijanis and succeeded in my resignation from the Kremlin.

Only 20 days after my resignation, the Nagorny-Garabagh issue was raised. There is an Armenian, Aganbekyan, by the name. He has never lived in Armenia or in Nagorny Garabagh in his life, he has always lived in Moscow. He is a scientist. That time this Aganbekyan went to France with a statement that Nagorny-Garabagh should be annexed to Armenia and he had agreed the issue with Gorbachov. Two months later, an uprising conflict broke out in Nagorny-Garabagh. And the misfortunes of Azerbaijan have started since then.

That time the Armenians had one aim - to debar Heydar Aliyev from the Kremlin. They knew I was holding a position in Moscow and I would not allow them to raise such an issue. They debarred me from the Kremlin. Not only they, but also some of our malevolent Azerbaijanis helped this happen. They joined and removed me from the Kremlin. And what hasn't Azerbaijan suffered since then.

During the 14 years when I was at the head of Azerbaijan, to what levels didn't I raise our republic? We lived under the Soviet regime. And could we change that regime? But the matter is what you do for your people, for your nation, though under this regime. If you cannot change the regime, you must make use of its opportunities to help your people. I did it. Azerbaijan reached high points those years, but as I have mentioned before, in 1988 the decline of Azerbaijan started. Azerbaijan suffered these misfortunes. A part of the Azerbaijan territory was occupied. One leader in the country overthrew another. What was overthrown by the third. Azerbaijan has become what it is now.

A civil war broke out in Azerbaijan in 1993. I was speaking about President Lincoln at the previous meeting today. Yes, if it had not been for President Lincoln, the United States of America would have been split then. The North was waging a war against the South. The country was getting split. Lincoln united the United States of America. And a few years ago, Azerbaijan was getting divided, too.

In 1993, Azerbaijan had already been split. A civil war was on in the country, the brothers were shooting at each other. The Armenian armed forces were invading our territory, while people were firing at each other and killing each other in Azerbaijan. Why? One wanted to be in power, another wanted to be in power too. This is both our malady and trouble. This is our drawback from the national point of view.

Thanks God, we have established stability in Azerbaijan. But at what expense has it been established? You must be reading newspapers and know that we prevented the civil war in Azerbaijan with great difficulty. But the Armenian armed forces made use of the situation in our Republic and invaded some more districts of our country. Of course, they would invade, for within the Republic the people were fighting against each other - one said that he would be in power, another said, "No, I'll be in power." They used the weapons available against each other. They didn't fire at the Armenians. That is why the Armenian armed forces advanced and invaded a part of our territory.

It has been more than three years since we achieved cease-fire in the war. We have abolished different armed forces in the country and established stability and safety. I spoke about these in the previous meeting, too. Now the economy in Azerbaijan is developing quite independently. The inflation in the country was 1800% in 1994, 84% in 1995, 6% in 1996. And in the first half of 1997, the inflation was 0%. Imagine that these results have been achieved at the time when 20% of our territory is under occupation, more than two million of our compatriots are refugees, most of them are unemployed.

The national currency in Azerbaijan is strengthened. Lately the rate of manat against dollar has increased for 15%. The volume of foreign trade has increased for 40%. Last year the economic crisis of the country stopped. Now there is a rapid development in the economy. The production of industrial, agricultural products and the GDP is increasing. We are carrying out the privatization, changing the economy, giving the lands to the people as their personal property. We have adopted a law on it.

As you know, once the lands and live-stock in the Republic were the collective property. Now all of them have been given to individuals. And it has very good results. In Azerbaijan there is no such a problem of importing meat, milk, butter now, because all of them are in the private sector. But in the Soviet period we witnessed these difficulties, for the state was expected to do all of them. But the state couldn't afford all this. Now we



are distributing the lands too. No doubt, this process will be over in a year or two. Good results have been achieved in the places where a year ago the lands were distributed.

In Azerbaijan, economic reforms are being held and democracy has been established. We are establishing a democratic secular society in the country. But we cannot allow the religion to dominate in our country. Our country is an open cultural country. The doors of Azerbaijan are open to both the West and the East. Whoever wants, let him/her come. But what is our trouble, our difficulty? See, we cannot have this truth proved.

As you know, five years ago the U.S. Congress adopted Section 907 against Azerbaijan. I have been the President of Azerbaijan for four years. I have been trying for two years to have this section repealed. Some people tell me that it is impossible. But during this official visit to the U.S., at all the meetings beginning from New York to Chicago I felt that there have been great changes in this sphere. For example, at the meeting with the head of an American company even before I touched upon the problem, he said to me that they are trying to repeal section 907. This is a great change. We are doing a lot in order to repeal Section 907.

Today I met with the leaders of many prestigious American companies. I had not met some of them until today. But at these meeting each of them told me that they are also making special efforts to repeal section 907. Yes, both President Bill Clinton and the Chairman of the House of Representatives at the Congress in Mr. Gingrich and also the Chairman of Foreign Relations Committee Mr. Gilman promised me that they would try to repeal Section 907. Everybody promised me that Section 907 will be repealed this September.

The Armenian armed forces have occupied a part of our territory, more than 1 million people have been driven out of their homes, but the Armenians here have turned the issue vice versa. Allegedly Azerbaijan has put Armenia under a blockade. That is why the Congress has adopted such an article against our Republic.



Do you see how the things are? Let's see if any Azerbaijani in the United States of America has raised his/her voice against it? Who has passed Section 907 in the Congress? The Armenians did. Many of the Congressmen tell me that they didn't even know what this Section 907 was then. They say, "When that evening the meeting was coming to an end, this project was presented and we voiced it. The meeting was over, we went away." Yes, the Armenians have passed this Section in the Congress.

Perhaps you know that after President Clinton invited me to an official visit to the United States, the Armenians here made a hullabaloo. Firstly, they wrote a letter to Mr. Clinton for him to annul Heydar Aliyev's visit to America. About 15 Armenian organizations wrote a letter to Bill Clinton.

They were not satisfied with it, and disseminated propaganda leaflets about me, wrote different slanders, insulting words about my biography, my personality. They prepared more than 50,000 postcards with my photo in order to send to Bill Clinton so that Heydar Aliyev didn't come to the United States. We won a great victory at the summit of state and government leaders of the OSCE member countries, held in Lisbon last December. For the first time since the beginning of Armenian-Azerbaijani conflict we tried so that the main principles for the liquidation of this conflict were adopted at the OSCE summit and 53 out of 54 state and government leaders, who were present at the summit voted for these principles. Only Armenia refused these principles.

What happened then? We achieved such a success in Lisbon. But the opposition forces and newspapers in Azerbaijan spread the news that we were allegedly defeated in Lisbon and so on. On my return to Baku from Lisbon I saw that the people were concerned. I told them not to worry. I am doing great work. The opposition forces also understand that we achieved a great success in Lisbon. I said then too. The principles, adopted in Lisbon don't mean somebody's loss or somebody else's victory, no. We

obtained a very useful document to protect our state position at the Lisbon summit, but in Armenia they mourned because of the statement, adopted in Lisbon. All knew that Armenia has still been protesting against the document, adopted in Lisbon. If this is the defeat of Azerbaijan, why doesn't Armenia support these principles then? I repeat, 53 states out of 54 OSCE member countries supported it. Besides, the document, signed by President Clinton and me reads that the U.S. supports three principles adopted in Lisbon. The US Vice-president voted for these principles in Lisbon. We met and talked there.

I point out once more the Armenians were so concerned that after the statement, adopted at the Lisbon summit, 15 Armenian organizations wrote a protest letter to Bill Clinton why he had supported this decision in Lisbon. It means in Armenia they were against these principles. The American Armenians accused Bill Clinton, passed some remarks and demanded him to have these principles annulled. But some forces in Azerbaijan who call themselves an opposition made a hullabaloo that we lost here, that the Armenian side won. We have such a misfortune, too. They are within the country. We manage them, for the people see everything, and the people can differentiate what is what. Now it is not as it used to be.

I see how the Armenians are fighting here for Armenia. Let us see if the Azerbaijanis here fight for Azerbaijan, if they get together, put their efforts into this matter.

Somebody must have said at this meeting that the Azerbaijanis, the Turks who live in America, have resources worth \$150 million. But what is this money spent on? Is all spent on eating, is all spent to enrich these people more? They should allocate at least a part of it for their Motherland, Azerbaijan.

As you know, wherever you live, there is nothing sweeter than your native country, your Motherland. I lived in Moscow for ten years, and worked in the highest positions. There has been no other Azerbaijani or a Moslem to obtain such positions in the history of the Azerbaijani people, Islamic world neither in the period of the former Russian empire, nor under the Soviet power. This is a history too. Some people say Heydar Aliyev used to be the member of the Politburo and so on. Yes, I used to. I'm proud of it. I made the Azerbaijani people famous there. I raised the Azerbaijani people to the Kremlin level. I'm proud of it. I lived there for ten years, but my heart as well as my days and nights were mentally in Azerbaijan, for Azerbaijan is my Motherland. I might have lived more comfortably in another place. But I came to Baku. The people, whom once I had prepared, trained, promoted, didn't let me live in Baku. I went to Nakhchivan. If they hadn't let me live there either, I would have gone to the mountains to dwell there, but I would live in the Azerbaijani territory.

In 1993 when I returned to Baku again, I came back only because I want to serve my people. And I did it, I am doing it now too. I say it because I wonder what the Azerbaijanis, living outside the country, do for Azerbaijan?

Our friend, who spoke first at this meeting, wondered what they should do for Azerbaijan, and what Azerbaijan should do for them. I visited Kennedy's tomb in Washington D.C. Nice words are written on it. At his inauguration, Kennedy appealed to the Americans: "Don't think of what America should do for you. Think of what you should do for America." These words concern our country too. Using Kennedy's words, I say to you: Don't think of what Azerbaijan should do for you. Think of what you should do for Azerbaijan. For every human being can live wherever it may be, so far he/she is physically whole. He can live better or worse. I've seen all sides of life. I've lived under different conditions: worst, hardest, highest. I have never owned enormous wealth. For it did not exist in the Soviet Union. But I lived under the best conditions because of the high positions I held. I had a seat in the Kremlin, Moscow, and lived in a big villa. But



later when I left power, I went to Nakhchivan and shared an ordinary, simple apartment with my relatives. I lived like millions of ordinary people.

What I mean is a man will live wherever he may be. This is not the main thing. The main thing is what a man does for his nation, Motherland. This is the main. I've always lived like this. I've done my best for my people until now and I'll do it further too. I advise you to do the same.

You know, some Azerbaijanis who live abroad now evidently were not born in today's independent Azerbaijan. Does this make much difference? Were the American Armenians born in America? Were they born in Nagorny Garabagh? None of them was born in Azerbaijan, in Nagorny Garabagh. But one of the American Azerbaijanis say, "I was born in Iran." Another says, "I was born in Turan." One says, "I was born here; another says, "I was born there." A third one says, "It doesn't make any difference for me, my wife is English." An Azerbaijani who lives in Moscow says: "My wife is Russian, that's why I've lost a part of my feeling of being Azerbaijani." There are such people too. It doesn't matter where you were born. If you are Azerbaijani, if you consider yourself Azerbaijani, it means you must know that there is only one independent state of Azerbaijanis in the world, no matter where they were born, no matter where they live. There is no another one. Is there? If there is, please tell me. No, there isn't.

Every Azerbaijani should be proud of the fact that at last the Azerbaijani people have an independent state, which is included in the world community. This is a source of pride for every Azerbaijani. Imagine that! The President of Azerbaijan is on an official visit to the U.S. The flag of the independent Azerbaijan is fluttering everywhere. During the four days I lived in the Blair House in Washington D.C., the Azerbaijani flag was flying. Wherever I go, I see the Azerbaijani flag there. I go to the White House. The President and I are sitting side by side in front of the U.S. and Azerbaijani flags. There is an Azerbaijani flag on our automobile. The state anthem of Azerbaijan was heard several times here during this official visit of mine. All of these are such big historical events.

When did such thing ever happen? It didn't happen even in Shah Ismayil's time. Though Shah Ismayil was the Shah of Azerbaijan then.

Azerbaijan is an independent country now. It is one of 181 UN member countries. It is one of them, but is a very worthy state. Now the whole world admits that Azerbaijan is a country that attracts the attention of many world countries both for her geographical and political position and national resources and for all other factors.

Azerbaijan is an independent state. That is why every Azerbaijani should do what is possible. This should be your duty. Of course, Azerbaijan is our support. As the President of Azerbaijan, I am ready to take care of every Azerbaijani in the world and share every Azerbaijani's worries. I am ready to render assistance to every Azerbaijani who is in need of the help from our state as well as from me personally because he/she is Azerbaijani.

As the president of the Republic of Azerbaijan, every Azerbaijani is dear to me. Irrespective of the fact where he/she, lives he/she was born. My advice is you should have closer contacts with Azerbaijan. When you have an opportunity, come to Azerbaijan.

A little ago, I met with the president of Amoco. These days I have also met with the heads of Motorola, Caterpillar, FMC and other companies. Those, who were in Azerbaijan a year ago and have gone to our Republic this year again, say, "So many great changes have occurred in your country". It is because we have been creating so much in Azerbaijan.

One must confess that though now it is possible to condemn the Soviet government, after 1920 Azerbaijan developed rapidly in that period. This is the truth that one cannot



deny. Those years we created a big economic potential in Azerbaijan. As well as in the years between 1970-1980 when I was at the head of the Azerbaijan state, we created a very big economic potential in the Republic. We constructed factories, electric power stations. Now we are independent, free in the sphere of electric power, for example. But the situation is different in the other former Soviet republics. Such a great country as the Ukraine has the crisis of electric power now. For in the past it didn't have its own electric power stations. They depended on Russia. Now Russia has stopped supplying them with electric power. Russia says: "If you give money, I supply. If you don't, then I don't do either. But I had nine electric power stations constructed in Azerbaijan then, so that we didn't depend on the central network of the Soviet Union. Therefore we are free now. It is true, some of these stations are out of date now, and they need repairing and modernization. We'll do it, but it has its roots.

Those days we created a big economic potential in Azerbaijan. All of this has been created. In 1988-1989 the process of destruction started in Azerbaijan. All who came to rule the country, destroyed her. Now, for the last few years we have been creating again. Those who visit our Republic see all this, too. The reason for this development is we have given freedom to people. The people themselves are building, creating. They are constructing living houses for themselves, putting the shops in order, building good offices. For the last 2-3 years, the face of Azerbaijan, Baku, has been changing greatly. That is why you should come to your Motherland, see the changes, visit the country. You know, irrespective where the Armenians live, they go to Armenia, visit their country, and then say that they have visited their country. But you also have your Motherland. It is the Motherland of each of you. This is the independent Republic of Azerbaijan.

What is our greatest achievement in this century? Azerbaijan has her our language. The Azerbaijanis write, read and speak their own language. The state language of Azerbaijan, the mother tongue of her people is the Azerbaijani language. All Universities, schools, scientific institutions in Azerbaijan are in Azerbaijani. Azerbaijan

has a rich culture. No other Oriental country has as rich culture as ours. In which other country of the Islamic East are there the works equal to those by Uzeyir Hajibayov and our other composers. See what a strong literature, science we have.

The President of the Academy of Sciences, Faramaz Magsudov is sitting here with you. This Academy was established 50 years ago. But see how much in the 20th century the Azerbaijan science has developed.

I paid an official visit to Russia. I visited the Academy of Sciences there. In fact, it used to be the Academy of Sciences of the Soviet Union, but the Academy of Sciences of Russia was founded 250 years ago, it is a very strong center of science. I went there and made a speech in front of the great scientists of Russia. But our scientists are equal to theirs. All this shows how much our nation has developed. Therefore Azerbaijan is not only a geographical concept. Azerbaijan is an independent state, and it is a strong, powerful state. You should know that Azerbaijan will never give up her state independence. Never! There is no way back. The Soviet Socialist structure cannot be restored in Azerbaijan. We'll never get under the patronage of any state again. You should know that it is already enough.

It is enough that we have been under the patronage of this state, the colony of that one for centuries. It won't be so any more. All this is the work we have done and it is also our goal. But we shouldn't do it alone. You should also join in. We should do a lot in order to achieve all this. Our nation has one negative feature: gossiping, falling out with each other, getting into an argument, and staining one's own nation.

You know, we have some people who come here to stay in America and say that there are no economic reforms in Azerbaijan, there is no democracy, human rights are violated, and so on. Isn't it enough that the Armenians say all this about Azerbaijan? And now let's see what President Clinton says. Did you hear President Clinton's speech when we signed the documents in the White House? If you didn't hear, we have the copy you can take and watch it.

In the White House we signed a joint statement on American-Azerbaijani relations. The statement says that the U.S. protects the territorial integrity of the Republic of Azerbaijan and supports her. Azerbaijan has taken the course of democracy. Economic reforms are being implemented in Azerbaijan. Azerbaijan has chosen a progressive course. All this is found in the document we signed. If it is the United States of America and it is her president that estimate all these issues highly. Some people still join the Armenian voice again, however. The Armenians also say the words, spoken by those malevolent people. These words are spoken by those who have come from Azerbaijan, who live here or who are within the Republic.

You know, that there is no use slandering one's own nation to achieve one's goals. The national interest comes first, then the personal interest. But why does a man stain his own nation in order to look good in somebody's eye, to take revenge on somebody and strike a blow?

We have recovered with great difficulty. We prevented a civil war in 1993. We signed the contract of the Century on September 20, 1994. The following day, on September 21 they helped a group of criminals to escape from prison. On September 29, after I came to New York, two of our state figures: the vice-chairman of the Parliament Afyyaddin Jalilov and colonel Shamsi Rahimov were killed in a terrorist act. They thought that they would be able to shake us by doing it. This was done from inside.

They wanted to overthrow the power in Azerbaijan again. But they couldn't shake us. After this, Surat Husseyinov, the criminal from the police detachment for special purposes attempted to arrange a coup d'etat. You've heard and known about it. They had a lot

of weapons at their disposal. But I didn't have any. I appealed to the people on TV. Half a million people gathered in front of the presidential palace within two hours. They came to protect me from these criminals. But not with weapons. But this didn't serve the criminals a lesson. Six months later, in March 1995 again, they wanted to overthrow us with the help of weapons. This was done by the same police detachment for special purposes. The criminals were united in that detachment. We prevented it too. After this they wanted to shoot my plane with the rocket and to kill 89 people alongside with me. Allah didn't allow it happen. There were other terrorist acts too.

I said it then too and now I repeat it. When I took on this responsibility, I realized that I can die for my people, my nation. I am ready to sacrifice myself for my people, whenever necessary. We have passed through difficulties, and at last stabilized the social and political situation, economy in Azerbaijan. We are advancing along the path of democracy, we are applying all democratic principles. In this case, coming here and telling different lies or writing to newspapers, doing it from the inside - all this is nothing but treason against our people.

I repeat it that if you have hostility against somebody, don't use it to strike a blow on the people's interest. Wage your struggle against those with whom you have hostility.

I am speaking to you sincerely, openly. I want it from the bottom of my heart to unite all the Azerbaijanis in the world. It is necessary. We'll achieve it too. There may be difficulties in this way as well.

You said you wanted to establish a society in California and hold a congress. If you wanted to hold such a congress, a congress of the Azerbaijanis, you should get in contact with the Azerbaijani State. And the Azerbaijani State should support you. The Azerbaijani President could have congratulated you, sent a representative to you. But you didn't do it. If you really had such an intention, you should have done it. One should not think that some belong to North Azerbaijan, others to South Azerbaijan. Only the River Araz divides us. We remember what the late Shahriyar said about it.

It is to the point to say that we shall celebrate his 90th anniversary this year for which we are making preparations now. Does it matter that once they divided Azerbaijan. It was not only the River Araz that divided us but two big empires. Now it does not make any difference that one was born on the right bank, the other on the left. Azerbaijanis are Azerbaijanis. Therefore let us get united more closely and become one. I say it again that all Azerbaijanis in the world have one Motherland now and it is the independent Republic of Azerbaijan. Let us get united more closely around this state - our Motherland - no matter where we live. We give freedom to all. Now any people from Azerbaijan can go and live wherever they want. Now it is not like in the past, we don't prevent anyone. But wherever you live, you should always keep your Motherland in your heart. As John Kennedy said, everyday think of what you have done for Your Motherland. Think of it every day.

Thank you.



**INTERVIEW OF HEYDAR ALIYEV,  
PRESIDENT OF THE REPUBLIC OF AZERBAIJAN  
WITH THE JOURNALISTS ON RESULTS OF HIS OFFICIAL VISIT  
TO THE UNITED STATES ON HIS WAY BACK HOME ON THE BOARD OF PLANE**

The Azerbaijani President Heydar Aliyev gave an interview to the journalists on the results of his visit on board of the plane on his way back home from Chicago.

President Heydar Aliyev said:  
Esteemed journalists, representatives of press, people who accompanied me!

My official visit to the United States of America is over, we are returning home. This has been a very long visit. For many days we have been together, you have always been with me. I suppose that you have followed all the moments of this visit. But still to sum up the visit I have decided to meet with you on board of the Boeing while crossing over the Atlantic Ocean and I want to say a few words about its results.

First, I want to point out the fact that this has been the first official visit of the Azerbaijani President to the United States of America. This visit has been realized at the invitation of the US President Bill Clinton. This visit is of historical importance according to its content and essence, to the signed documents and generally to its results. This is indeed a historical event for our Azerbaijani people, for our nation, for independent Azerbaijan.

As you know, since I was elected the Azerbaijani President, I have attached a special significance to the relations with the United States of America in our foreign policy. Today I can say and I have the grounds to say that we have managed to do a lot in this sphere. Since 1993 we have tried first to create and then to develop the relations with the United States of America. As you yourselves have noticed these days, we have gained great achievements in this sphere.

The importance of the relations between the United States and Azerbaijan lies in the fact that generally, learning the Western democracy, the achievements obtained in the West both in economy and policy and also in social sphere, benefiting from them and applying this experience in Azerbaijan acquires great importance in the course we have taken as an independent state. From this point of view, the United States of America holds a special place. I consider it useful and necessary for the future of Azerbaijan to learn the Western technology, the experience, the principles, the achievements, developed in the American economy and to bring them to Azerbaijan.

Besides all this, no doubt, the cooperation with the United States of America and the spread of this cooperation to all spheres are very important and very urgent for establishing our statehood in the international sphere, for solving the Armenian-Azerbaijani, Nagorny Garabagh conflict, the greatest problem of Azerbaijan.

The United States of America is the greatest state in the world. Under "great" we understand an economically developed country with high technology which has got great achievements in the development of democracy and market economy. Therefore I have always considered the relations with this country to be very useful for our present and future. And because of these reasons, I have tried to develop the relations with the United States of America since the beginning of my activity as a President.

The steps we have taken in this sphere are known. Among them I would like to point out specially my meeting with the US President Bill Clinton in New York in 1994. It was during that meeting that personal relations between us were created and great foundations were laid for establishing and developing relations between our countries and nations. As you know, in 1995 I met with President Bill Clinton for the second time in New York, we have also met at the international organizations, meetings - in Budapest, Moscow, London, Paris and in other countries. During all these meetings each time we held talks on the development of Azerbaijani-American relations. Today I can say with pleasure that each time I felt the increasing positive attitude towards Azerbaijan, I felt the respect on the part of President Bill Clinton personally.

I have also had meetings with other US high officials. I have met with Vice-president Albert Gore several times, also with the ex-State Secretary Christophor, the present State Secretary Ms. Albright and many other officials. Many U.S. delegations, congressmen, senators, businessmen, representatives of companies have visited Azerbaijan. I have tried to use all the meetings efficiently and to bring forth step by step Azerbaijani-American relations.

From this point of view, the development of our economic relations helps a lot to the development of our common relations. Especially after we signed the first contracts with the big oil companies of the world, as well as of the U.S. in September 1994, our economic relations started to develop in this sphere too. As you



know, the US companies also take part in the contracts, signed later on the joint development of the Azerbaijan oil and gas fields. Also we have signed a contract with Amoco and other U.S. companies on the development of "Dan Ulduzu", "Ashrafi" oil fields.

At last, as a logical result of all this, we signed four big oil contracts in Washington D.C. on August 1. No doubt, these have created great opportunities for the development of our economic relations. But not only these companies. As you saw during our stay in the USA, each of these contracts attracts many big world, also U.S. companies around it.

This way our economic relations with both the USA and many other world countries are developing very rapidly.

All this is the work done till our present visit and created a good basis for its success. No doubt, this visit was necessary for us. And the USA had long planned the Azerbaijani President's official visit to the U.S. We agreed to it too, personally I also wanted and wished it. At last this visit took place, carried out. We are already speaking about its results.

You have observed the course of the visit and taken part in all the meetings. You have witnessed that I and all those who accom-

panied me were working hard from the moment, we landed at Kennedy airport in New York on July 27 to the time, we took off at the airport in Chicago a few hours ago. We worked day and night, and I am very pleased that we have worked so successfully. It has been estimated that these days during the visit I've had 88 meetings. To tell the truth, I never count them, estimate them. But my assistant Dilara Seyidzadeh does the estimation and reports to me from time to time.

Yes, this figure also shows how much work has been done in this period. But the matter is not in the figure. I consider that each of our meetings has been meaningful, important, has helped to develop our relations and at last we have achieved it.

These meetings almost covered all spheres of modern American life. Firstly, we had many large meetings with the public - with the press. Today the press means the spread of everything to the society. Secondly, I had very important meetings with state figures, the US President Bill Clinton, the government members and other high officials. It is for the first time that we have been to Washington D.C., to the US Congress, to the White House. We had many meetings in the US Congress, both in the House of Representatives



and in the Senate. We visited scientific-research centers, Universities. For example, as you know Georgetown University is one of the biggest US and world Universities. When one thinks that once this University was founded in 1776-77 and has survived up to now and largely contributed to the world science, politics, of course, one understands that to deliver a speech in front of the University-members gathered there, to speak about Azerbaijan and to state the truth about Azerbaijan were of great importance.

Not only this, as you know, we have had different meetings. We met with the representatives of American business circles in every city, everywhere. As you witnessed it, not only with the businessmen. This happened in New York, Washington D.C., as well as in Houston and Chicago. Alongside with the representatives of high business circles, the representatives of the state, the parliament, the public, the press as well as very respectable, well-known politicians were present at our meetings.

I think that the talks, held during the meetings and my speeches at the meetings, the words, I delivered to them, and presented Azerbaijan in the United States of America again. By now we have already tried to present Azerbaijan.

But I consider that these days, in this respect, we have reached to much higher level. When talking about the meetings in the U.S., I would like to speak about the meetings at the UNO in New York. This is also significant. As you know, our relations with the UNO have already been established, they are good. Our relations with the UNO started with my speech there in 1994 and then they extended. But this time I met with the UN Secretary General Koffi Annan, we had an efficient talk, at the same time I had many other meetings there. For example, meeting with the Security Council members and delivering a speech in front of them was of great importance. Or, delivering a speech in front of the ambassadors who represent all the countries at the UNO, meeting them, giving information about Azerbaijan and answering their questions was very urgent. Meeting with the journalists in the building of the UN, holding a press conference - these were also very useful for us.

But again I would like to speak about the significance of my visit to the U.S.: No doubt, its highest point was on August 1. That day we visited the White House with you, I had a meeting with President Clinton. In the White House we spent three hours and half, more time than we had planned.

I also had a face-to-face meeting with President Bill Clinton. A small part of our representatives also met with probably the same number of the U.S. representatives. And later our delegation met with the U.S. delegation. Then we had dinner together. We had talks also during the dinner party. All these hours our relations in the White House were devoted to the talks about Azerbaijan, about our problems.

I am very pleased with the results of all these negotiations, of the face-to-face negotiation with President Clinton, which was sincere, kind and very friendly. Because I managed to bring all the problems of Azerbaijan to the notice of President Clinton, to Vice-President Gore, State Secretary Ms. Albright, the President's Assistant on National Security Mr. Berger, Ministers: Mr. Pena, Mr. Daly and other high officials.

I can say that now President Bill Clinton and his administration know all the problems of Azerbaijan very well, share our opinions, want to cooperate with Azerbaijan closely and highly appreciate their relations with Azerbaijan, want to further extend, develop them.

It is gratifying success that our talks covered all the issues: the Azerbaijani-American relations, - here we covered all the issues; the international situation and problems; the situation in the Caucasian region, in the Central Asian region; the situation in the region, covering the Caucasus, Azerbaijan in general and the relations with our neighbours. All of them were discussed. We had a very broad exchange of views on all these issues, we had a very significant dialogue.

I can point out that we were of the same opinion on the majority of issues. This is of great importance.

All this resulted in the joint document on the American-Azerbaijani relations, signed in the White House by President Bill Clinton and me, the Azerbaijani President. This acquires great significance in itself. As for its content, this shows how important the document is, and it acquires historical importance in the life of the Azerbaijani people and the Republic of Azerbaijan. And the name of the document shows it too. The document reflects the principles of further development in American-Azerbaijani relations.

You will get acquainted with the document, we'll publish it. I suppose that you, as well as our researchers, politicians will learn the document, analyze it and study the meaning of every word in it. But I want to state that. This is not the document, created within a day or an hour. The foundation of this document is the work, done by us from 1993 up to now in the sphere of our relations. This makes the basis for it. But at the same time the preparation of the document also took a lot of time and effort. Both the American and the Azerbaijani sides worked hard on it. I can tell you it is not a secret that we had been working on the document till the midnight of July 31. At last, we tried to have it translated into English so that the document was the same in both English and Azerbaijani. And

this gave good results. I am very proud and happy that there already exists such a foundation which makes the basis for a new stage in American-Azerbaijani relations. We have signed it. I want to say a few words about the content of the document. Firstly, I point out again that this document defines the principles of our future relations. The document shows that the two presidents have agreed on the development of cooperation in Azerbaijani partnership in politics, security, economy and trade. This in itself is very significant.

The document shows clearly the issue on the peaceful solution of the Armenian-Azerbaijani conflict. That is, it reflects the position of the United States and its obligations in the solution of the conflict.

According to this document, firstly, the conflict should be solved peacefully and on the basis of the principles, adopted at the OSCE summit in Lisbon. This is of great importance. Secondly, it shows that the Azerbaijani President has accepted the proposals of the OSCE Minsk Group as the basis to intensify the negotiations and it is presupposed to solve the conflict in 1997. The document says that together with Russia and France, the U.S. President will further support the peaceful solution of the conflict through the OSCE Minsk Group. The US President promised it. These are very important issues. At the same time they give us very great hopes.

As you know, during our negotiations we received such statements on the part of the US government several times. But now these statements are reflected in the document, signed by the Azerbaijani and US Presidents.

Alongside with this, the statement also reflects very firmly the issue on the repeal of Section 907 to the Freedom Support Act. It shows that the US President considers the repeal of the Section necessary and will make his best to do it.

It is very important for us that the U.S. points out in the statement:

The Republic of Azerbaijan is in a new stage in the development of democracy, market economy. The Republic of Azerbaijan has advanced along this way, is advancing now and the US President will support her in this direction. The document shows that Azerbaijan is loyal to democracy and market economy, the implementation of economic reforms, the President of the Republic of Azerbaijan is loyal to these principles. This is also very important for us.

The document includes very important articles, connected with the security of the Republic of Azerbaijan. It shows that the American side is well aware of the difficulties, faced by our country in connection with the security of the Republic of Azerbaijan. The U.S. approves the joining of the Republic of Azerbaijan into the European-Atlantic Cooperation Union as well as her cooperation with this structure. As you know, together with the U.S., we signed the flanking contract on ordinary weapons in Europe on May 15.

But you know that we had also problems in this sphere. We did not want to sign it. The U.S. had appealed us in this connection. As you know, at Bill Clinton's request Vice-President Albert Gore had long telephone talks with me in this connection. When signing the contract, we agreed on the joint American - Azerbaijani statement. This statement was announced then. Now the present document mentions that statement too. It means that the statement is approved in the document, signed by the U.S. and Azerbaijani Presidents. This will be also important for us in future.

There are very important provisions on many other issues too. I say again that you will read it, you yourselves will analyze it. But the most important point is the U.S. and her President approves and supports the present social and political, economic life of Azerbaijan, the work done by us, by the Azerbaijani president in connection with the strengthening of our state, the present reality, our activities in this area. This is very gratifying. For actually in our domestic life we are building a legal democratic state, carrying out economic reforms, advancing along the way of market economy, taking a lot of measures, also implementing the wide privatization programme. They have already had their results. But it is very important for us that all of them are approved and supported by the U.S. and her President. I am very happy because of all this, especially because of the provisions, reflected in the document on the peaceful solution of the Armenian-Azerbaijani conflict, the repeal of Section 907, on the guarantee of the security of the Republic of Azerbaijan. I consider that our people must be happy about it and highly estimate it.

On August 1, we made a very big step forward in the sphere of the development of our economic relations. As you know, I said it in the U.S. several times - we explored the oil fields in the Caspian 50 years ago and have done great work in this sphere. For the last years we have presented the rich oil fields in the Caspian to the world. This is the merit of the Azerbaijani people before the world community. For the Caspian oil fields have attracted the attention of the entire world. Now it has roused the world interest. It is Azerbaijan which has explored and presented those fields to the world. The United States is interested in Azerbaijan very much. From this point of view, it is very important that a special contract has been signed between the U.S. and Azerbaijan on the use of energy resources and means of transport in the Caspian and in the region of Central Asia, the Caucasus, and also the issue has found its reflection in the contract, signed by the two presidents. As you know, a special contract has been signed on this issue between our governments. The U.S. Energy Minister Mr. Pena, the Foreign Minister of the Republic of Azerbaijan signed this contract.

The second document, signed by President Clinton and me, on the protection of investments is of great importance too. It is not an ordinary document either. I suppose that our economists, politicians will analyze these documents too. Both we and the American

side worked hard on this document. At last, very important articles for both parts found their reflection in the contract. Both President Bill Clinton and I signed it. Then the document, signed by us with the 'Eksimbank' on the instigation of the investments, is highly estimated by the American side. This is very urgent too.

You have been accompanying me, therefore you know that the U.S. Defense Minister and I had a meeting, a very important negotiation. We signed a contract on cooperation in this area too. The signed contracts create the legal normative basis for the Azerbaijani relations. Until now we didn't have such legal normative documents. We not only signed these documents, but also created a very big basis.

At last, the signing of oil contracts in the White House is also a historical event. Firstly, this displays the further extension of economic relations between the United States of America and Azerbaijan. Secondly, the signing of those contracts in the White House gives a special significance to it. We signed the first oil contracts in Azerbaijan. Then an oil contract was signed with the participation of the French President Jacques Chirac and me in Yelisey Palace, Paris. Another contract was signed with the participation of the Russian President Boris Yeltsin and the Azerbaijani President Heydar Aliyev in the Kremlin, Moscow. At last four contracts were signed in the White House with the companies: Chevron, Exxon, Mobil and Amoco. Each of them is of great economic nature, will have a lot of economic advantages for both the U.S. and Azerbaijan. But these four contracts acquire together such a great significance that it has already shattered the whole world. You know it.

There has not been an experience of signing oil contracts in the White House before. As you know, each of these oil companies was founded 100-150 years ago. For example, the president of Chevron Mr. Matske told me during our negotiations: "I thank you, for I saw the White House." When I wondered if any of the many oil contracts, they had signed, ever took place in the White House, he answered that they could not even think of it, let alone the signing of a contract; it was his first visit to the White House. The Presidents of Exxon, Mobil, AMOCO told me the same words. This is not a coincidence. This displays a special attitude of the United States toward Azerbaijan, shows that the U.S. gives a special importance to the cooperation with Azerbaijan, points out the special part Azerbaijan plays in the Caspian sector in our region.

In the ceremony of signing these contracts, the US Vice-President Albert Gore made a very nice speech. You have already heard the speeches, I delivered during the signing ceremony of oil contracts. It may have an ordinary nature now. The French President Jacques Chirac made a speech in Yelisey, Paris; the Russian President Boris Yeltsin made a speech in the Kremlin, Moscow. Here in the White House the US Vice-President Albert Gore made a speech. The leading members of the U.S. government took part in the signing ceremony of these contracts.

Alongside with Mr. Albert Gore, the State Secretary Mrs. Albright, the Minister of Energy Mr. Pena, the Minister of Commerce Mr. Daly, the President's Assistant on the National Security Council Mr. Berger and other high officials were participating in the signing ceremony of these documents. All of them are significant historical events. This event should be and will be written in Azerbaijani history.

I want to emphasize President Clinton's speech after we signed the documents, to sum up all this - my meetings in the White House, my speeches, the signed documents. You were present there and saw that President Clinton's speech was very interesting, significant, rich in deep political thoughts, showing a very friendly attitude towards Azerbaijan. I am proud of it.

It wouldn't be all right for me to speak about my own speeches. Perhaps you see, know and hear them. These are not new for you. But it is a new event for us that President Bill Clinton personally made a speech on Azerbaijan, not only on the signed document. It is a very big historical event.

I consider that we had very fruitful meetings with the American elite in the United States of America - in New York, Washington D.C., Houston, Chicago. For example, I would like to remind you of the meeting, held in in the hall of the National State Museum in Washington D.C. The top political figures, representatives of business circles, representatives of financial centers, of the press were taking part there. You yourselves were there and saw what a significant event it was. Also in Houston the whole elite of the city were present. Or in Chicago most of the state leaders of the world countries delivered speeches in the hall of the Central American club. There they told me that the ex-President of the former Soviet Union Mr. Gorbachov had made a speech there once, when he visited America. The state leaders of great powers made speeches there too.

The Prime Minister of Russia Victor Chernomyrdin had visited the U.S. before us. As you know there is a joint Russian-American commission. Victor Chernomyrdin and Albert Gore are the chairpersons of the commission. Both of them had visited Chicago and made speeches in that hall. I, together with you, have been to the same hall and made a speech there. We do not say anything good or bad about anybody's speech. But I can say that the Azerbaijani President's speech at the banquets, meetings have been accepted very positively and highly estimated by the American Society. It has already been reflected in the press.

It is gratifying that about two months before my visit to the U.S. a lot of favorable articles on Azerbaijan started to appear in America. But, during this visit I had no time to read the articles, just written. My assistants, especially Raouf, gives me brief information about these articles every morning. I am going to read these articles later. They are in tens - a hundred or two hundred. It is most gratifying that the articles are published in different newspa-

pers. All the newspapers, published in New York, Washington D.C., Houston, and Chicago and in other cities, estimate our visit to their country and disseminate a positive attitude towards Azerbaijan. You see what great changes have taken place in the American society and press in relation to our country.

You are aware of my special attention and care towards the press. In New York, Washington D.C., Houston, Chicago I met with the editorial staffs, the leaders and the representatives of different newspapers and answered their questions. I have never hesitated to answer any questions. They noticed it in America too. They already knew that the Azerbaijani President is ready to answer any question, even to the ill-intentioned ones. Yes, it is necessary to answer the ill-intentioned questions, too. For it is necessary to explain things to those malevolent people too. But it is gratifying that there were no such ill-intentioned questions or were very few.

I would like to mention one more fact. When my official visit to U.S. was announced, the Armenians in America - not only the Armenians who live in the U.S., but also those in Armenia - first tried to have this visit annulled. It was not possible. They sent a lot of letters to President Bill Clinton, arranged a big propaganda. When I met with President Bill Clinton in Madrid on July 8-9, he himself told me, "I am looking forward to your visit, come soon." He repeated it several times. He also stated, "My Armenian friends are against it, they have appealed to me. But I don't accept any of them. I am looking forward to your visit soon." I am citing his words.

But the Armenians were carrying out their activities. They wrote so much information, published and distributed so many leaflets. They prepared and distributed 50 thousand postcards and then increased this number to 150 thousand. You see, what kind of leaflets they made, the Armenians prepared all of them against me.

Firstly, the Armenians tried to prevent our visit, secondly to stain and hinder it. But they failed. They can do nothing.

Besides, you have seen a lot of articles with the Azerbaijani President's portraits in the American press. Also Washington Post, Wall Street Journal published the panorama of Baku with the portrait of the Azerbaijani President, entitling the whole page with the words "You Are Welcome to the U.S., Azerbaijani President!" It means in U.S. we have not only enemies like Armenians, but also such friends. This is not coincidence. This is the result of our work in recent years. See, Raouf has collected this pile of newspapers. These newspapers have published a great deal of articles about Azerbaijan, about my visit to the U.S.

As you know, when we were in the U.S., the Armenians got together several times. Some of you have visited them. They were all hired people there. But we should not forget this danger either. The Armenian lobby's hostile attitude to us in America is a constant threat for us. Some people say to me and I am also of the

opinion that the Armenians in the U.S. are much more extremists than those in Armenia. Most of the Armenians in Armenia want peace. But the American Armenians do not know what the people suffer in Armenia. They are enjoying the life here, but try to destroy both Armenia and our region. But we rejoice that all these efforts failed. Our visit ended in success.

I am very glad. I consider that you are of the same opinion too. We are returning home very proudly. I consider that I have, decently fulfilled the mandate, given to me by the people, the nation, Azerbaijan. There are some people, both in opposition and among us, who have run away from Azerbaijan to the U.S. When they do not find anything negative in our activities, they try to invent faults.

They also see that we have already everything: Azerbaijan is independent, protects its independence, the people in our country live peacefully, the social and political situation is being stabilized, we have ceased the war, there are no martyrs, there is no bloodshed, life is developing. The man who sees all this should be only ungrateful not to estimate it. They say here or there that the reforms, privatization are not implemented, the economy is ruined, destroyed, is in the state of calamity, is unlucky and so on, so forth.

Now Raouf has handed these documents to me. The GP Morgan Bank has prepared the data of Azerbaijan. When I met with the leaders of financial centers in New York, the President of GP Morgan made a speech. I said, "I don't want to make a speech because you have said everything." He not only spoke, but also had prepared all the information about Azerbaijan: how the reforms, privatization are implemented in Azerbaijan. All has been written there. This is a good answer to them. I don't want to answer them.

We went to the World Bank too. During our talk the World Bank President Wolfinson said to me, "You work so well that I am ready to give a twofold credit to Azerbaijan." I wanted to talk to him about Azerbaijani data. He said, "You needn't to say, I know all about it". He expressed a very good idea. He said, "We'll give you credits further on too, let us agree on the distribution of \$5-10 million from each credit for the development of culture and education. I accepted the idea with great pleasure. For the credits, given to us until now have been mainly for the economy. It is a very good idea. I supported this idea and we'll sure do it in the future.

The U.S. has big political and economic interests in Azerbaijan. It has been said in America several times that for the U.S. Azerbaijan is a country of special significance. They attach a special significance to the cooperation with Azerbaijan. There is a positive attitude towards Azerbaijan in the U.S. today. What I mean is while in the past the majority of the people in the United States of America showed a negative attitude towards Azerbaijan, the result of our policy in recent years and its highest point consists of the fact that we have completely changed the attitude. Anyway, we have

changed all of this in the state organs, the press, the Congress, government organs, in business circles, in the financial centers.

I want to speak about my grandson too. You know that while I am paying this very responsible, official visit, which is of great importance for Azerbaijan, a great event happened in my own life too. My grandson was born, that is a son was born to my favorite son Ilham. We got this news in Houston on August 2. I was happy too. What is gratifying for me is the fact that everyone whom I met in the United States of America congratulated me. We even went to the medical center in Houston, it was also very significant, - those who have visited the place, know it. The center, which is in Houston, is the greatest achievement in the world medicine. As soon as a famous person, a great scientist Dr. DeBaKey met me there, he congratulated me on the birth of my grandson. All were congratulating me. This is also gratifying for me. Any of you can feel it in your own life. Somebody has a child or is expecting to have one. Somebody has a grandchild or is expecting to have one. Taking into consideration the fact that I am making a speech for TV and this will be released on Azerbaijani TV, in connection with the birth of my grandchild, I wish the same kind of happiness to the whole Azerbaijani people, to each Azerbaijani citizen.

**HEYDAR ALIYEV, PRESIDENT OF THE REPUBLIC  
OF AZERBAIJAN, RETURNED HOME FROM HIS OFFICIAL VISIT  
TO THE UNITED STATES OF AMERICA**

In the early hours of August 8, President Aliyev arrived in Baku after his official visit to the U.S. He answered reporters' questions at Bina Airport in Baku.

**QUESTION:** Mr. President, how do you appreciate the results of your visit?

**ANSWER:** Very highly. It was a mostly successful visit. I am pleased everything passed very well. We have achieved great positive changes and achievements in the Azerbaijani-American relations, there are opportunities to expand and deepen our cooperation.

**QUESTION:** Will the results of the visit affect the solution of the Azerbaijani-Armenian conflict?

**ANSWER:** Undoubtedly. You will read it in the joint American-Azerbaijani statement signed by President Clinton and me. On the issue of a peaceful solution of the Azerbaijani-Armenian conflict, the Nagorno-Karabakh conflict occupies a worthy place in it.



**TO HIS EXCELLENCY  
WILLIAM J. CLINTON,  
PRESIDENT OF THE UNITED STATES  
OF AMERICA**



*Dear Mr. President!*

*I thank you of all my heart for the hospitality, sincerity and attention shown to me during my official visit to the United States. I was greatly impressed by meeting with you personally, by the meetings and talks with the statesmen of your country, the speaker of the Congress, senators and congressmen and the American public.*

*I am completely pleased with the results of my official visit to the United States. I share fully your views concerning the American-Azerbaijani relationship, the foreign and home policy of Azerbaijan, the democratic processes in our country, their consistent and irreversible nature. These thoughts have found their expression in our joint statement on the American-Azerbaijani relations. This document is an important stage in the relations of our states and is of historical significance. The agreements achieved in the White House, in the Department of Defense, the signed documents and agreements have risen our relationship to a new level from the point of view of quality. It will help to further deepen the American-Azerbaijani relationship all around. I confirm it once more that the Republic of Azerbaijan attaches a special importance to strengthening of our friendly relationship and partnership, and will do its best for their irreversible development and deepening.*

*I express special thanks on behalf of the Azerbaijan people and myself for supporting the sovereignty, independence, territorial integrity and democratic developments in Azerbaijan. I thank you for a peaceful and fair*

*solution of the Azerbaijani-Armenian conflict on the principles adopted in the Lisbon summit of the OSCE, and for your efforts to repeal Section 907 of the "Freedom Support Act." I hope these efforts will bear fruit this very year.*

*On our own part, we shall do our best to achieve the peace very soon. I have told you that we are ready to give our consent for the solution of the Azerbaijani-Armenian conflict in two stages. The first is to liberate the six occupied districts of Azerbaijan, return of refugees to their homes, restoration of the destroyed communications. The second is to solve the issue of the status of the Nagorno-Karabakh in connection with the liberation of Shusha and Lachin.*

*I fully share your opinion that this conflict is a serious obstacle on the road of development for a region that possesses a huge potential. Peace, stability and cooperation among the nations of the region - Azerbaijanis, Armenians, Georgians - are the main factors of progress. Therefore, the regional conflicts should be solved by joint efforts of the co-chairpersons of the Minsk Group of the OSCE who are representatives of the U.S., France and Russia.*

*Dear Mr. President, I thank you again for your personal attention and excellent organization of my visit. I wish you, your family, all the people of the United States peace, happiness and progress.*

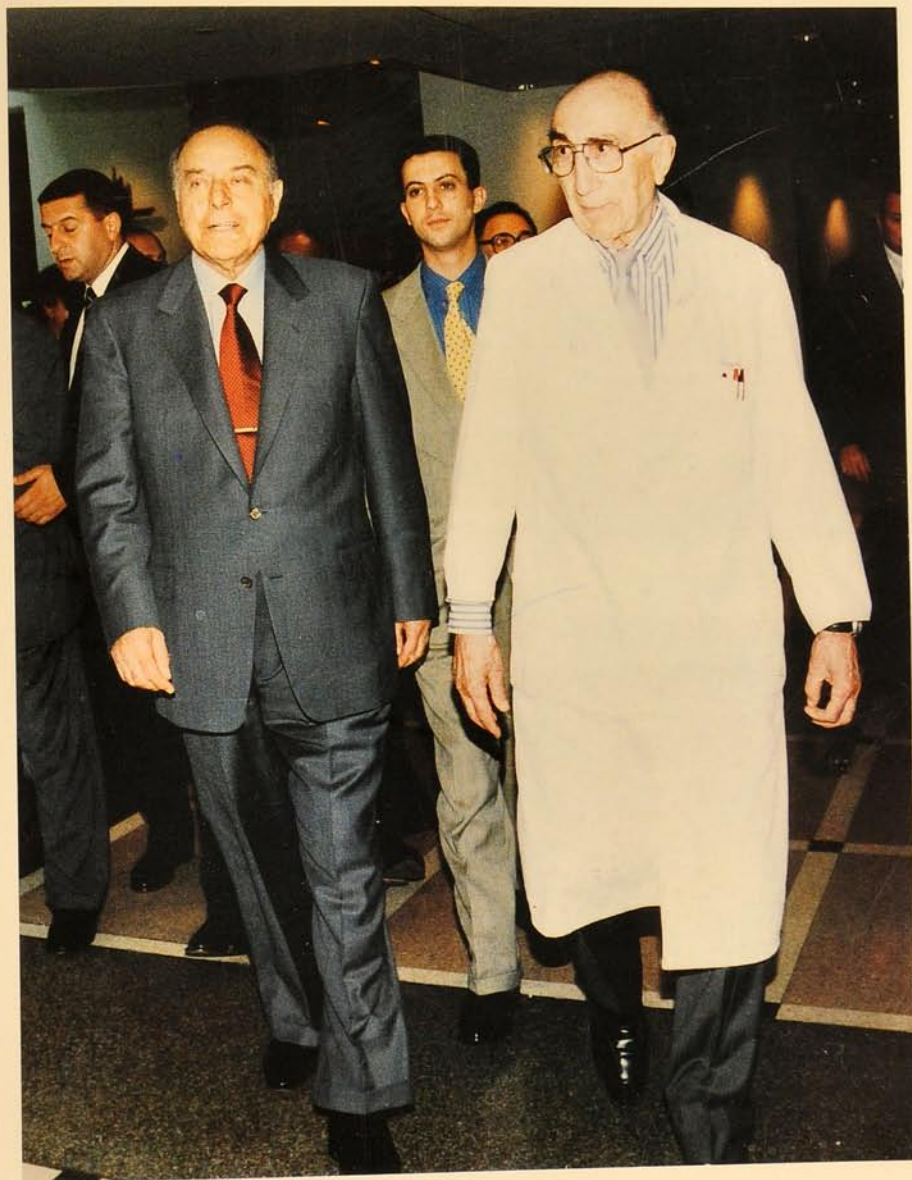
*Sincerely yours,*

*Heydar Aliyev  
President of the Republic of Azerbaijan  
The city of Baku August 19, 1997*

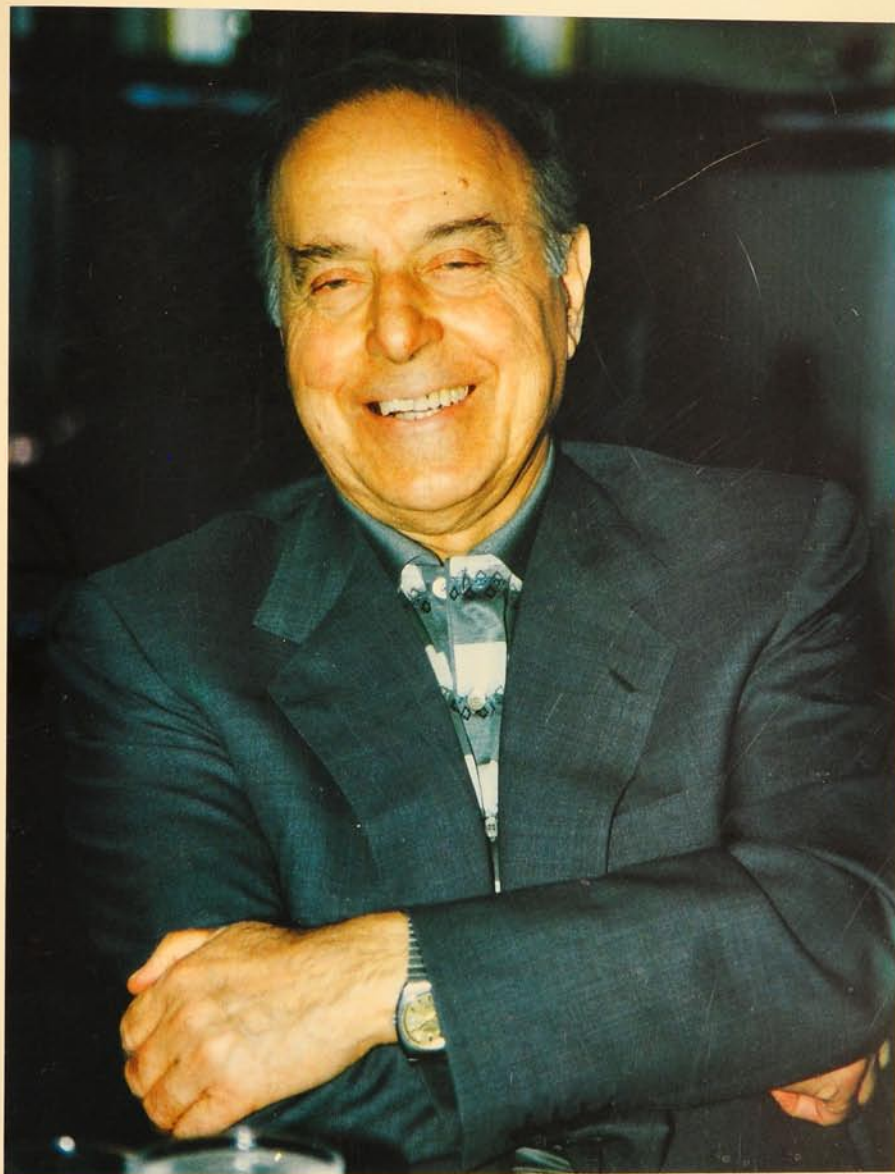












## THE WORLD PRESS ABOUT THE VISIT



### Revival of our Caspian concerns

President Aliyev ended his official visit to Washington with a dinner party with Mr. Clinton. Now we hope that it is the beginning of a good friendship, and active participation of the U.S. in resolving the American - Azerbaijani conflict.

*Frank Gaffny  
Director of the Center  
of Security Policy,  
a review, The Washington Times,  
July 30, 1997, p A 20.*

### Great and mighty Washington paved the way with red carpets for Aliyev

Sad news for the Armenian lobby in America: the former government members of the U.S. as well as advisers, lobbyists and investors, have already discovered that the Azerbaijani oil tastes much better and more delicious than the Armenian.

When he declared the eternal independence of Azerbaijan and that the friendship between the U.S. and Azerbaijan was his gift to the future generation, he was so moved that his voice humbled, and everybody present was surprised. Because it did by no means suit the image of the cold-hearted general of the State Security Committee (KGB) who weighed everything. Very often he was very proud that, though he represented a country ignored by many people, the capital of this huge country paved the way with red carpets for him to walk. He told everybody about it openly.

Answering the question on human rights, Aliyev said: "It is not a thing to be bought in the market."

On Wednesday evening at a luxurious evening party with 425 men of high rank in the National Construction Museum, President Aliyev sat between Federico Pena, Secretary of Energy, and Zbigniew Brzezinski, National Security Advisor of the former U.S. President Carter, who found time to be there.

The main considerations of Aliyev:

**Human rights.** It is a new notion for Azerbaijan. You are facing this problem in the U.S. for 218 years, but in Azerbaijan only for five years. Human rights are not commodities to be bought in the market.

**Oil contracts:** We are ready to sign oil contracts in Washington with Chevron, Mobil, Amoco and Exxon.

**Democracy:** We have secular democracy in the country. Democracy has a beginning, but not an end. It is endless for the American people, too. It is an endless process.

**Corruption in Azerbaijan:** It exists in all the corners of the world, as well as in America.

His past in the State Security Committee: I changed my mind in 1987. I left the Political Bureau and became an anti-communist. I said in Moscow that communism will not live and Azerbaijan will be independent.

*Ugur Ekinchi  
Daily News, Turkey  
August 1, 1997*

#### The U.S. signs an investment agreement with Azerbaijan

During the talks in the White House, the participants thought about ways to resolve the Armenian conflict.

Yesterday the White House signed an investment agreement for expanding commercial relations with the Azerbaijani President Heydar Aliyev who is paying his first official visit to the U.S. Eight billion dollars of the oil contract occupies the central place in the efforts aimed at the solution of the Armenian-Azerbaijani conflict. Pro-Armenian forces in Congress made a noise for doubting the neutrality of the U.S. in the solution of the Nagorno-Karabakh conflict, because the U.S. has established strong relations with Azerbaijan which possesses rich oil deposits, nevertheless, they could not influence President Clinton.

As a result of three-hour talks in the White House, Aliyev and Clinton signed an investment agreement. Azerbaijani President Heydar Aliyev and Vice-President Al Gore took part in the ceremony in which four big contracts were signed on the joint oil developments in the Caspian Sea.

Aliyev said that the contract cost of the agreement signed with the U.S. companies Chevron, Exxon, Mobil and Amoco is eight billion U.S. dollars. After the negotiations with Clinton, Aliyev told reporters they have laid the foundation for the further development and expansion of economic relations between the two countries.

The bilateral investment contract guarantees the mobility of capital and profits between the U.S. and Azerbaijan, a former Soviet republic, and protects the investments from uncompensated confiscation. The reason, which makes the U.S. sign such a big contract is the attraction of the rich oil deposits in the Caspian Sea from the point of view of the development of energies and cooperation on transportation issues.

Aliyev said that the next step on the road to improve economic relations has to be the abolishment of banning the direct economic support to the Azerbaijan government, which has been continuing for five years. Clinton promised to make efforts to repeal the ban.

The U.S. Congress applied the embargo to punish Azerbaijan for an economic blockade of Armenia and the Nagorno-Karabakh. The legislators in the House of Representatives and Senate intend to mitigate the embargo in order to assist the establishment of democracy in Azerbaijan. The Armenian lobby in America exerts strong pressure in order to raise the embargo completely.

It becomes evident from the joint statement of Clinton and Aliyev after the talks that Azerbaijan must guarantee the highest autonomy status to Nagorno-Karabakh and provide the safety of the Armenian population and other minorities in the Nagorno-Karabakh. In this case, Armenia and Azerbaijan must respect the inviolability of their borders. Aliyev confirmed that he had agreed with the proposals submitted by Russia, France and the U.S. recently.

The statement says that working jointly with Azerbaijan for the exploitation of the oil resources of the Caspian Sea, the U.S. does not only help the development of Azerbaijan, but also increases the numbers of its energy supply sources and strengthens the security of the country. As it is confirmed in the Statement that the states of the Caucasus may fully realize their potentials only in conditions of peace.

*The Washington Post  
August 2, 1997*

#### Clinton "caresses" the leader of Azerbaijan rich in oil

Sincere reception of Aliyev by Clinton is evidence that the Clinton administration has adopted strategic resolutions to take part in the economy of the Central Asia and the Caucasus region.

At the meeting yesterday, Clinton repeated once more that he supports the abolition of the ban to render financial aid to Azerbaijan adopted by the Congress.

*Peter Baker, analyst  
The Washington Post,  
August 2, 1997*

#### How can oil wash the bloody reminiscences

The oil companies and others want the repeal of Section 907. Who are the others? They are the former State Secretary of the U.S. James Baker, former National Security Advisors Brent Scowcroft and Zbigniew Brzezinski and former Treasury Secretary Lloyd Bentsen. Stroub Talbott, assistant of the present State Secretary said this: "When speaking about the geographical and political points of oil let us think not about the 20th century, but about the 21st century".

*Stephan Handelman  
The Toronto Star, New York  
August 3, 1997, p. 16.*

#### Caspian oil: beginning of a new game

The American citizens who have come to have breakfast at the Blair House are standing in a long queue in order to greet the Azerbaijani President. Everything seemed a little strange, even for a man who had seen the shadows of the Kremlin and endless provocation.

"The Russians are afraid of him," whispered one of his leading political advisors into my ear. He knows more about them than they know about themselves".

*George Enguyer, analyst  
The Washington Times  
August 3, 1997*

#### "Intercon Daily" agency

At the dinner party sponsored by the Mid American Committee and American-Eurasian Trade Board, he said that "application of Section 907 was unjust against Azerbaijan. We have lived in discrimination and suffered for five years. We cannot tolerate it any more."

*Lidiya A. Borland  
Bulletin of the Agency  
August 5, 1997, page 4*

#### The Azerbaijani leader gains the confidence of local businessmen

Speaking at a meeting with 200 leading businessmen on Monday, he said: "We shall not allow anyone to occupy our land, or our freedom. We shall never return to the socialist system."

*Daniel Skoda, reporter  
The Chicago Sun Times News  
August 5, 1997, page 42*

#### The road to ideological changes

I began to fight for the collapse of the Union because of differences in my views about the so-called "reconstruction" of Gorbachev and of the violence Soviet troops committed in Azerbaijan. As I was very respected in Azerbaijan, I could convince the people in the truthfulness of my road. Since then I want to see my country independent.

*George Enguyer, Analyst  
The Washington Times  
August 6, 1997*

#### Oil warms the greetings of America to Aliyev, former member of the Politburo

The students who study the career of Mr. Aliyev, general of the State Security Committee of Azerbaijan, loyal politician of the Brezhnev period, skillful player of geographical-political games, must also note that with his countless roles in these games he proved that he is cleverer than those who wanted to use him as a tool for gaining their goals. You may ask any of his colleagues in the Politburo: Who was the last to laugh?

*Bruce Clark  
The Financial Times  
August 8, 1997*

#### Azerbaijan leaves behind coldness in its relationship with the U.S.

H. Aliyev: "Now every Azerbaijani is waiting for my return from visiting the U.S. and want me say that if not today, at least within the current year the conflict will be resolved." A lobbyist of an oil company told me that "everything has been brought into action." If these people (Armenians) agree it will be better, otherwise we shall trample them down and move."

*Thomas Golts  
Wall Street Journal  
Control of Europe  
August 8 - 9, 1997*

#### The Aliyev wind in Washington

Washington. Heydar Aliyev, President of the Republic of Azerbaijan, who is on a visit to Washington, is displaying an art of diplomacy in his relationships with the U.S.

Heydar Aliyev, who is well aware of the political and financial power of the Armenian lobby in the U.S. when with the American press, he speaks loudly together with such men as Zbigniew Brzezinski, Richard Cheney, Alexander Haig, Kaspar Weinberger who once occupied the highest posts in the U.S. government and could create an "Azerbaijani lobby." Heydar Aliyev tries to make use of the protection of the big oil companies by giving the oil resources of his country, which total an estimated four trillion dollars.

Aliyev was given a warm welcome in Washington. In his meetings there, he promised to advance the democratic reforms in the country. He says he wants peace, nevertheless in an impressive form he makes everybody understand that one-fifth of its territory is under the Armenian occupation.

Aliyev stressed the necessity of solution of the Garabag conflict by observing the territorial integrity of the country and granting the highest status of autonomy to the Nagorno-Karabakh. He said that he was ready to sign new oil contracts with the biggest U.S. companies such as Chevron, Exxon and Mobil, worth ten million dollars a year.

#### "Aliyev is a real friend"

Able to estimate the political power of the support rendered by the "brain team" who occupied the highest post in the former governments, and the big oil companies, Heydar Aliyev's successful policy began to display its fruits. The Ministry of Trade of the U.S. said that it was going to open a representative office in Baku, while the U.S. ambassador to Baku Richard Kozlarich said at a meeting that Aliyev was a real friend of the business world of the America.

The visit of Heydar Aliyev to the U.S. opens a new stage in the relations of the two countries. The U.S., in need of new oil resources outside the Middle East, is pleased to expand relations with Azerbaijan. The competent officials in the U.S. speak openly of the important political, geographical and commercial position of Azerbaijan as the only country in the region that does not have Russian military bases in its territory. The assistant of the State Secretary Stroub Talbott said that he supported the repeal of Section 907, which banned American humanitarian aid to Azerbaijan. The Senate of the U.S. also begins to consider this issue. The U.S. wants Azerbaijan to be free from the influence of Russia and Iran, and develop democracy and its economy as an independent state. Stroub Talbott also declared that he was against the tearing away of Nagorno-Karabakh from Azerbaijan while solving the conflict.

*Milli gazete, Turkey  
August 2, 1997*

#### Aliyev, a friend of Turkey

Heydar Aliyev, who praised his visit to the U.S. as a historical one, met President Bill Clinton in the White House yesterday. One of the main topics of their negotiations was the issue of oil. Aliyev repeated the demand that the oil pipeline had to be laid to the Gayhan port of Turkey and said that "there cannot be a Caucasian policy without Turkey." He had declared this idea during his meeting with the former National Security Advisor Zbigniew Brzezinski a day before in the White House. In his speech at Georgetown University, he said that "he would continue all forms of cooperation with Turkey in the future."

*Ahsham gazeti, Turkey  
August 2, 1997*

#### The U.S. gives full support to Aliyev

Washington. The visit of President Heydar Aliyev to Washington is the beginning of a new stage in the relations of Baku and Washington. At the meeting held in the White House, an investment agreement and oil contracts with four big U.S. companies worth eight billion dollars were signed. Aliyev, "the first Azerbaijani President ever to visit Washington," got the support of the U.S. for the repeal of Section 907 and in the solution of the Nagorno-Karabakh conflict.

The meeting lasted for several hours and ended with a joint statement saying that the two countries agreed to expand and strengthen cooperation and relations in "all spheres."

It was stressed that the Clinton administration supports the territorial integrity of Azerbaijan and its democratic road of development, and that the close relations between these two countries would have great significance for peace and stability in the region.

Clinton and Aliyev came to an agreement on the issue of the immediate peaceful solution of the Garabag conflict on the principles of the Lisbon Summit of the OSCE.

#### The efforts of the Armenian lobby failed

The document envisages that Section 907, which bans direct American humanitarian aid to Azerbaijan, has been adopted under the pressure of the Armenian lobby in America and it restricts the potential of relations between the two countries. President Bill Clinton said that he fully supports the repeal of that Section.

*Milli gazete, Turkey  
August 3, 1997*

#### The Armenians are a complete failure

When the official visit of the Azerbaijani President Heydar Aliyev opened a new era in the Baku-Washington relations, it displeased mostly the Armenian lobby in America. During the meetings in Washington the parties signed an investment agreement and oil contracts worth of eight billion dollars with four big companies of the U.S.

As the first Azerbaijani president who has ever paid an official visit to Washington. Heydar Aliyev received the full support of the U.S. administration for the abolition of Section 907, which banned direct American humanitarian aid to Azerbaijan, and for the solution of the Garabag conflict. The joint statement, which followed a three-hour talks, said that the parties had come to an agreement to develop and strengthen the bilateral relations. The Clinton administration supported the territorial integrity of Azerbaijan, the democratic developments in the country, and it was said that the bilateral friendly relations were important for the establishment of peace and stability in the region. Clinton and Aliyev supported the idea of immediate solution of the Garabag conflict peacefully on the principles of the Lisbon Summit of the OSCE.

#### The Armenians are in confusion

The documents note that Section 907, adopted under the pressure of the Armenian lobby in America, which bans direct humanitarian aid to Azerbaijan, restricts the potential of relations of these two countries. They emphasize the fact that President Clinton fully supports the abolition of that Section.

Speaking about the democratic and economic reforms started by Heydar Aliyev, Clinton stressed the necessity of democracy, creation of free market relations and respect for human rights for the stability of Azerbaijan.

Bill Clinton and Heydar Aliyev were also of the same opinion on the issues of bilateral economic and trade relations and exploitation of the energy resources in the Caspian basin. The U.S. also supports the active integration of Azerbaijan to the newly founded security structures in Europe.

An investment agreement was signed during the talks. Mutual investment agreement provides the free mobility of the obtained profits. Azerbaijan also signed an eight billion dollar oil contract with the U.S. companies Exxon, Mobil, Chevron and Amoco.

*Hurriyyet, Turkey  
August 3, 1997*

#### Aliyev returns with a full bag

Washington. The visit of the Azerbaijani President Heydar Aliyev to Washington opened a new stage in the relations of Baku

and Washington. During three-hour talks held between Heydar Aliyev and the U.S. President Bill Clinton, an investment agreement and an eight million dollar contract with U.S. companies were signed. Aliyev, the first Azerbaijani President who had ever visited Washington, got the support of the U.S. government for raising the ban to give humanitarian aid to Azerbaijan, for the solution of the Nagorno-Karabakh conflict, and the Jeyhan oil pipeline route.

In the joint statement adopted as a result of talks, the parties said they had reached an agreement to expand and develop their cooperation. The statement says the Clinton administration supports the territorial integrity of Azerbaijan, its democratic way of development, and the bilateral friendly relations that are very important for the establishment of peace and stability in the region.

#### The Parties reached a mutual understanding

The statement notes that President Clinton and President Aliyev are both for the immediate solution of the Karabakh conflict on the principles of the Lisbon Summit of the OSCE.

After the talks, Aliyev said that the total cost of the oil contract signed with the U.S. companies Exxon, Chevron, Mobil and Amoco is eight billion dollars. Another agreement signed on investments says that the U.S. investors will be free to take the produced profits to their own country. Another item of the agreement provides the security of the property of the U.S. companies. Answering reporters' questions after the meeting, the Azerbaijani President Heydar Aliyev said, "They were laying the foundation for the development of the future economic relations." He said that the next step to follow would be the repeal of Section 907, which banned humanitarian aid to Azerbaijan.

#### A significant visit

The most important part of Heydar Aliyev's visit to Washington is the support given by Clinton to the Baku-Jeyhan oil pipeline route. Though the adopted documents do not reveal everything, still the support of Heydar Aliyev of the Baku-Jeyhan route as the most suitable one, also stated by Clinton, makes one come to such a conclusion that the decision of the international consortium engaged in the production of oil in Azerbaijan, will be reconsidered. As it is obvious that the international consortium, in which Turkey has a 8.5% share, did not include the Baku-Jeyhan route into the list of desired routes to transport the Azerbaijan oil.

The 160-billion barrel oil reserves played its role in the improvement of the relationship between the U.S. and Azerbaijan. If we add to it the undiscovered oil deposits this figure will grow even higher.

*Radical, Turkey  
August 3, 1997*

## INFORMATIVE DOCUMENTS ON MEETINGS AND RECEPTIONS

### Press conference of Mike McCurry, Press Secretary of the U.S. President, in the White House for the representatives of the mass media

The official visit of the Azerbaijani President Heydar Aliyev was in the center of attention of all the U.S. media. The representatives of the media as well as numerous reporters from the majority of the world countries paid special attention to the meetings and talks held by the President of our Republic. Therefore, when President Heydar Aliyev held negotiations in the White House there were thousands of reporters in the front of the building. They also came to the press conference held by the Press Secretary Mike McCurry on August 1 with great interest.

In his statement in front of the reporters the Press Secretary said that President Heydar Aliyev and President Bill Clinton had very successful talks, and it was a historical meeting in the lives of America and Azerbaijan as a result of which very important documents were signed. He said that the joint statement signed by Heydar Aliyev and Bill Clinton was of great importance. He appreciated the statement as an official document which laid the foundation for a strategic partnership of the two countries. Then he answered the questions of the reporters.

QUESTION: Did the presidents of the U.S. and Azerbaijan discuss the topic of peaceful solution of the Armenian-Azerbaijani conflict?

ANSWER: Yes, they did. The talks and the meetings of presidents Heydar Aliyev and Bill Clinton were very successful. I want to declare that the talks have been very useful and fruitful. As a result of the talks, a joint statement has been signed. Undoubtedly, the situation in the Caucasus, the activities of the Minsk Group in the peaceful solution of the Armenian-Azerbaijani conflict have been the main topic of the talks. I think, the meetings and discussions will be speeded on this topic more in future, President Heydar Aliyev will be satisfied with his official visit to the U.S.

QUESTION: Can you say anything about the cost of oil contracts in dollars signed between SOCAR and the U.S. companies?

ANSWER: I have not gotten a concrete figure about the cost of contracts in dollars. But I can learn it from the representatives of the oil companies who were there.

QUESTION: In what way is the solution of the Nagorno-Karabakh conflict connected with the transportation oil to the world market?

ANSWER: I can't say that these two issues are interconnected closely. Of course, lessening of tension in the region will enable all the states in the Caucasus to take part in the use and benefits of the rich oil and gas resources of the Caspian sea, it will also give a

chance to transport oil to the Western markets by different routes. The solution of the Nagorno-Karabakh conflict will have its impact on the regional stability and play an important role in the development of not only Azerbaijan and Georgia, but of all the states of the Caucasus.

QUESTION: Is Amoco among the companies that signed the contracts?

ANSWER: Yes, it is. There are four oil contracts there. They have been signed with Chevron, Exxon, Mobil and Amoco.

QUESTION: What is the position of the U.S. government to Section 907, which bans direct humanitarian aid to Azerbaijan?

ANSWER: Mr. Bill Clinton appreciates this decision of the Congress as the violation of his rights granted to him as a president by the U.S. constitution and impedes him particularly to pursue an effective foreign policy. We absolutely support the repeal of Section 907. Of course, though there has not been any legal act on it in the Congress recently, we are making efforts together with the Congress to put an end to the practice, which bans rendering of aids to foreign countries. We want to establish normal relations and strengthen them not only with Azerbaijan, but with all the states of the region, including Armenia.

QUESTION: Can't President Bill Clinton sign a decree to repeal Section 907?

ANSWER: I want to say only that we are now working with the Congress in this direction and will do our best to repeal Section 907, or at least to make amendments in the text of this section in the first stage.

### The successful official visit by Azerbaijani President Heydar Aliyev to the U.S. raised panic among the Armenians

The first official visit of the President of the Republic of Azerbaijan Heydar Aliyev to the United States of America has raised great panic among the Armenians living in the U.S. as well as in the world.

We must remember that even before the beginning of the official visit of Heydar Aliyev, the far-sighted politician with great experience, came to the U.S. at the invitation of President Clinton, the head of the mightiest state of the planet, the Armenians were panic-stricken, agitated and became sleepless. The Armenian nationalists with their provocation, treachery and indecency were doing their best to obstruct the visit.

This campaign was headed by Armenian Diaspora and Armenian lobby in the U.S. They switched on all the mechanisms of treachery and pressure and applied all the means not to allow the official visit of the Azerbaijani President to the U.S. The publica-

tion of articles in the popular U.S. newspapers on the eve of the official visit of the Azerbaijani President to the U.S. irritated them more, because these publications showed of the great positive changes which have taken place in the political circles and in the U.S. public's attitude toward Azerbaijan.

Just because of this, all kinds of Armenian organizations, associations in various countries of the world were sending numerous letters, telegrams to the White House, to President Bill Clinton, asking and begging as the representatives of the "long-suffering" nation, as it is their tradition to call themselves, even demanding to liquidate the official visit of the head of the "Moslem-Turkic" state, remaining devoted to their vile nature.

But all their efforts failed. The president of the Republic of Azerbaijan paid an official visit to the United States, and there was no doubt that it was a success from the first day. Azerbaijani President Heydar Aliyev was received with great honor and respect, his meetings and talks were successful, and the U.S. public displayed great interest in his visit. It all destroyed the intentions and dreams of the Armenians and "as the last straw" they began to hold strikes and demonstrations in order to divert the attention of the American public, to veil the successes of the visit of the Azerbaijani president.

But again "the arrow shot by the Armenian diaspora met a stone." When they witnessed the meeting of the Azerbaijani president with the pro-Azerbaijani public, the outstanding politicians and heads of the biggest oil companies of the U.S. in Chicago and Houston, they became sure that the U.S. is very friendly with our country and sympathizes with the president of our republic. The shouts of a group of Armenians assembled in the front of the Amoco building sounded very weakly in comparison with the stormy applause on the eightieth floor. The applause came from the people who had come to meet President Heydar Aliyev, an evidence of his far-sighted policy. It once more demonstrated that the efforts of the Armenian nationalists on the eve of the first very successful official visit of the Azerbaijani president to the U.S. failed, due to the wisdom and genius of Heydar Aliyev. With their treacherous intentions, disgusting and vile actions disclosed their real nature once more. The Armenian diaspora understood well that this failure is closely connected with their treachery dating back for many centuries.

The highest reception and all respects displayed for Heydar Aliyev, the echo of this official visit in the world media showed that the panic and agitation of the Armenian nationalists were not in vain. In President Clinton's words: "I was impatiently waiting for your visit." This was a sound answer to the protests of the Armenian nationalists. The negotiations of President Heydar Aliyev in the White House, his tete-a-tete talks behind closed doors with Bill Clinton, the joint statement signed by the two presidents and other important documents, as well as the signed oil

contracts left the dreams of our notorious neighbors and their foreign supporters unrealized. The president of the world's superstate declared openly and in the presence of top officials that the U.S. will support the just cause of Azerbaijan. They will pay more attention and concern for the development of bilateral relations in the future.

### President Heydar Aliyev's visit to the U.S. frightened the Armenians

Agitated and frightened of the future successful official visit of the Azerbaijani President Mr. Heydar Aliyev to the U.S. gained the hatred of the multi-national population of Washington to their vile actions. A group of 30 to 40 hired men were making efforts to obstruct the official visit of the Azerbaijani President Heydar Aliyev, an outstanding world statesman, to the U.S. instigated by their supporters living in America and Armenia, by shouting, making noise and holding demonstrations. The placards in their hands said: "Don't let the Azerbaijani President Heydar Aliyev in the U.S. If he comes to the U.S., he will manage to get the Upper Garabag back."

As the later developments showed, their efforts were in vain. Being worried by the positive public opinion in the U.S. on Azerbaijan, by the growing cooperation of our republic with this superstate of the world, by the signing of oil contracts with the biggest U.S. companies, the Armenians applied many disgusting actions. The Armenian lobby in the U.S. as well as the nationalists in Armenia spent a lot to publish slanderous information and various printed materials to disseminate in the U.S. Within a brief period of time, they managed to print and spread about 50,000 postcards. Though the ordinary American citizens did not display any interest in these postcards, still the Armenians increased the number of these postcards to 150,000. Neither these millions of expenses nor the noise they made gave any fruit. Instead of all this, the real nature of the Armenians became clear to the Americans. This notorious nation lost "the previous sympathy" gained on account of bribing and getting help from the Mafia. The disgusting intentions of Armenians were complexly exposed as a result of the peace-loving policy of Azerbaijan and its president. Both the Americans and we understand well that what frightens the Armenians is the occupation of Azerbaijan a worthy place among the world states due to the farsighted policy of the wise leader of the Republic that all the countries understand that Armenia is an aggressor, that 53 states at the Lisbon summit recognized the territorial integrity of Azerbaijan.

The successful negotiations of President Heydar Aliyev during his official visit to the U.S. and his meeting with President Bill Clinton, the joint statement signed by them on the Azerbaijani-U.S. relationship, the agreement signed on the mutual protection and



encouragement of investments and other documents prove that our republic is a very favorable partner.

It is also to the point to say that, despite the noise and slander of Armenians on July 29, more than 600 politicians, diplomats and representatives of the U.S. public came to meet President Aliyev in the huge hall of the Willard Hotel. They heard and spoke with great pleasure about the latest achievements of the independent Republic of Azerbaijan, about the great successes of the foreign and internal policy of the Azerbaijani president, about the growing friendly relations of our country.

The official visit of Azerbaijani President Aliyev was broadcast by many television channels and publicized on the pages of numerous newspapers. The American citizens followed the visit with great interest and attention, evidenced everything and disclosed their hatred to the hired servants of the Armenian lobby.

The successful end of the official visit of President Aliyev to the U.S. proved once more that the U.S. is the mightiest state in the world. It displays great interest in Azerbaijan and pays special attention to establishing a special relationship with our republic. Now the U.S. is confident in the future of Azerbaijan. And the notorious Armenians and their supporters are powerless to break this confidence.

**Senator Lloyd Bentsen about the official visit of the President of the Republic of Azerbaijan Mr. Heydar Aliyev to the U.S. July-August of 1997**

On September 22, 1997, during the meeting of the President of the Republic of Azerbaijan Heydar Aliyev with the representatives of the Frontera Resources in Baku, Senator Lloyd Bentsen, member of the Board of Directors of the Company, said that the U.S. public highly appreciated the visit of Heydar Aliyev to the United States of America and added: "Mr. President, during 25 years of my career in Washington, I have met the presidents of many countries. They have come to the White House and left it. But your arrival became the reason for quite an uncommon reception. It is the great achievement of Azerbaijan because it initiated ever more respect and sympathy toward Azerbaijan in the U.S. You are not only the greatest leader of your own country, but also a great statesman, because you are able to export your own standpoint. You proved us once more and demonstrated once more that to work with you is mutually advantageous and both of us will benefit from this cooperation. Mr. President, we feel a great sense of happiness."

## APPENDICES

### JOINT STATEMENT ON U.S. - AZERBAIJAN RELATIONS

During their August 1, 1997 meeting in Washington, Presidents Clinton and Aliyev agreed on the importance of expanding the partnership between the United States and the Republic of Azerbaijan through strengthening bilateral cooperation in the political, security, economic and commercial spheres. President Clinton reaffirmed U.S. support for the independence, sovereignty territorial integrity and democratic development of Azerbaijan, noting that close U.S. - Azerbaijan relations are important in promoting regional peace, stability and prosperity.

The two Presidents expressed strong support for an early and peaceful resolution to the Nagorno-Karabakh conflict. President Clinton made clear that the United States is committed, together with Russia and France, to work jointly through the OSCE Minsk Group for a just and lasting peace to this conflict. President Aliyev endorsed the recent proposal of the Co-Chairs of the OSCE Minsk Group as the basis for intensified negotiations to achieve a peace agreement this year. The two Presidents agreed that the settlement should be based on the three OSCE Lisbon principles.

Both Presidents noted the positive contribution made by U.S. humanitarian assistance to Azerbaijan, particularly to refugees, internally displaced persons (IDPs), and other needy groups. They agreed that Section 907 of the Freedom Support Act limits potential cooperation between the United States and Azerbaijan. President Clinton reiterated the Administration's strong support for repeal of Section 907.

Azerbaijan is at a critical juncture in its development as a democratic and market-oriented state. President Clinton prized President Aliyev's success in strengthening Azerbaijan as a state, implementing economic reform and spurring growth in recent years. Azerbaijan's deepening commitment to an economic reform program, including recent decision to move forward with broader

and faster privatization in cooperation with the World Bank and IMF, is central to its successful transition to a market-based economy. The two Presidents agreed that democracy, economic reform and the observance of human rights play an essential role in ensuring Azerbaijan's continued stability. President Clinton also welcomed President Aliyev's commitment to strengthen market freedom, rule of law and political pluralism in Azerbaijan, including the holding of free and fair elections.

Both Presidents support expanded economic and commercial relations, including greater bilateral trade and investment. The two Presidents noted the importance of rapid development of Caspian energy resources and highlighted the extensive participation of U.S. companies in the development and transport of Azerbaijan's oil and gas resources. This has already contributed to a thriving bilateral commercial relationship. The Presidents welcomed the establishment of an official dialogue on energy policy and commercial issues. They also agreed on the vital importance of the Eurasian transport corridor to the economic future of Azerbaijan and the entire region. The two Presidents welcomed the signing of the U.S. - Azerbaijani Bilateral Investment Treaty and the U.S. Export-Import Bank Project Incentive Agreement. The United States encourages Azerbaijan's integration into the global economy, including early completion of its application for membership in the World Trade Organization on commercial terms generally applied to newly acceding members.

The United States recognizes the challenges facing Azerbaijan in assuring its national security and strongly supports Azerbaijan's active integration into newly emerging European security structures, including NATO's Partnership for Peace and the Euro-Atlantic Partnership Council. The Presidents expressed satisfaction with the entry into force on May 15, 1997 of the CFE Flank Doc-

ument and agreed on the importance of the U.S. - Azerbaijani Joint Statement released in that connection. They also welcomed the adoption of the CFE Basis Elements decision in Vienna July 23, 1997 and agreed that the adaptation if the CFE Treaty should enhance the security of each state party.

The two Presidents also discussed security threats posed by international terrorism, narcotics trafficking, international criminal

activity, and proliferation of weapons of mass destruction. They agreed to explore the expansion of security cooperation, including through the bilateral security dialogue inaugurated in March 1997.

Both Presidents underlined their support for increased parliamentary, cultural, scientific and educational exchanges, as well as contacts between individual citizens to enhance relations between United States and Azerbaijan.

For the United States of America

William J. Clinton

For the Republic of Azerbaijan

Heydar Aliyev

#### LIST OF SIGNED DOCUMENTS

The government of the Republic of Azerbaijan National Bank of the Republic of Azerbaijan and Export-Import Bank of the U.S.

Treaty between the government of the Republic of Azerbaijan and the government of the United States of America concerning the encouragement and reciprocal protection of investment.

Statement of intent by the United States of America and the Republic of Azerbaijan to establish a bilateral dialogue on energy development.

Joint statement on future U.S. - Azerbaijani defence and military relations.

Agreement on the Exploration, Development and Production Sharing for the Absheron Offshore Block in the Azerbaijan Sector of the Caspian Sea.

Agreement on the Exploration, Development and Production Sharing for the Oguz Offshore Block in the Azerbaijan Sector of the Caspian Sea.

Agreement on the Exploration, Development and Production Sharing for the Nakhchivan Prospective Structure in the Azerbaijan Sector of the Caspian Sea.

Agreement on Partnership between SOCAR and Amoco Caspian Sea Petroleum Limited.

#### MEASURES TO EXPAND PARTNERSHIP RELATIONS BETWEEN THE REPUBLIC OF AZERBAIJAN AND THE UNITED STATES OF AMERICA

The official visit of the President of Republic of Azerbaijan to the United States of America from July 27 to August 6, 1997, acquired a historical importance in laying the foundations of a qualitatively new stage in the development of bilateral relations. The receptions, meetings and numerous talks with top officials in the White House at the State Defense Department and in other organizations proved that the government of the U.S. and its businessmen display an ever-increasing interest in Azerbaijan. During the meeting of the presidents of the two countries in the White House on August 1, 1997, the parties considered it to be expedient to expand partnership relationships between the United States and the Republic of Azerbaijan in the area of policy, security, economy and commerce. The presidents confirmed that development of democracy, protection of human rights and realization of economic reforms from the unshakable principles of the construction, and only by following this way it is possible to build a civil society based on universal human values in Azerbaijan. The meeting also stressed the fact the U.S. supports the independence, sovereignty, territorial integrity and democratic development of Azerbaijan. They stressed that Section 907 of the "Free-dom Support Act" adopted by the U.S. Congress in October of 1992 restricts the bilateral cooperation and also noted that the president of the U.S. supports fully the repeal of this Section. They praised the wide participation of the oil companies of the U.S. in the assimilation of the energy resources of the Caspian Sea, in the production, processing and transportation of oil and gas, beginning of an official dialogue between the two countries on the issues of energy policy and trade. The problems of cooperation in the sphere of science, education and culture were also in the focus of negotiations.

The directions of development of bilateral inter-state mutual relations expressed in the five documents signed during this visit. They are the joint statement on the American-Azerbaijani relationship; the agreement signed between the governments of the United States of America and the Republic of Azerbaijan on the mutual protection and encouragement of investments; the joint statement on future relations between the United States and Azerbaijan in the area of defense and military cooperation; the statement of intention on the beginning of a dialogue for the development of energy resources between the U.S. and Azerbaijan, the general agreement on the encouragement of projects (signed by the government of the Republic of Azerbaijan, the National bank of the Republic of Azerbaijan and the import-export bank of the U.S.) fully satisfy the interests of the both parties.

These documents will serve to strengthen the state independence of Azerbaijan, to guarantee its national security and provide its socio-economic development. Signature of four new contracts on oil

developments with such popular companies as Chevron, Exxon, Amoco and Mobil will increase the flow of investment to Azerbaijan and expand the economic relations between the two countries.

Taking into consideration the all-round and effective cooperation between the Republic of Azerbaijan and the United States of America and in order to provide the consistency of reforms in the country based on the principles of democratic society and market economy I resolve:

1. The program of measures on the expansion of cooperation between the Republic of Azerbaijan and the United States of America shall be approved.

2. The Cabinet of Ministers of the Republic of Azerbaijan, the Ministry of Foreign Affairs of the Republic of Azerbaijan, the National Bank of the Republic of Azerbaijan shall be charged to provide the execution of the measures stipulated in the program and to inform the President of the Republic of Azerbaijan on their execution once a quarter.

3. The Executive Office of the President of the Republic of Azerbaijan, the Ministry of Foreign Affairs of the Republic of Azerbaijan, other ministries and state organizations shall be charged, the National Bank of the Republic of Azerbaijan shall be recommended:

- to continue dialogues with corresponding structures of the U.S. in order provide the further development and expansion of relationships between the Republic of Azerbaijan and the United States in areas of policy, economy, culture and more,
- to speed the abolition of Section 907 by maintaining close contacts with the U.S. administration and Congress.

4. The Ministry of Foreign Affairs of the Republic of Azerbaijan shall be charged to intensify the negotiations with the delegations of the U.S., France and Russia in the Minsk Group. This continues from the results of the summit talks during the official visit of the president of the Republic of Azerbaijan to the United States to solve the Armenian-Azerbaijani conflict peacefully.

5. The Ministry of Foreign Affairs of the Republic of Azerbaijan, the Ministry of Defense of the Republic of Azerbaijan and other concerned organizations shall be charged to submit their proposals to expand cooperation in the area of security, defense and others, as well as in the frames of the programs of the Northern Europe Atlantic Partnership and "Partnership for the Sake of Peace" of NATO.

Heydar Aliyev  
President of the Republic of Azerbaijan

**SCHEDULE**  
**OF HIS EXCELLENCY HEYDAR ALIYEV,**  
**PRESIDENT OF THE REPUBLIC OF AZERBAIJAN**  
**DURING HIS OFFICIAL VISIT TO THE UNITED STATES OF AMERICA**  
**27 July - 7 August, 1997**

<b>July 27, Sunday</b>		
14.30 (New - York time) Arrival in New - York	10.50 Interview with information agencies	
19.30 Interview to the journal Institutional Investor	11.00-12.00 Meeting with Ambassadors accredited in the UN (at the UN building)	
21.30 Meeting of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev with the Secretary General of NATO Mr. Javier Solana	12.15-13.30 Dinner with the representatives of the humanitarian organizations functioning in Azerbaijan (at the UN building)	
<b>July 28, Monday</b>		
09.00 Interview to the reporters of the newspaper The Wall Street Journal	14.30 Departure for Washington from New York. Interviews with newspapers, the Philadelphia Inquirer and the Journal of Commerce	
10.00 Meeting of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev with Mr. Richardson, permanent representative of the U.S. in the UN	15.00 Arrival in Washington	
11.00-11.30 Meeting of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev with Mr. R.Jace, vice-president of British Petroleum	15.40 Flight to the monument of George Washington on the helicopters of the U.S. President	
11:45-12.00 Meeting of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev with Mr. Koffi Annan, Secretary General of the UN (at the UN building)	15.55 Arrival at the Blair House assigned as a residence for the Azerbaijani President	
13.00-14.30 Dinner with the editorial staff of the newspaper the New York Times (at the UN building)	18.00-18.30 Meeting with the representatives of the Azerbaijani community	
14.45-15.25 Press conference for the foreign reporters accredited in the UN (Press Center of the UN)	19.00-20.30 Reception in honor of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev organized on behalf of the Embassy of the Republic of Azerbaijan in the U.S. (the Willard Hotel)	
15.30-16.30 Meeting with the Ambassadors of member-countries of the Security Council of the UN (at the UN building)	<b>July 30, Wednesday</b>	
16.30-17.20 Meeting of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev with Mr. Henry Kissinger	08.30-10.00 Round table discussions with the representatives of the media and breakfast (Blair House)	10.15-10.45 Meeting of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev with Mr. Dick Cheney, president of the Halliburton company
17.30-20.15 Reception in honor of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev by the Conference of the Presidents of the Jewish Organizations (Hotel Grand Hyatt)	11.30-13.00 Meeting at Georgetown University. Forum on Foreign Policy	13.15 Arrival in the Capitol
21.30 Meeting with the Minister of Internal Affairs of Turkey Mr. Murad Bashasgioglu	13.15-17.50 Meetings with the heads of the Senate and House of Representatives	13.15-14.00 Meetings with representatives of the Committee of Foreign Relations of the House of Representatives
<b>July 29, Tuesday</b>		14.00-14.30 Meeting with Mr. Gingrich, speaker of the House of Representatives
08.30-10.00 Business lunch with the members with the Board of the United States - Azerbaijani Chamber of Commerce and Business Council of Organization for International Understanding	14.45-15.15 Meeting with the heads of the Finance Committee of the House of Representatives (R. Livingstone, S.Callagan, N. Pelosi)	

15.30-16.00 Meeting with Senator Robert Byrd	16.30-17.00 Meeting with Senator Sam Brownback
17.00-18.00 Meeting with the representatives of the Committee of Foreign Relations of Senate	18.05-22.30 Banquet in honor of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev hosted by the United States -Azerbaijan Chamber of Commerce (National Construction Museum)
22.40 Meeting of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev with Congressman Mr. Peter King	
<b>July 31, Thursday</b>	
09.00-09.50 The ceremony of wreath laying at the Arlington cemetery	10.00 Arrival at Pentagon
10.00-11.00 Meeting of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev with the Secretary of Defense Mr. William Cohen - Interview with reporters	11.10-12.00 Meeting of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev with Mr. Straub Talbot, first deputy of the State Secretary, and Mr. Lynn Pasco, co-chairman of the Minsk Group of the OSCE
12.00-13.00 Ceremony of signature of the general agreement on the encouragement of projects by the government of the Republic of Azerbaijan, the National Bank of the Republic of Azerbaijan and the Import-Export Bank (Eximbank)	13.00-14.00 Meeting of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev with Mr. Robert Rubin, Sec-retary of Treasury. Visit the Arlington National Cemetery to the grave of John Kennedy.
14.00-15.00 Meeting of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev with Mr. Federico Pena, Secretary of Energy	16.00 Visit to the Department of Commerce
16.05-16.55 Visit of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev with the representatives of U.S. business circles	16.55 Visit the building of the World Bank
17.00-17.30 Meeting with the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev with Mr. James Wolfson, President of the World Bank	18.55 Visit the Old Senate Suite of the Congress

19.00-22.30 Dinner party in honor of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev by W. Daly, Secretary of Commerce of the U.S. and F. Pena, Secretary of Energy of the U.S.
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**August 1, Friday**

11.35 Arrival at the White House	11.40-14.00 Meeting of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev with the President of the United States of America His Excellency Mr. Bill Clinton	
- Official banquet at the White House in honor of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev hosted by the President of the United States of America His Excellency Mr. Bill Clinton	- Signing ceremony for oil contracts and interviews with reporters	
16.30-17.15 Meeting of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev with Ms. Madeleine Albright, Secretary of State of the U.S.	18.20 Bidding good-bye to the staff of the Presidential Suite of the Blair House and the ceremony of making notes in the book of memory of the hotel	
18.30 Visit the George Washington Monument	19.00 Flight from Washington to Houston	
21.30 Arrival in Houston and accommodation at the Winham Warwick Hotel	<b>August 2, Saturday</b>	
09.00-10.00 Meeting of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev with the Mayor of Houston Mr. Robert Lanier at the Mayor's penthouse	10.30-11.30 Interview with the Houston Chronicle and Oil and Gas	11.45-12.15 Meeting of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev with Ms. Elizabeth Sherwood
14.30-18.00 Meeting with the presidents of oil companies	14.30-15.00 Meeting with the leaders of Frontier Resources	15.05-15.35 Meeting with the leaders of Chevron
15.40-16.10 Meeting with the leaders of John Wing and Charlie Wing	16.15-16.45 Meeting with the leaders of Pennzoil	

16.50-17.10	Meeting with the leaders of Conoco	Board of Directors of Ca-ter-pillar, the biggest shareholder and former chairman of the Board of Directors of Motorola
17.25-17.55	Meeting with the leaders of Unocal	
19.00-22.00	Banquet in honor of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev sponsored by the U.S.-Azerbaijan Chamber of Commerce and the Greater Houston Partnership ( Hotel Omni)	12.15-13.45 Dinner party sponsored by the American - European Chamber of commerce and Mid American committee participated by the representatives of Amoco, Motorola , FMC, Caterpillar (at the Amoco building)
<b>August 3, Sunday</b>		
09.00-10.00	Meeting and breakfast with the representatives of the Houston-Baku Association (with the participation of the Azerbaijani community in Houston at the Hyatt Regency)	13.45-14.00 Press conference of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev for the American reporters participating at the dinner
10.00-10.30	Meeting with the leaders of Exxon	14.00 -14.45 Meeting of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev with the Azerbaijani diaspora
11.00-11.40	Meeting with the leaders of Texaco	15.00-15.30 Visit to the information center of 911 first aid station
11.45-12.15	Meeting with the leaders of Arco	18.00-19.30 Meeting with the leaders of Motorola
12.20-12.50	Meeting with the leaders of Shell	19.30 -21.30 Banquet in honor of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev hosted by Motorola
12.55-13.25	Meeting with the leaders of Mobil	21.45 Meeting with Ms. Yelena Teplitskaya, chairwoman of the America- Europe Chamber of Commerce
14.30-15.00	Visit to Houston's Medical Center, the Centers for Blood and Telemedicine, meeting with the world-famous heart surgeon Dr. Michael DeBakey	<b>August 5, Tuesday</b>
16.30-17.30	Meeting with the famous public figure and politician Greg Lafflin	08.00 Breakfast with the leaders of Caterpillar
19.00	Departure for Chicago from Houston	09.00-11.00 Visit to the Chicago Stock Exchange
21.00	Arrival in Chicago	12.30 -15.30 Riverboat luncheon cruise on lake Erie sponsored by R. Flory, vice-executive president of Amoco
21.15	Welcome ceremony at the Midway airport	19.00-22.00 Banquet and meeting of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev with the leaders of financial institutions of the U.S.
21.20	Start for the city	
22.00	Accommodation at the Hyatt Regency	<b>August 6, Wednesday</b>
<b>August 4, Monday</b>		
08.00	Meeting of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev with Mr. Thomas Pritzler, president of the Hyatt Regency Corporation	09.00 Departure for the Midway Airport - departure for Azerbaijan
<b>August 7, Thursday</b>		
09.00-09.45	Meeting with the editorial staff of the Chicago Tribune	Arrival in Baku
10.00 -10.30	Meeting with the leaders of FMC	
10.45-11.25	Meeting of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev with the leaders of Amoco	
11.30-12.00	Meeting of the President of the Republic of Azerbaijan His Excellency Mr. Heydar Aliyev with Mr. Lawrence Fuller, chairman of the Board of Directors of Amoco , Mr. Robert Gelvin, chairman of the	

## NOTES

**1. The Blair House** - is a residence in Washington, D.C. where the highest official guests of President Bill Clinton stay. Though they are not usually welcome for not more than two days, Azerbaijani's President Heydar Aliyev stayed there for four days and held important meetings there during his 1997 visit as a sign of great respect. Americans respect this building very much. The Blair House was built in 1824 as a two-story house and used as a residence for 118 years. It was expanded by another two stories in 1960. It is distinguished from other buildings by its beauty, magnificence and attractiveness. It has also been the home of U.S. presidents. For example, President Henry Truman lived there when the White House was being repaired. This is where he worked out his famous Marshall Plan. The Blair House is next to the White House, the president's residence and office of the Administration. Only a few heads of states have stayed there while on official visits to the U.S. - 11.

**2. Section 907** - is part of the "Freedom Support Act" which affects aid to Russia and the newly independent Soviet states. It was submitted to the Foreign Relations Committee of the U.S. Senate by Senator John Kerry (Democrat from Massachusetts) in July 1992. Section 907 bans the U.S. government from giving humanitarian and other aid to Azerbaijan. When Section 907 was discussed, Senator Lugar (State of Indiana), Senator Mack Kone (State of Kentucky), Senator Kes-senboum (State of Kansas) and Senator Stanford (Northern California) spoke against its adoption. But under the pressure of the Armenian lobby, it was adopted on October 24, 1992. President Bill Clinton stated his opposition to Section 907 during President Aliyev's visit to the U.S. in 1997, saying it contradicts the present realities of Azerbaijan. - 14.

**3. Minsk Group** - was formed at the additional session of the Council of the OSCE on March 24, 1992 in Helsinki. The chairperson proposed convening a conference on the issue of Nagorno-Karabakh and to create a peaceful solution to the conflict based on the principles, obligations and provisions of the OSCE. The conference was held in Minsk with the participation of Azerbaijan, Armenia, Belarus, Germany, Italy, the Russian federation, the U.S., Turkey, France, the Czech and Slovakia Republic and Sweden. The Minsk Group has three co-chairpersons: V. Lo-zinski (Russia), J. Bloe (France) and S. Talbott (U.S.). Russia is represented by Y. Yukalov, France by J. Vojue, the U.S. by L. Pasko. -3.

**4. NATO** (the North Atlantic Treaty Organization) - is a military and political alliance founded on April 4, 1949, in Washington on the initiative of the U.S. Its members include the U.S., Great Britain, France, Belgium, Netherlands, Luxembourg, Canada, Italy, Portugal, Norway, Denmark and Ireland. In 1952, Greece and Turkey joined this group, the Federal Republic of Germany

joined in 1955, and Spain in 1982. There is a joint military command within the framework of the NATO and the U.S. plays a major role. In 1966, France withdrew from NATO and Greece left in 1974, rejoining in 1980. Spain is no longer a participant in the military organization of NATO. After the collapse of the Warsaw Treaty Organization, a number of countries from the socialist camp joined NATO as equal members. Others have joined the program of "Partnership for the Sake of Peace" of NATO as the first stage of joining NATO. In this way, NATO has begun to expand. The headquarters of NATO is in Brussels. - 15.

**5. Agreement On Ordinary Weapons In Europe** - was signed between the NATO and the Warsaw Treaty countries on November 19, 1990. The agreement provides the maximum reduction and control or further restriction for five categories of weapons and techniques, including battle tanks, armored battle vehicles, artillery systems over 100 millimeters in caliber, fighter planes and helicopters. After the collapse of the U.S.S.R., eight states (Azerbaijan, Belarus, Kazakhstan, Armenia, Georgia, Moldova, Russia and the Ukraine) became the legal heirs of the agreement. In May 1992, they signed a protocol in Tashkent on the principles of the fulfillment of the agreement and on the maximum number of ordinary weapons and techniques.

To conform with protocol, the three countries of the Southern Caucasus are allowed to have the following maximum number of ordinary weapons: 220 battle tanks, 220 battle vehicles, 285 artillery systems, 100 fighter planes, 50 battle helicopters. These restrictions do not take into account the differences in the military-political parameters of each state.

In 1996, a so-called Wing Agreement was written as a result of pressure from Russia. This document changed the quota and increased the number of weapons. The Agreement has been valid since May 15, 1997. Negotiations continue to be held to adapt this Agreement to present realities within the framework of the Joint Consulting Group of the Agreement on ordinary weapons. - 16.

**6. Lisbon Summit** - On December 2 to 4, 1996, the regular summit assembly of the OSCE was held in Lisbon, the capital of Portugal. The heads of 54 member states attended, including the delegation of the Republic of Azerbaijan headed by the Azerbaijani President Heydar Aliyev. Azerbaijan insisted on putting the Azerbaijani-Armenian conflict on its agenda. They discussed the issues of liberation of the occupied territories, the return of refugees and internally displaced persons to their homes, and peaceful solution of the conflict. Due to the firm position and intense efforts of President Heydar Aliyev, head of the delegation of the Republic of Azerbaijan, Summit leaders adopted the principles. - 17.

**7. Chevron** - is a gas and chemical corporation whose main office is in San Francisco, California. Engaged in all the areas of the oil and chemical industry, it has 450 branches, partnerships and joint enterprises in about 100 countries around the world and has 41,000 employees. Chevron, founded in 1879 under the name Pacific Coast Oil Company, has become the symbol of partnership, human resources, experience, technology and knowledge. Chevron's revenues were about \$43 billion in 1996 with a net profit of \$2.6 billion. Chevron is the largest producer of natural gas and other fuels in the U.S. and around the world. By the end of 1996, Chevron had 13,100 producer wells, which yielded more than one million barrels of oil and oil by-products, 2.4 billion cubic feet (70 million cubic meters) of natural gas a day. Chevron has several oil refineries in the U.S. and two abroad. Its subsidiary Kaltex holds shares in 13 oil refineries in the world. It is also the biggest company engaged in the sale of oil, with 8,400 distributors in the U.S., England and Canada. - 29.

**8. Exxon** - is a gas and chemical corporation whose main office is in Dallas, Texas. It is one of the biggest and oldest industrial enterprises in the world. John Rockefeller founded the corporation in 1882. Its first subsidiary was founded abroad one hundred years ago. The corporation operates in more than 90 countries of the world and has 95,000 employees. It is the owner or co-owner of 30 refineries in 18 countries. In 1996, the annual output of oil in the corporation was 220,000 tons, and natural gas was 185 million cubic meters. That year, it refined 520,000 tons of oil a day, selling 720,000 tons a day. Terry Koonce is the president of Exxon. - 17.

**9. Mobil Oil Corporation** - is also a U.S.-based gas and oil company founded in 1866. The corporation is engaged in the exploration, production, sales, refining and transportation of oil gas as well as the production of chemicals and scientific research. Lujio Noto is president and chairman of its board. - 17.

**10. Amoco** - is also a U.S.-based gas and oil company founded in 1989. It is one of the biggest oil and gas producers in the world. The total assets of the corporation are more than \$32 billion. It has 42,000 employees in many parts of the world. In 1996, it produced 66,200 barrels of oil and gas byproducts, four billion cubic feet of gas a day. Amoco is the biggest gas producer and proprietor. Mobil is engaged in the field of energy, oil and gas refining, and chemical products. - 17.

**11. Summit of the Eight** - was a gathering of eight world leaders on June 20, 1997, in the city of Denver, Colorado, USA. Summit of the Eight participants included the co-chairmen of the Minsk Group of the OSCE - Bill Clinton, Jacques Chirak and Boris Yeltsin. They signed a joint statement on the solution of the Nagorno-Karabakh conflict. For the first time in the history of the conflict, these three states openly declared a need to end the conflict as soon as possible, saying their countries would work in close co-operation and support the new proposals of the co-chairmen of the Minsk Group of the OSCE. These proposals would provide a

solution in two stages. In the first stage, the occupied six districts would be liberated and communication blockade removed. In the second stage, the legal status of the Nagorno-Karabakh would be determined on the principles of the Lisbon Summit. - 157.

**12. The National Building Museum** - was founded in the city of Washington in 1980. Receptions for esteemed guests are held in this museum. Hosting a reception here in honor of the Azerbaijani president in 1997 was a sign of popularity and recognition for Heydar Aliyev. The building of the museum was designed in 1982 and represents the architectural style of Renaissance. The museum building occupies a special place in U.S. architecture. Every Christmas, the U.S. president comes here to give a special address, which is broadcast around the world. The museum is a center where research is carried out in history, architecture and building technology. Kent Cotton is the director of the museum, which is a non-profit organization. - 63.

**13. Arlington National Cemetery** - is a cemetery on the banks of the Potomac River in Arlington, near Washington, D.C.. Declared a National Cemetery in 1864, it has 612 acres (one acre is equal to 4,046.86 square meters). About 250,000 heroes have been buried there, including 150,000 Americans who died during military operations, as well as outstanding statesmen such as Presidents Taft and Kennedy, General Pershing and Admiral Perry. Every day, thousands of Americans and foreign guests visit Arlington National Cemetery. They pray for those who have fallen for the motherland and also visit the Tomb of the Unknown Soldier. There is a guard of honor there all the time. On national holidays, President Clinton visits the grave of the Unknown Soldier and remembers with respect those Americans who sacrificed their lives for their country. - 79.

**14. Partnership For The Sake of Peace** - On January 10 - 11, 1994, the heads of the Council of NATO States met in Brussels when they adopted the program Partnership For The Sake Of Peace proposed by the U.S. The program calls for a wide range of cooperation in the military and political spheres between NATO and the Eastern Europe and the former Soviet republics. On May 4, 1994, Heydar Aliyev, president of the Republic of Azerbaijan, signed a document to join the Partnership For The Sake Of Peace when he visited NATO headquarters in Brussels, Belgium. In April 1996, President Aliyev visited NATO headquarters, met with Secretary General Javier Solana and handed to him the document to enter the Partnership. The document reflected Azerbaijan's potential perspectives of partnership with NATO. - 84.

**15. International Monetary Fund** - was founded in 1945 as a result of the Bretton-Woods conference. The main goal of the IMF is to provide for the stability of currency in the world, to improve the system of international settlements, to assist trade in the world, and thus, to achieve economic development, to gain profit and to deal with unemployment. - 118.

**16. The World Bank** - was founded in 1945 within the framework of the Bretton-Woods Conference. The main goal of the World Bank is to assist in the economic and social development of the developing countries and those countries in transition. The World Bank belongs to the International Reconstruction and Development Bank, International Development Association and International Financial Corporation gives financial assistance to these countries, functions in the role of advisors for them, and arranges investments from other sources. The group also includes the International Center for regulating the investment differences and serves as an all-round agency for securing investments. - 90.

**17. Pennzoil** - is a company engaged in the exploration of oil gas deposits, in oil and gas developments, oil exploration and sale. It also produces and sells high quality lubricants. The company was founded in 1889 and drilled the first oil deposit of America, which produced one billion barrels of oil. Its main office is in Houston, Texas, and it employs 10,000 people worldwide. The executive director is James Pate, its president is Steve Jisbrough. Pennzoil has been in Azerbaijan since the beginning of 1992. Its annual income is about \$ 2.5 billion. In 1996, its gross income from its operations was \$400 million with a net income of \$133 billion. Its assets are estimated at four billion dollars. - 98.

**18. Unocal** - is an oil and gas corporation founded in 1890 in Santa Paula, Ca-li-for-nia, under the name of the Cali-for-nia Oil Company. By the end of 1996, oil reserves of Unocal were 513 million barrels and gas reserves at 186 million cubic meters. The company possesses 155 billion kilowatt hours of geothermal energy. Unocal is one of the first international companies to operate in Azerbaijan and participates in the country's first oil consortium. - 98.

**19. McDermott** - was founded in 1923. It is one of the oldest contractors engaged in oil and gas development in the strategically important gas and oil territories of the world. MacDermott recently began to produce oil in the Middle East, South Africa, near the coasts of Alaska sand in the North Sea. The company has sites in the U.S., Great Britain, the United Arab Emirates, Indonesia, Egypt and Nigeria. - 98.

**20. Lukoil** - is a Russian oil company founded through a re-solution of the Russian Fe-de-ra-tion in 1993. It is a huge industrial-financial complex of the Russian Federation. It unites companies outside of Russia from a tech-no-lo-gical and organizational point of view. It is engaged in the exploration pro-duc-tion, refining and sale of oil. Lukoil controls one-sixth of the oil mar-ket of Russia. Its multi-profile subsidiaries and joint enterprises functions in 30 regions and 16 countries. - 101.

**21. British Petroleum** - is one of the biggest corporations engaged in the oil and chemicals business. It is the third largest oil corporation in the world. It covers western Europe, the U.S., Asia, Australia, Oceania, Africa and many countries in the region

of the Pacific Ocean. British Petroleum is a multi-branch company engaged in oil and gas developments and production, sale of crude oil, oil refining and sale of oil products, as well as in the production of oil products and chemicals and their sale. - 161.

**22. Statoil** - is the largest industrial company of Norway. Its annual revenues are \$15 billion. Its annual investments for new projects is about \$2 billion. Statoil operates in 25 countries around the world and supplies 25% of the oil and oil products in Scandinavia. It has expanded its activities in Poland, Germany and in the pre-Baltic countries. Statoil formed the company Borealis. - 104.

**23. ELF Aquitaine** - is the largest oil company in France. The ELF group is one of the 833 French companies operating in 80 countries of the world. Its activities are mainly connected with the exploration, development and sale of car-bohyd-ro-gens (in 1996 ELF produced one million barrels of oil a day). Also engaged in the production of chemicals, ELF Atokem is thirteenth largest among chemical companies. It is also involved in pharmacology and cosmetology. About 8,000 employees of ELF are employed in its research centers. - 104.

**24. Texaco** - is a company that began to develop oil in 1902 in Spindletop Hill, Texas. Since that time, Texaco has become a huge energy company. It operates in about 150 countries around the world and its annual income exceeds \$30 billion. Texaco is known for paying special attention to the protection of the environment. It allocates one billion dollars a year to ecological organizations around the world. - 109.

**25. OPEC (Organization of Oil Exporting Countries)** - is a consortium of oil-producing countries founded in 1960. It includes Iran, Iraq, Venezuela, Kuwait, Saudi, Arabia, Qatar, Indonesia, Algeria, Nigeria, Equator, and Gabon. These countries export the most oil in the world. As an organization, OPEC leaders determine a single price for the sale of oil. Its headquarters is in Vienna. - 110.

**26. Nuclear Testing Treaty** - On September 10, 1996, the General Assembly of the United Nations adopted a resolution to ban nuclear tests and signed a treaty in the UN headquarters in New York. According to the treaty, participants are obliged to stop nuclear tests and prevent it in the territories controlled by them. To conform to the treaty and monitor its activities, an organization has been founded for banning the nuclear tests completely. Located in Vienna, Austria, it promotes the complete cessation of nuclear tests. It does not allow conditions connected with the terms of the treaty to be added or amended. The term of the treaty is unlimited and should be ratified by the signatory states. - 140.

**27. Conference of Presidents of Jewish Organizations in the U.S.** - unites Jewish organizations in the United States. The historical goal of the conference is to strengthen U.S.-Israeli relations in all areas, to provide security to Jews around the world, to fight for the protection of human rights and to achieve international under-

standing. The Conference helps provide peace and security in the world. It has been operating since 1955. Its twentieth president is Melvin Selberg. - 185.

**28. Transneft (Transoil)** - is a Russian transportation company founded by the decree of the Russian president in the November 1992 as a monotype stock company. Under the complete control of the Russian government, it transports 95.5% of the crude oil produced in the country to the refineries of Russia and foreign countries. It transported 295.1 million tons of oil in 1996. - 196.

**29. Georgetown University** - is in Washington and began as a small college in 1789. Its founder was John Carroll, also its first president. He based the university's programs on open dialog and devotion to truth. One of the largest and most popular universities in the world, Georgetown University combines several schools. The university founded its own banner in 1968. It has 40,000 students, with 1400 students working on their doctoral degrees. It offers its educational programs in several languages. Azerbaijani students attend this university. - 203.

**30. Arco** - is an oil company founded in Philadelphia, Pennsylvania in 1865. One of the ten largest oil companies of the world, it is mainly engaged in the exploration of oil deposits, production, refining and sale of oil and oil products. Its president and chairman of the board of directors is Mike Bonlen. Warren MacFatter manages its Baku office. - 229.

**31. Caterpillar** - is an equipment manufacturing company founded in Illinois in 1925. It is the world's largest company engaged in the production of construction facilities, drilling rigs, engines and turbines for oil and gas industry. It is in first around the world in the production of diesel engines. - 229.

**32. JP Morgan** - is one of the leading banks in the world and was founded in 1838. It is engaged in investment, disposal of assets and in strategic consultations. In 1996, its assets were \$222 million and net profits were \$1.57 million. CP Morgan operates in 33 countries around the world. - 229.

**33. Frontera Resources** - is a private company. Its main office is in Houston, Texas. It is an international energy company engaged in the study of energy projects in newly emerging international markets. In has an office in Azerbaijan. The Board of the company includes professionals experienced in global energy and international problems. It participates in on-shore oil exploration and developments in Azerbaijan. - 249.

**34. Conoco** - is an international oil corporation founded in 1875. It is the ninth largest private oil company in the world. Headquartered in the U.S., it operates in 25 countries around the world. It has about 17,000 employees and is engaged in the exploration and production of crude oil and gas, as well as the production of liquid gas. It also refines and sells oil. Conoco has many achieve-

ments in developing oil production techniques and technology. It also owns thousands of kilometers of pipeline. - 259.

**35. Shell** - is a multi-national company with subsidiaries operating in more than 100 countries around the world. It has 127,000 employees, and 5,600 of them are citizens of 76 different countries. Shell possesses enormous financial resources estimated at more than 66 billion British pounds. The companies in the Shell group are engaged in oil and gas prospecting in more than 50 countries around the world. They partially or completely own 53 refineries in 34 countries around the world. These facilities refine more than three million barrels of oil a year. - 261.

**36. FMC** - is a transnational corporation engaged in the production of chemicals, industrial and agricultural machinery and technology. It occupies one of the top places among similar companies around the world. Its main office is in Chicago, while its 175 production locations employ 22,000 people. One of the seven divisions of FMC is engaged in the production of energy and transportation facilities and equipment. This division also deals with the exploration, exploitation and refining of oil, manufactures equipment, machinery and installations for them. It is a leader in the production of oil machinery in the world. - 303.

**37. Borusan Makina** - is engaged in the construction of pipes and oil pipelines. In 1997, its branch in Turkey began to lay the pipeline in Azerbaijan and Georgia to transport oil from the Caspian Sea. It works in close cooperation with Caterpillar. - 328.

**38. The Chicago Club** - is a gathering place in Chicago that was established more than 100 years ago. Representatives of big financial corporations, banks and investment companies enjoy meeting in this prestigious club. - 342.

**39. The Voice of America** - is a radio broadcasting service for foreign countries sponsored by the U.S. government. It has been operating since 1942, and broadcasts in the U.S., Great Britain, Germany, Greece and in a number of African and Asian countries. - 355.

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## ACRONYMS

- AIOC - Azerbaijan International Operating Company  
 CIS - Commonwealth of Independent States  
 NATO - North Atlantic Treaty Organization  
 OIC - Organization of Islamic Conference  
 OPEC - Organization of Oil Exporting Countries  
 SOCAR - State Oil Company of Azerbaijan Republic

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