

## AZERBAIJAN

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### **THOMAS R. BUCHANAN** **Political Officer** **Moscow (1962-1964)**

*Thompson R. Buchanan was born in California in 1924. He received a bachelor's degree from Yale University in international relations in 1947 and served in the U.S. Navy during World War II. Mr. Buchanan entered the Foreign Service in 1948. His career included positions in Paris, Frankfurt, Moscow, Bujumbura, Libreville, and Leningrad. This interview was conducted by Charles Stuart Kennedy on March 15, 1996.*

*Q: I would like to talk a little about the embassy first.*

BUCHANAN: Well, I took over from Spike Dubs in Moscow. As I said before, I arrived with the arrogance of youth, and of a professional with more continuity in Soviet affairs than most of Foreign Service colleagues. But that as my only advantage. I had to learn from scratch what had

become old hat for most of my colleagues, namely, how to write a cable, protocol issues, how to make a call on the foreign ministry, etc. But it was an exciting time. Within the first two weeks, I went on a book buying trip with the publications procurement officer, Bill Morgan. We went to the Caucasus, first to the Baku, where the KGB agent watched us, slipped and fell on his face in the first heavy snow the city had in 25 years. Security kept getting tighter and tighter. We were placed, in effect, in a closet with clothes hung all around us as we flew into Yerevan. We were allowed, however, to take a train along the heavily guarded border with Turkey, with its ploughed areas and border guards on horseback. On the high hill above Tbilisi, Georgia, near Stalin's statue, we suddenly read on a wall poster that five of our Embassy colleagues had been PNGed. The Soviets had finally caught our spy, Colonel Penkovsky. Lovely Taenia, Intourist guide, showed us around town, explaining how a radio commentator, who was a direct descendant of the Kings of Georgia, had recently married a girl of the same sort of noble lineage. At the airport, Taenia managed to get our 40 boxes of books onto Aeroflot, despite the glowering presence of two huge thugs, in green felt hats and comically wide pants, standing over us...Hollywood casting...

**WILLIAM T. PRYCE**  
**Publications Procurement Officer**  
**Moscow (1966-1968)**

*Born in California and raised in Pennsylvania, Mr. Pryce was educated at Wesleyan University and the Fletcher School of Tufts University. After service in the US Navy he worked briefly for the Department of Commerce before joining the Foreign Service in 1958. Though primarily a Latin America specialist, Mr. Pryce also served in Moscow. His Latin America assignments include Mexico, Panama, Guatemala, Bolivia and Honduras, where he was Ambassador from 1992-1996. Ambassador Pryce was interviewed by Charles Stuart Kennedy in 1997.*

*Q: What was the interest of the Soviet citizen that you talked to in the United States?*

PRYCE: One, they were very, very interested in what our economy was like. They obviously had been given a lot of propaganda. They were wondering what a capitalist economy did with poor people. They were always interested in what happened to minorities. They were also interested in music, culture and in the ability to have free thought and discussion; there was a great deal of interest in that. There was also as I say really a positive attitude toward the United States. I remember at one point, I think it was in Yerevan or maybe Baku...

*Q: You're talking down in the Caucasus?*

PRYCE: Yes, in the Caucasus. ...being taken to a museum of World War II and the guide made of special point of saying "Won't you please come back to the back part of the museum. There is a little area that shows a siege." And he says "Look at that truck, it's a Studebaker." They

remembered Lend-Lease where the United States had supplies they had given to the Soviet Union during World War II.

*Q: When you were down in the Caucasus or in the Kyrgyz or Kazakhs or other places, were you picking up any reflections of it's them and us with us being the Kazakhs and them being the Russians?*

PRYCE: Oh yes, very definitely, very clearly. That's one of the things that we were trying to observe. Most of the top positions in all of the governments were held by Russians and that was resented by the local populace. There was very clearly the feeling that it was them and us. In the Baltic republics, Latvians and Lithuanians, but also certainly in the Caucasus and to a lesser degree in the Ukraine, Belorussia and in the far east, you really had people who to them the Soviet Union, and Moscow, was a distant place and almost a foreign country.

**JOHN P. HARROD**  
**Exhibit Officer, USIS**  
**Moscow (1969-1970)**

*John Harrod was born in Illinois in 1945, and received his BA from Colgate University. Having entered the Foreign Service in 1969, his positions included Moscow, Kabul, Poznan, Warsaw and Brussels. He was interviewed by Charles Stuart Kennedy on March 1, 1999.*

*Q: You were dealing with a Moscow exhibit both in Washington and in Moscow. This was from when to when?*

HARROD: Well, the exhibit was from June of '69 until maybe July of '70, and it was not Moscow. Moscow was one of them, but these were the large traveling exhibitions that USIA ran for many, many years, and we were in six different cities of the former Soviet Union, so having spent from roughly September of '68 to June of '69 working at the Washington end getting ready for this thing - the exhibit was "Education in the USA," and my job back in Washington had been to sort of get together some educational technology and other things that we would use as display items in the exhibit. And then in June of '69, off I went with the advance party to Leningrad, which was the first of our six cities, and then the exhibit opened, I think, in July of '69, and I spent a year... We were in, if I remember, Leningrad, Moscow, Baku, Tashkent, Novosibirsk, and Kiev, I guess were the six cities, not in that order.

*Q: How about any of the areas you went to, were there any problems, stories, or anything else that you think of?*

HARROD: The first time around, in that '69-70 period on the exhibit, Novosibirsk, out in Siberia, we had some particular security problems that I probably don't want to go into, but I mean it was during Vietnam, and it was a difficult time, and people were out to get us. Same in Tashkent. I remember being in Baku and having a different feel about Baku, and that was

partly because there was a new Communist Party boss who had just taken over in Azerbaijan and he was trying to thumb his nose at Moscow, so they were being nicer to us there than they were somewhere else, and I went back to Baku on another exhibit in '75, and it was even more the case then. I mean, it was a very sharp contrast, and that's when you begin to see that this isn't one country; this is a lot of little satrapies connected to Moscow. But there were plenty of security problems. 1970 was, again, the height of the Vietnam situation, and it was a little bit difficult at times, but a fantastic experience. I mean, one thing that the Foreign Service didn't do in those days was get you out of Moscow or Leningrad. There were travel restrictions. If you were assigned to the embassy or the consulate you were pretty much stuck, whereas the program I was on, I got to see a lot of the real Soviet Union.

*Q: Were there people who were trying to come to the exhibit to sort of vent their dislike of the system and all that, you know, Soviets who were fed up with things?*

HARROD: A few, a few. Some of them, as I said, got beat up in the parking lot outside the exhibit, and some would come and try to make a contact with an American and try to talk to them afterwards, particularly, I remember, in Leningrad, which was sort of an intellectual center of the Soviet Union, there were a number of quasi-dissidents who kind of sidled up to us as the Americans in town and would try to see us after hours and make contacts. There was a bit of that, less so if you were in a place like Tashkent or Baku, where there was less of an intellectual opposition network. There was some of that in Novosibirsk, and I alluded to security problems we had in Novosibirsk, and some of it was connected with the fact that there were possibly dissident-possibly provocateur types out there who were trying to make contact with us.

**JOHN P. HARROD**  
**Exhibit Officer, USIS**  
**Moscow (1975-1978)**

*John Harrod was born in Illinois in 1945, and received his BA from Colgate University. Having entered the Foreign Service in 1969, his positions included Moscow, Kabul, Poznan, Warsaw and Brussels. He was interviewed by Charles Stuart Kennedy on March 1, 1999.*

*Q: A personnel man would make note of this.*

HARROD: Yes, "a rapid progression up through the ranks" is what I would say, but some of it was fortuitous. I mean, my Poznan thing getting curtailed from three to two I explained, and at least one of the jobs in Moscow was totally unexpected. But I went there in the beginning of '75, and I spent the first 15 or so months, from the beginning of '75 through April of '76 working on another one of these exhibits, and as I explained before, this time it was a different job. This time it was a sort of a roving branch public affairs officer position. I had a diplomatic passport, was accredited as an assistant cultural attaché, and my job, essentially, in every city where the exhibit set up shop (there were six of them - Tashkent,

Baku, Moscow, Zaporozh'ye in the Ukraine, Leningrad at the time, and Minsk) and in each one of those cities my job was sort of to set up a branch of the embassy, in a way, and meet as many people as I could, conduct special VIP tours of the exhibit for VIPs, and in three of the cities, well, in every city, we had a couple of American specialists. This exhibit was on "Technology in the American Home," so in each city we'd have a couple of people who were either professional builders or architects or whatever who would come and spend some time with the exhibit. And in three of the cities we conducted full-dress symposia for like three days, where we'd bring over a panel of American experts in a particular aspect of construction or design or architecture and have a real full-fledged symposium. And my job was to coordinate all of that and also to develop a Rolodex of who's who in each of these cities, the concept being that we would then have a sort of public presence in cities where we didn't have consulates and we could go back from time to time and we'd know who the rector of the university was and we'd have met the mayor and the local Party officials. In theory, it was wonderful. I found when I got back to Moscow after the exhibit was over and the PAO had changed (the man who conceived the idea was gone, and a new PAO came in), that the old Moscow-centered view of Russia, or the Soviet Union, sort of predominated, and I really never got a chance to go back to most of these cities and follow up. In fact, at the end in '78, I had to pay my own way to go back to Baku, which was my favorite place, and see all my old Baku contacts because the embassy wouldn't even foot the bill for it.

*Q: During this first part, '75-76, what would you say was the state of relations between the United States and the Soviet Union, and how was it reflected, you know, out there beyond Moscow?*

HARROD: Okay, a two-edged answer to that. First of all, relations, particularly in the early part of that period, the first half, middle of '75, were officially quite good because that was when we had the Apollo-Soyuz joint space mission, the so-called in Russian *rukopozhat iyev kozmose*. That means 'handshake in space.' So while our cosmonauts were getting ready for that flying around up there, the official state of relations was supposed to be good. What I discovered was - and this was something that really shaped my view of the Soviet Union... I'd picked it up on my earlier exhibit. I'd picked it up as early as my '66 grad-school time there, but this one really confirmed it, which is that each one of these cities really had a different character and a different view of things, depending on who the Party bosses were. In '75, we were in Baku, the capital of Azerbaijan when this whole handshake in space business was going on, and we were treated exceptionally well. The ambassador came down to open the exhibit-

*Q: The ambassador was-*

HARROD: -was Walt Stoessel at the time, and he was received by the Communist Party boss in Azerbaijan, Haidar Aliyev, who has since come back to life as the president of an independent Azerbaijan, but at the time he was the Communist Party boss (former KGB official) and had never - I believe his people told us - received a Western ambassador until Stoessel came down in May of '75 to cut the ribbon. And that reflected sort of our general reception in Baku. They were exceptionally nice. I had contacts with a number of party officials. I remember one of my discussions with an *apparatchik*. He asked me how I liked

Baku, and I gave him my usual diplomatic bit about how it was a lovely city, and in fact, I had met my wife in Baku on the earlier exhibit, so I said, "I have great fond memories of Baku because it's where I met my wife, and I'd love to come back some day as the first American consul general perhaps." And he looked at me, Communist Party official, and he said, "How about the first American ambassador?" Well, I didn't get a chance to go back as the first American ambassador. Somebody else got that, I think Dick Miles, but to have a Communist Party official drop that little hint was something. Later on in other cities, Minsk being the one I remember particularly, we had some difficulties with the authorities, the security was very tight, but not in Baku. In fact, at one point, one of my Communist Party buddies in Baku asked me if I'd been followed. I said, "I don't know, if they're any good I wouldn't know it, would I?" And he said, "Oh, I guarantee you're not being followed. You know, we consider you guys friends here." He's probably lying through his teeth, but-

*Q: You know, I've gotten this from other people, even in the most difficult times, saying that when they got out to particularly the Caucasus and Central Asia, a whole different world.*

HARROD: But not always a good one. I mean, we had a lot of security problems in Tashkent in both exhibits that I worked on. The Tashkent KGB branch seemed to be a particularly tough one. But Baku was different. Baku was warm and friendly in those days.

*Q: These Tatar looking people are having a wonderful time.*

HARROD: But there wasn't much else in Zaporozh'ye, although in a small town like that we had almost regular access to the mayor and Party officials. The two cities where we had the best access of the six, and my job being access, were Baku, where we got everybody in the whole hierarchy all the way up to Mr. Aliyev, and Zaporozh'ye, but the problem in Zaporozh'ye was there wasn't much of a hierarchy to get up to.

*Q: As a student. How did you find it? Was there a different student than when you were there, from the American point of view? How did this interaction go?*

HARROD: I didn't have much contact with American students when I was off in places like Zaporozh'ye because there weren't any.

*Q: Who were the guides?*

HARROD: The guides were all American graduate students there, but they were there for six-month tours. The end result, I think I mentioned that the earlier group in '69 and '70 was pretty much of a piece. This was sort of their first long-term exposure to the Soviet Union, and most of them came as fairly liberal and left as fairly convinced conservatives. But I think particularly those who spent... The first half of the guides were in Tashkent, Baku, and Moscow, and I think that group probably had a better appreciation for that multi-ethnic character by being in Uzbekistan and Azerbaijan. The second bunch, which was in Zaporozh'ye, Leningrad, and Minsk, officially was in three different republics, all of different ethnicity - you know, Russia, Ukraine, Belarus, but there wasn't a great deal of difference. I do note, though, that all three of those republics had seats in the UN, and when

we were in Minsk, Senator Edward Brooke from Massachusetts was chosen to come out and cut the ribbon. He was in Minsk for basically just one day to do that, but the Byelorussian Foreign Ministry had an official lunch for him, and the Byelorussian foreign minister, who had been their ambassador to the UN - I think that's probably one of their only diplomatic postings - was there to host the lunch. So they still their little trappings of being quasi-republics, even if they were part of the Soviet Union at the time.

*Q: Did you find yourself being used, debriefed? Or any interest from the embassy - and I include both the CIA and as well as our political officers and all that?*

HARROD: Well, in each city where I was, I would go out and meet as many people as I could, I said, and try to get to know who was who in this particular town, and I would from time to time write essentially scene-setters that I would send back to Moscow. We had a courier service that would go back and forth, and so I'd sort of do a mood piece or a biographic sketch on somebody, send them back to Moscow. What happened when they got back to Moscow was sort of up to the embassy. In some cases, they were turned into - if you remember - the old airgrams we used to have and would be sent back to Washington, and in one particular case I got a letter from someone in the intelligence community back in Washington later on who commended me for my profiles of Mr. Aliyev down in Baku. I had seen him on, I think, three different occasions, once with the ambassador and twice at other kinds of events, and had done sort of a little, you know, "impressions of Haidar Aliyev," and I got a little specific note thanking me for that because they said they really didn't get very many reports on what they called "provincial Party officials." As I say, Mr. Aliyev is now the president of Azerbaijan, and he came here last year, I think, on an official visit, and my wife, who works at the Commerce Department, was invited to a dinner with the U.S.-Azerbaijani Business Council and took (with her) a picture that had been taken of me with Aliyev and showed it to him at the dinner, and he apparently waxed ecstatic and autographed the picture for her and went on to Houston and then in his speech in Houston mentioned this picture as evidence of how, you know, long the relations between the U.S. and Azerbaijan had been friendly. I take some small credit for having... I spotted Aliyev back in '75 as a very atypical politician for the Soviet Union. He was not dour and at death's door like most of them and was rather lively. He reminded me of a ward-heeler in Chicago.

**THOMAS M.T. NILES**  
**Assistant Secretary, Bureau of European Affairs**  
**Washington, DC (1990-1993)**

*Ambassador Thomas M. T. Niles was born in Kentucky in 1939. He received his bachelor's degree from Harvard University and master's from the University of Kentucky. Upon entering the Foreign Service in 1962, he was positioned in Belgrade, Garmisch, Moscow and Brussels, and also served as the Ambassador to Canada and later to Greece. He was interviewed by Charles Stuart Kennedy on June 5, 1998.*

*Q: When you are doing these trips, what was the European Bureau doing? There was an awful lot of work, trying to find out who...*

NILES: You are asking how we got a line on what was going on in some of these places, where we had previously not been represented, and had very limited sources of information. Various means were used, and the Secretary's visit was one of the means that we used to find out whom we were going to be dealing with there, at least at the outset. In connection with the Secretary's visit, we sent advance teams out. Those advance teams briefed the Secretary when we arrived in Chisinau, Yerevan, Baku, and places like that. Those teams in some cases served as the nucleus of what was to be the United States embassy in those countries. But in some cases, we were moving into very unstable political environments. For example, Azerbaijan, Armenia, and Georgia went through fairly violent and unstable political developments in 1992. For instance, when we went to Baku in February 1992, Mr. Mutalibov, who was the former First Secretary of Communist Party, was the President. He was overthrown shortly thereafter by Mr. Elchibey, who was in turn overthrown, much to everyone's surprise, by Gaydar Aliyev, who had been a senior member of the Soviet Politburo during the Brezhnev period. He is the leader, as we speak today. But, in other cases, in Uzbekistan, Kyrgyzstan, Turkmenistan and Kazakhstan, the number one guy at the time of independence - Karimov, Akayev, Niyazov and Nazarbayev - is still there. Those people managed to hold on, and we got to know them pretty well over the years. Secretary Baker knew President Akayev of Kyrgyzstan, I can't remember exactly how, but he had a high regard for this gentleman, who is still the President in Bishkek, Kyrgyzstan.

**RICHARD M. MILES**  
**Ambassador**  
**Azerbaijan (1992-1993)**

*Ambassador Miles was born in Arkansas in 1937. He earned an associate degree from Bakersfield College, Bachelor's degree from University of California, Berkeley and a master's degree from Indiana University. He joined the Foreign service in 1966. His overseas posts include Oslo, Belgrade, Moscow, Leningrad, Berlin, Azerbaijan, Bulgaria and Georgia. Ambassador Miles was interviewed by Charles Stuart Kennedy in 2007.*

*Q: Oh, boy. Well then, Azerbaijan. You were in Azerbaijan from when to when?*

MILES: Well, I went directly there. May, 1992. I hardly touched go at all; I don't think I even came back to the States first. Sharon stayed in Berlin for the next three months because the State Department wasn't allowing spouses or dependents to accompany us at first. With the approval of the U.S. Senate, we were all sent out to our prospective posts before any kind of confirmation hearings were held. Everyone recognized that Baker was correct in trying to get people out there quickly. So all of us were just sent out from wherever we were. As I recall, I went straight there from Berlin and met with the very small U.S. team that had already arrived there. Robert Finn was the deputy and had been the Chargé for about six weeks and Philip Remler was the Political

Officer—two exceptional Foreign Service Officers. There was, literally, just a handful of other officers—12 total at that time—and we set up shop in this really ghastly hotel down on the Caspian Sea, called the Intourist Hotel. The hotel was about as lugubrious a place as I have ever seen; the architect who designed it had designed the Lenin Mausoleum in Moscow and the hotel vaguely resembled the mausoleum. I lived in that hotel for 16 of the 18 months I was in Azerbaijan. Two-thirds of the light bulbs were burned out—and remained burned out. There were dead mice and rats in the hallways; I mean the whole system was falling apart. It was like something out of a Mad Max movie but, still, it was exciting stuff, as you can imagine. The Turkish and the Russian ambassadors also lived in this hotel.

By the time I arrived in Azerbaijan, about five months after the collapse of the Soviet Union, an anarchic and somewhat confusing situation had developed. The Armenians and the Azeris were fighting not just a war but an expanded civil war, with the Azeris and the Armenians in Nagorno-Karabakh fighting to gain and maintain control of Nagorno-Karabakh—a small, mountainous province of Azerbaijan located almost, but not quite, adjacent to the Azeri-Armenian border. The ethnic Armenian population in Nagorno-Karabakh wanted to take control of Nagorno-Karabakh and the surrounding territory. The Azeri population and the Azeri government were determined to resist this. The Armenian government and the Armenian diaspora, including in America, were backing the ethnic Armenians in Nagorno-Karabakh. Former Soviet Army units were selling arms and supplies to anyone who would buy them. Atrocities had been committed by both sides and the war was not going well for the Azeris.

This was a very messy situation in its own right. But, meanwhile, in Baku, nationalist forces, political forces, had gathered around the parliament building and were conducting massive demonstrations round the clock—with banners and placards, people with loud speakers and whatnot all haranguing the government and demanding the resignation of the current leader, that is, the former communist leader, Ayaz Mutallibov, who had very temporarily returned to power. The mob wanted him out and they wanted a more vigorous prosecution of the war. Believe it or not, but the political situation was actually more complicated than this. I'm simplifying it.

I never actually met Mutallibov, who was beleaguered in the parliament building and who—well, it's a kind of complicated story, which I won't bother to recount here, but, basically, the nationalist forces seized control of the parliament building about two weeks after I arrived in Baku. Mutallibov, along with many of the deputies in the parliament, fled to Russia.

Both Robert Finn and Philip Remler had only been there a short time themselves but they had already scoped out the situation quite accurately and they had met with the leaders of the nationalist movement, the Popular Front it was called. The leader of the Popular Front, who later became the President of Azerbaijan, was Abulfaz Elchibey, and they knew him already and so they said to me, when I first arrived—and I didn't know Robert or Philip so we had to do a lot of this on faith in a way—they said, "It's very important that you go around immediately and meet Elchibey, even though he has no position particularly. You don't need to say whether the United States is in favor of this pressure on the government or not in favor and you should stay pretty much neutral on the Nagorno-Karabakh issue because of the intricacy of the issue and the delicacy of that situation, but you really need to meet this fellow. He will become the President and it will be very important for you and for the United States if you have established that earlier

relationship.” And so I agreed and they took me off to Elchibey’s brother’s apartment where he was laying low. Obviously the authorities knew that he was there but they were not willing to make a whole lot of fuss about it because they didn’t know how the game was going to go.

And so we knocked on the door of Elchibey’s brother’s very modest apartment. Elchibey answered the door himself. And in Azerbaijan and in much of that part of the world, the custom is you don’t wear your shoes inside someone’s house or apartment—you take them off and you walk around in your stocking feet or they had slippers there for you. And it was kind of an amusing incident. Here I am now, the Ambassador-designate to Azerbaijan for the first time in history, and here is a man who probably but not yet will be the President of Azerbaijan in this shabby apartment, and there is this confusion at the door over what am I going to do with my stocking feet? I am going to take my shoes off quickly enough—I had been briefed about that—but then what? Well, to make a short story short, Elchibey kicked his feet out of his slippers and insisted that I put his still warm slippers on my feet. And then we went in and had tea and discussed the affairs of the world. If that scene were portrayed in a movie, I don’t suppose anyone would believe it.

Well then, shortly after that, within 10 days I suppose, there was what amounted to an almost bloodless coup. A few people were killed. I think one was accidentally crushed by an armored personnel vehicle and I think one other person got shot. Quite a few shots were fired; in fact, hundreds of rounds were fired but mostly up in the air. It was kind of a celebratory type of thing. But people were armed and it could have gone the other way if there had been serious armed resistance from within the parliament building. This would have been quite possible because people had weapons in there and they had guards and all that. But instead they melted away, they fled basically, and so the nationalist crowd took over the parliament, took over the Presidency, had a special election and Elchibey was elected. We and the Turks were strong supporters of Elchibey in his effort to try to bring about a democratic transformation of Azerbaijan. But it wasn’t easy. The nationalist crowd had great ideals and looked to the United States as a model to be emulated but with a couple of exceptions, Isa Gambar, for example, they didn’t have much in depth understanding of Western history or political thought or American history or anything else outside of the education they had received in the Soviet system. So, despite their belief that there was something better to be had and that we had the key to it, they were the products of their own environment and their own environment had been a communist environment. So, with the new government, there was constant intrigue and backstabbing and bullying and moments of sheer incompetence. You would obtain a ministerial position and your idea was how much graft can you draw out of that position rather than how much good can you do. Such things are not unknown in the West, of course, but there and at that time it was the norm.

Meanwhile the war with the Armenians, both in Nagorno-Karabakh and from Armenia proper, was still going on. Shooting was taking place, people were being killed, atrocities were being committed and rumors were swirling all around the place. While the executive branch in Washington tried to keep U.S. policy toward this region on an even keel, the U.S. Congress was not so balanced in its approach. The reason is quite simple. There are lots of Armenian-Americans, many of them quite influential, while there are very, very few Azeri-Americans. There are some Iranian-Americans who are actually ethnic Azeri but they tend not to identify with Azerbaijan so much. So the Azeri-Americans did not have very much political clout in the

United States while the Armenian-Americans had a lot of political clout. As a result, the U.S. Congress, soon after I arrived there, passed Section 907 of the Freedom Support Act. It's a notorious section which, in essence, prohibits U.S. government assistance to the government of Azerbaijan. We determined that if there could be purely private assistance, that would be allowed, either coming from America or going to purely private Azeri NGOs, which didn't exist at that time; in a way they had to be encouraged and created. That could be done and we did a little bit of that. And then later, after 9/11, long after I left Azerbaijan, the President was able to obtain a waiver to allow certain forms of assistance to Azerbaijan because of the needs of the situation following 9/11. But that was long after I had gone from the place.

*Q: Could you kind of describe for somebody who will be reading this, sort of the geographic bounds of Azerbaijan? The makeup, the economy and all. Baku was the capital, wasn't it?*

MILES: Right.

*Q: But describe sort of what was going on there when you got there in '91.*

MILES: There was not much going on of an economic nature with the exception of the oil and gas industry, which had been traditional for Azerbaijan. That is to say the oil had been the traditional mainstay of the economy; oil had been discovered there, well, the oil had always been there, of course. It used to seep out of the ground, it was so plentiful. But before the 19<sup>th</sup> century it was just used as a medicinal salve for camel sores or that kind of a thing, it was hardly used for anything. And then in the mid-19<sup>th</sup> century it became possible to refine the oil and turn it into kerosene for lighting and heating. Demand grew very rapidly. And so Baku became the world center of oil production for almost 100 years, really. Western financiers were involved in it, the Nobel brothers were involved in it, and others—there was even some American interest in it. But the natural gas, which often accompanies oil, was just flared off; no one quite knew what to do with it and so I suppose trillions of cubic meters of natural gas was just burned off or evaporated into the atmosphere over that period of time. And in fact even in the Soviet period, Azerbaijan, which has more than enough natural gas for its own needs, did not exploit its own natural gas, but rather imported gas from Turkmenistan. It was a great example of the Soviet economic mentality at work. But Azerbaijan did and still does produce a lot of oil and even in World War II it was the primary source for the petroleum and the oil and the lubricants—the “POL”—for the Red Army, and Hitler himself wanted to get his hands on the Baku oil fields and came close to doing so. In fact, the Battle of Stalingrad and the Battle of Kursk were largely fought as defensive battles to keep the Germans from getting down to Baku and they never did reach Baku.

Baku also had a historic, political role because Stalin, who you remember was Georgian, did some of his early organizational work in the Baku oil fields and also in the Port of Batumi over in Georgia because in the imperial Russian period and even in the Soviet period there was a very small diameter pipeline that went over to Batumi, carrying some of that kerosene I mentioned, and there also was the Baku-Batumi railroad, which had been in existence since shortly after the middle of the 19<sup>th</sup> century, which carried a lot of the Baku oil to Western markets. And Stalin was an organizer both in the Baku oil fields and among the Batumi port workers, so he got some of his basic training, I guess you could say, as a result of those masses of industrial workers in both Azerbaijan and Georgia at that time.

But having said that, by 1991 the Azeri oil fields and the oil refineries had been allowed to deteriorate to a really dangerous point. The Soviet Union had been falling apart not for months but for years and...

*Q: This is tape six, side one, with Dick Miles. Yes.*

MILES: So things in the oil fields and in the refineries had deteriorated to the point where they were actually unsafe, certainly environmentally unsafe, by the time I arrived in the spring of 1992. And there was virtually no other industry to speak of. Azerbaijan had traditionally produced grapes, which had been used either to make wine locally or more often had been shipped off to Russia to be made into wine or distilled into something stronger. There had been some cotton growing that was really not being done any longer since the fields were leached out by over fertilization and poor irrigation. There were porcelain factories and carpet factories that had virtually stopped running long ago. It was really pathetic to go through them at that time. There was an air conditioner plant in Baku which was producing a very small quantity of decent air conditioners but not enough to bring any particular income to the country of Azerbaijan.

*Q: Who were the workers? Because I had a—at one point I was in Kyrgyzstan a couple of years later and, you know, I watched there that the workers were mostly Russians and the bureaucrats were Kyrgyz. And I was wondering how did that work in Azerbaijan?*

MILES: Well, they were Azeri, pretty much.

There had been a large Armenian population in Azerbaijan, it had been there historically, and—this is a complicated story, which I won't bother to recount here—but there had been periods of both tension and periods of peaceful coexistence between the Armenian and the Azeri populations over the decades, certainly since the turn of the century, the 19<sup>th</sup> to the 20<sup>th</sup> century. The original oil workers in the Baku fields were pretty much Armenian but over the decades they had been more or less replaced by Azeris. There was a lot of intermarriage so it was not really—there were no particular problems as far as I could tell from people's stories and from having read about this.

But then tension began to develop and so you had this outbreak of nationalist feeling in Nagorno-Karabakh over towards the Armenian border but you also had nationalist feeling, not unrelated to Nagorno-Karabakh events, in Baku and in its major suburban city of Sumgait, an industrial—a Soviet industrial city—an awful place really. And so there were actually pogroms in Sumgait and Baku in the late 1980s. Well, you could only call them that. Azeris hounded the Armenians out of their homes and apartments and eventually out of Azerbaijan. There were atrocities and deaths.

By the time I arrived, there were still some Armenians left in Azerbaijan proper; our own calculation, which was just the best guess that we could come up with, was about 18,000 as opposed to almost a million probably, who had been there before. So almost a million Armenians had left Azerbaijan with the few Armenians remaining being mostly women, women married to ethnic Azeri partners. They had a very hard time lying low as you might imagine.

With the Russians it was—I don't know how many mixed marriages there but there had been a large Russian population in Baku. I wouldn't say they were, any more than the Armenians were, the elite particularly but they were just in all aspects of life. They had been living there for centuries and they were all pretty much chased out also. Less dramatically and cruelly than was the case for the Armenians but under pressure, for sure. When the nationalist government came in, for example, it conducted a campaign which you could only say was persecution, economic persecution of the Russian population. For example, the Russian language was still taught in the schools but teachers, in order to get paid, had to teach at least—I don't remember the figures exactly, I'm making this up a little bit—but they had to teach, let's say, at least 30 hours a week and yet it was now proscribed to teach Russian more than, let's say, 20 hours a week. So in that way a Russian teacher could not legitimately make a living and of course the Russian military had, unlike in Georgia—or in Armenia, as far as that goes—the Russian military had pretty much pulled out of Azerbaijan. The Caspian Sea flotilla simply went north and the naval base was turned over to the Azeris. They were simply all gone; I mean, there wasn't even a token force left. The former Soviet airbases were turned over to the Azeris. There was a large Soviet radar station at Gabala, which is still there, an over-the-horizon radar looking to see missiles coming in from the Indian Ocean, basically from U.S. or NATO submarines that might be out there in the Indian Ocean. And that continued to be manned by Russians. It was a point of contention, you know, for several years until finally the Russians signed a ten year lease agreement with the Azeris, but there was a lot of fuss about that. And that's really the only military installation the Russians had in Azerbaijan.

The Armenians in Azerbaijan had had a certain concentration in the musical world and there was a feeling on the part of the Azeris that I spoke to, the educated Azeris that I spoke to, of a certain loss of quality in the cultural life of the country. And in Azerbaijan, immediately after independence, the cultural life of the country in a way was divided into eastern, ethnic Azeri culture, if you will, looking toward Turkey and toward Persia and Iran, historically, with oriental type of music, oriental plays, oriental operas and so on but also a love for Western classical culture and music. Rostropovich, for example, was born in Baku and grew up there; it was a musical family, and he himself had his early musical training in Baku and all the great Western symphonies and operas were played on the stage in Baku. There was a parallel Eastern and a Western sort of a cultural makeup to the society, both supported by the state. Well, that all came to an end with the collapse of the Soviet Union and as a result, including these pogroms against the Armenians, the Western side of that equation suffered quite a lot. And even the Eastern side of it suffered because it couldn't continue to get the same kind of state subsidies that they had gotten before. And we knew the cultural people quite well. We became—Sharon and I became patrons of the opera and the symphony there and we'd sometimes go to these productions and we'd also attend performances of the Eastern culture in its various forms. But when we'd go to some of these performances of the opera or the ballet or the symphony orchestra in the Western style there would sometimes not be more than 20 or 25 people in an auditorium or a concert hall which would hold maybe 700 or 800. Sometimes there would be more people on the stage than there were in the audience. Because even the National Theater couldn't afford to heat the concert hall, the air would be freezing in the halls during performances in the winter. The audience and even the orchestra members would wear their coats and hats during the performances—something unheard of, considered very uncultured, during the Soviet period.

We tried to give these people some moral encouragement, and they were desperate for it. I remember once going—they had asked if I wanted to see a rehearsal, a dress rehearsal, of Mozart's *Abduction from the Seraglio*, and I went—this was before Sharon arrived there—and the full dress rehearsal was wonderful. The lead actor sang in German, the others sang in either Russian or Azeri, their costumes were very rich, the orchestra played beautifully and there was just the director and maybe five or six other people watching this and I said, "This is great, when are you going to be putting this on?" And the director said, "No, we're not going to put it on. This is just for you."

*Q: Oh my God.*

MILES: Yes. It was both gratifying and depressing at the same time, you know.

*Q: How did things fall out in the religious field?*

MILES: Well, of course, the Armenians left, taking their religion with them in a sense and there had been some mob damage to a couple of the historic Armenian churches there, which was most unfortunate. The Russian Orthodox churches were not bothered and I would often attend Russian Orthodox services for the remaining Russian community. And some Azeris had become Orthodox as well so it was not totally an ethnic Russian thing.

With the Jewish community there was virtually no anti-Semitism. I mean, it's an amazing thing about the Caucasus: I have been in both Georgia and Azerbaijan, three years each. Well anyhow, almost two years in Azerbaijan, three years plus in Georgia, and I have visited Armenia often and I have talked to our people down in Armenia and there was simply virtually no anti-Semitism in these three places and yet there are significant, historic Jewish communities in these countries. It's an amazing historical and cultural phenomenon and people tell me that it has always been that way; this is nothing new. And this is a region which has had its share of pogroms and atrocities—one ethnic group against another—but none of it seems to apply to the Jewish communities. I say "communities" because they're representatives of, you know, Sephardic Jews, Ashkenazi Jews and even a third community in Azerbaijan, the so-called Mountain Jews who live in the northern part of Azerbaijan near the town of Guba who trace their descent back to the first Diaspora out of Babylon, you know, 2000 years ago. Now, whether that's true or not I don't know, but they consider themselves such. When I was there we had a group of representatives of the American Jewish community come through under the auspices of the Joint organization [American Jewish Joint Distribution Committee] led by a former Israeli general. And they choppered up to Guba to visit these Mountain Jews. Later I had lunch with them and they said, you know, it was fun. We felt like we were in the play *Fiddler on the Roof* or something like it, you know, a magical world for Jews that maybe never existed anywhere and certainly doesn't exist anywhere else today, but then they asked, "Why are we here?" There aren't any problems here. "We need to spend our time with the Jewish communities that are having problems," they said. So it was quite revealing.

By the way, the general scared these good souls half to death. They had flown up to this region by way of the Caspian Sea. When they turned inland, the general took the controls and said, now

this is how we do it in Israel. And he came in very low and very fast. I think they were all glad when they were finally on the ground.

*Q: How about Islam? Was Islam important?*

MILES: Well, of course, I should have mentioned that. That is the religion of the vast majority of the population of Azerbaijan; they are Shiites for the most part. Azerbaijan does have a mixed population. There were some Kurds there, there were a few Sunnis; there were a few other ethnic groups as well, Georgians, etc. But for the most part you could say that Azerbaijan has a homogenous Shiite population. The Azeris are ethnically a Turkic people and their language is a Turkic language very close to Turkish or more accurately to 15<sup>th</sup>, 16<sup>th</sup> century Turkish. But the culture had looked more toward Iran, and Iran of course is basically a Shiite country and so they are Shiites too. And they had become, in my opinion—and I'm not an expert on this although I spent some time on these issues—but in my opinion they had become quite secularized over the decades of Soviet rule, more so perhaps than any other people in any other former republics or countries, communist countries. And it was interesting because my deputy, Robert Finn, had a doctorate in Turkish studies and knew a lot about Islam and he would often go on television, speaking in Azeri, explaining Islamic customs to the people of Azerbaijan, raising and answering the question, why are you celebrating this holiday? And Azeris used to love it because they didn't know these things or they knew some of it but not all of it and they were not able adequately to explain it to their children. Yet many people were interested in religion and when they began to go on the Hajj out of Azerbaijan, the Hajji—that's someone who would come back from the Hajj—would gather all the people together from his village or his neighborhood and he would tell them stories about the Hajj and what he had seen and experienced and many of the people, including in the ruling classes and the business classes, were sending their children to the madrassas [Islamic school] for religious instruction. So really there was a growing interest in the religion and kind of a re-Islamization of the society. And of course we knew the religious hierarchy. The spiritual head of all the Muslims in the Caucasus is Sheikh Hajji Pashazade. I knew him well in Baku and, in fact, I stayed in touch with him even in Georgia; he would come over periodically for meetings with Georgian religious leaders and I would attend the ceremonial dinners hosted by the Georgian Patriarch. And I then went over to Baku again, I think it was in 2003, and the same religious leaders were still there.

*Q: What was the role of Iran at that time?*

MILES: They were sending a few mullahs out to preach in some of the madrassas in Azerbaijan. The Azeri authorities were keeping a close eye on that, as you can imagine. They were a little bit uneasy about Islamic fundamentalism. But it was tolerated. And there were pilgrims who would come up from Iran and also from Iraq, more from Iran because of there was a common border with Iran, and even from Turkey, to visit religious sites in Azerbaijan which they had not been allowed to do in the Soviet period but now they were able to do it. And there were some reciprocal visits as well from Azerbaijani Muslims down to those countries to visit religious sites there.

There was not a lot of business with Iran at that time. The border was fairly strictly controlled. It was open for traffic but you had to have visas and you had to have a reason to go and basically it

was businessmen who were going back and forth. I'm sure that many of the ethnic Azeris in Iran had blood relationships with the Azeris in Azerbaijan. It's impossible to believe that they don't. But these ties had become so attenuated over the 70 years of Soviet rule that it would take a lot of cultivation to make them come alive again. So what you had really was a little bit of cross-border traffic, a little bit of cigarette and alcohol smuggling, a little bit of larger scale traffic of rugs or whatever, industrial products or commercial products back and forth from Western Europe and Central Asia but it wasn't large scale, I must say. I went down to the border several times, I'm sure it has increased since then, but at that time, in '92, '93, you could stand there for an hour and there would be no truck at all that would come through.

*Q: What was your impression, first of all when you were in Baku, of the fighting over Nagorno-Karabakh? I mean, you—who was right, who was wrong? How did we, you know, as Americans—*

MILES: Well, you know, it was an awful situation. Much of the fighting had ended by the time I got there, but there was a massacre in Khojaly where large numbers of women and children were killed by Armenian fighters from Nagorno-Karabakh. That occurred shortly before I arrived in Baku; it was one of the things that helped bring down the previous government. And there was continued fighting around the town of Fizuli. I visited Fizuli after the fighting had just stopped and you could still see remnants of the Grad missiles, these 122 millimeter missiles lying around, see roofs blown in; they are a very inaccurate weapon and both sides were just firing them at random. These aren't guided missiles; they're fired off in large numbers out of these Stalin Organ-type trucks and they land where they land.

And I was sort of shot at myself. I went up near the front, I forget exactly where it was, down around the southern border between Nagorno-Karabakh and Azerbaijan proper. We went over the ridge line of a hill. I am a former Marine and I felt distinctly uncomfortable up on the ridge line and almost equally uncomfortable on the Nagorno-Karabakh side of it. We were being led there by civilians and I didn't think they knew what they were doing. Anyhow, we went over the ridge line and were on the side of the hill facing Nagorno-Karabakh. I heard, off in the short distance, machine gun fire coming from behind me, meaning these were Azeris firing at the Armenian positions. And shortly came this bang, bang, bang, bang of the Armenian gunners firing back at us, and I thought, this is not a good place to be. And the guide was trying to tell me that all this firing was all Armenian, that the Azeris hadn't fired. I said, "I'm sorry, I don't believe it. I think this has been provoked because I am here and I don't appreciate it much and let's get our butts over on to the other side of the hill," which we did.

I went up to the front several times and in fact on one occasion I went over the front lines by innocent accident. I had read a little story in the paper about a local ceasefire that had been declared between the area commanders in the north on the Armenian side and the Azeri side and I thought this is interesting; I want to go up and take a look at it. So my daughter Elizabeth and I drove all the way up there, it was a long drive, and indeed the story was true. And not only was there a local ceasefire arrangement but there was an OP, an observation post, up there, a military observation point overlooking a key road and on alternate weeks it would be manned by either an Azeri or an Armenian military team, Armenians out of Nagorno-Karabakh, to see that the other side was not moving any heavy equipment across the line. I was there on the day when they were

transferring from the Armenian group to the Azeri group. I even had my picture taken with them. I thought it was a quite commendable exercise so that the farmers could plant their crops and take in their crops and whatnot.

Well anyhow, I was at the OP looking through binoculars down at the road and a little village maybe a couple of kilometers away, and I said, well, this is interesting, it's very commendable. And I said, "Now tell me, where is the border exactly?" I'm looking ahead and they said, well, the border is back behind you. And I had driven up in my car with the flag flying and everything. And so I said, you know, I think this is wonderful what you all are doing but I have got to leave now. I got back in the car and hightailed it back into Azeri territory. And you know that, unfortunately—that visit was the kiss of death for the ceasefire effort. The fact of my visit got into the newspapers and I don't remember if it was the Armenian side or the Azeri side, but they decided that they couldn't maintain the ceasefire anymore and so they began fighting against one another again.

*Q: Did you find yourself persona non grata with the Armenian lobby and all?*

MILES: No. I really tried to avoid chauvinistic comments about the conflict. I would make pious statements about the horror of war and the killing on both sides and the need to try to find a peaceful solution, but I meant them; I wasn't being hypocritical or cynical or anything. And when I was back in America I tried to meet with representatives of the Armenian lobby and they were at first a bit prickly but when they realized I didn't personally have an axe to grind, that I was just trying to represent U.S. government policy here and working along with others in Washington and the international community to try to broker a ceasefire arrangement. At that time that was what we were doing and to do what we could to ease the suffering. And, you know, they never tackled me particularly on that. It was not always an easy thing to do; I had to watch my words constantly and I had to avoid, in a way, being tricked by the Azeris, and I imagine our Ambassador in Armenia, my old friend Harry Gilmore, had the same problem with the Armenians. And I'll give you two examples.

I refused to go and lay flowers at the so-called Martyrs' Lane Cemetery—that's where Azeris who had been killed during Moscow's use of force in Baku in January 1990, but also Azeris killed in the Nagorno-Karabakh fighting, have been buried. I said, "When you have reached a peaceful agreement with the Armenians and we are able to honor both the Armenian dead and the Azeri dead then I'd be happy to do it and I'm sure any ambassador would be happy to do it. But as long as you're still fighting a civil war I am not going to go honor the dead on only one side of that civil war, even though their deaths may have been noble and I have no problem with you doing it. But I am not going to do it." And they accepted that; they didn't like it but they accepted it.

But we had a visiting congressman at one point and the protocol program had him stopping there to lay flowers and I said to the protocol people, "No, he isn't going to do that. Take this off the program." I never even told the congressman about it, I just made that decision on my own. Well, he came and the motorcade had to go by the cemetery. Well, it stopped at the cemetery and all the car doors opened and everybody started to get out and I said to the congressman, "You have got to stay in the car. Don't get out. I'll explain it to you later." And I went up to the people

escorting us and said, “This is bullshit. You know perfectly well we are not going to stop here and why we’re not going to stop here and the congressman and I are going to keep on going, and if you want to stay here and do whatever you want, that’s fine, but you’re going to do it without us.” And during the rest of the time I was there, they never tried that again. So that was one effort to embroil us in the situation.

And what was the other one? I had two incidents I wanted to mention. Well, I’ve forgotten the other one; I’ll think of it later maybe.

*Q: What were you doing, I mean, what was your principal job? Observing, trying to—*

MILES: I sometimes felt my principal job was finding a decent Chancery and a residence. I spent about a third of my time on that, successfully; a third of my time on just getting to know the place; and a third of my time, you know, an extension of the second, I guess, trying to wend my way through these serious struggles that were going on. With the residence and the Chancery—I mentioned Nick Salgo had gone out, spent literally 24 hours in each capital and had initialed leases for both a chancery and a residence. Now, the Army Corps of Engineers had tipped me off before I went out to Baku—that’s right, I did return to America for a week or so before I went out, I remember now—and during that time the representatives of the Army Corps of Engineers had come around to see me at the State Department and said, “We know about these buildings that Ambassador Salgo has negotiated leases for and, in Baku, neither one is structurally sound and neither one is very good from a security standpoint,” and then they explained why. And I said, “Well, I’ll take a look at it when I go out.” And then I went out, I found that the proposed residence was a) very tiny and b) was in a historically important district but one in which the ground structure had been weakened by the metro, the subway system having gone underground there. It’s all very dry soil in Baku and they probably don’t get ten inches of rain a year there and so every time the subway cars went through, the ground would tremble and there would be cracks in the ground and everything. And this house was so rundown, it had no yard around it at all and no parking particularly, and it was so rundown that it had no roof on it. I mean, you would have to start from that and do everything else. So that wasn’t very satisfactory. And then the proposed chancery nominally sounded good: it was the former Russian Governor General’s house from the old Russian Empire days, located right down on the shore of the Caspian Sea. But that’s the rub, because the Caspian Sea is a peculiar lake really, and it rises and falls as much as 10 to 15 feet over the course of a few decades. The Governor General’s house was within a stone’s throw of the Caspian. When you walked in you actually stepped down from the sidewalk level and there were stone tiles on the floor, you could actually lift up the tiles and there would be the Caspian Sea under there. I thought, yeah, this is great; the water is about six inches from the floor level and what will happen when it rises six inches, let alone six feet.

In addition, the Governor General’s house was right on the sidewalk of the major street curving around the shoreline and there was no parking. So not only was it very bad from the structural and the security standpoint but every time anybody stopped to let somebody off and then go park somewhere, they would be blocking traffic. So I thought, this isn’t very good either. And, boy, I worked my ass off trying to get a decent residence and a decent chancery. I became a real pest with President Elchibey. I never did really succeed with the residence but we were able to get a

wonderful 1907 building with great grounds around it pretty high up on a hill overlooking the downtown part of the city. That beautiful building was big enough to put the Ambassador's "residence" in one wing. We were the envy of the other diplomats and I got a very good 30 year lease on it. I wanted the U. S. Government to buy it but they were not in a buying mood at that time so we had a \$60,000 a year lease on property worth millions, a real coup, I think. We spent 14 million dollars to modernize the building, put in an elevator, new wiring and plumbing and so on. I really think it's the nicest chancery in the entire former Soviet Union. And I think the only reason I was able to pull it off was because I had known Nick Salgo from earlier days and he had a certain confidence in me, otherwise I'm sure it would have been difficult getting the State Department bureaucracy to go along with it.

*Q: Well, it sounds like—looking ahead, was Azerbaijan—it was not a very, I mean, in space, it wasn't very big. How about population?*

MILES: Well, seven-and-a-half million people.

*Q: Sitting on that pool of oil, it looked like there was some potential for all of them to do very nicely, thank you.*

MILES: Yes. And American oil companies were already there. They began moving down there even in the last days of the Soviet Union. And so when the Soviet Union collapsed they saw even more profits ahead and they were really quite interested in getting their share of the development. Pennzoil had put something like \$110 million upfront for a natural gas facility. I'm not quite sure what you have to do with natural gas in order to be able to use it, but certainly you've got to bring it up from beneath the seabed. Most of these oil and gas deposits are located out in the Caspian Sea so you have to bring the oil or gas up from lower depths and then process them in some way and get the product off to wherever it's going. So Pennzoil had put \$110 or \$115 million into a state-of-the-art natural gas facility that they were very proud of and they didn't know when they would ever see a return on that. In the end I think they all made a fair amount of money out of their investments and from the very early days we were looking at ways in which the Azeris could diversify their export possibilities. Basically that meant getting that oil and gas out to Western markets without going through Russia or without going through Iran. With Russia it was just a desire to give them an alternate means out. They had routes out through Russia going back to the Soviet period but that meant the Russians had a lock on the transit of the oil; the Russians consider oil and gas strategic resources and they consider pipelines strategic as well and so, I'm not saying that it's a zero sum gain or whatever, but clearly any oil or gas producers should have a multiple outlet for their product; it just makes sense. Otherwise you're going to be at the mercy of the person who is controlling the transit lines. And with Iran, dropping pipelines down right straight through Iran, either in a swap arrangement with the Iranians where you would deliver your oil to northern Iran and they would ship their oil out on your behalf from southern Iran or just a pipeline that would run it right on out would make eminent sense. I mean, it's the shortest route and it's an easy route and it would be just great. But because of our strained relations with Iran after the fall of the Shah, sanctions were imposed and it's against U.S. law for American companies to be involved in such a venture. That applies to American involvement in the major international financial institutions as well. There is no way that those pipelines involving several billions of dollars of investment could be financed without the involvement of

the United States. So that meant the only reasonable alternative was to run a very long pipeline, 1700 kilometers long, out from Baku all the way to Turkey. This was to be a large pipeline—around 40 inches in diameter. The question originally was would it go through Armenia or would it go through Georgia? And for a variety of reasons it was decided by the companies that were involved and by the Georgian government that it would be better to route it through Georgia rather than route it through Armenia, primarily for security reasons due to the fighting that was going on, and other factors. And at the same time they would run a gas pipeline from Baku all the way to Erzurum in northeastern Turkey. And that gas would be intended pretty much for the Turkish market. And after years of struggle in which the U.S. role and to a degree the British role was paramount, those pipelines have been finished and they are in operation today. Amazing achievement really.

*Q: Did you find yourself trying to help the Azeris deal with—I would imagine you'd have every type of not only legitimate oil men but conmen and everybody else coming in there and trying to—*

MILES: We did have some conmen. There was one particularly nasty guy who was not American. He was—I don't think he was ethnic Azeri; he was from one of the other Stans as I recall. He had been living in Czechoslovakia and somehow he had some shady relationship with people that were in the oil business in Azerbaijan. And so he came down and insinuated himself into the situation and eventually told the Baku representatives of the American oil companies that they would have to pay him a rather handsome fee, several million dollars, \$3 million, as I recall, in order to proceed with their negotiations with the state oil company of Azerbaijan. And we had been pretty successful in getting the oil company representatives, the American oil company representatives, to meet with us. They were a very suspicious bunch and they didn't care much for the U.S. government, didn't care much for American embassies, and they saw no real good to be gained by divulging their secrets to us or to their industry rivals. But we tried hard and we persevered and we, I think, developed a certain rapport with these American representatives and so they came to me about this situation and I said, the only way in this situation—this is after Heydar Aliyev had come to power; we are kind of jumping ahead of the story a little bit but that's all right—and I said, the only way you are going to deal with a situation like this is for me to go and talk to the President, Heydar Aliyev, and see if we can't sort it out. And so I did. Heydar Aliyev, who was quite capable of being disingenuous, said he was shocked, shocked to hear that such a thing was going on and he would stop it immediately. And he is a man of his word or was—he's dead now—and so by golly he did stop it.

I remember now the incident I was going to mention. It's a good story. We could have gotten unpleasantly embroiled in the Nagorno-Karabakh business. The Azeri authorities had contracted with an American businessman to bring in a bunch of former Special Forces types or whatever to teach the Azeris what was described as defensive military techniques—not to provide weapons but simply to provide training and what they described as defensive tactical maneuver training. And I wasn't informed of any of this; I found out about it through people just talking to me. I was able to determine that the information was accurate, that these Americans were in the country and that they were providing this training. I informed the State Department and the other agencies of government.

Well, I then went to see the Prime Minister and said, "I understand that this is going on. This may not be illegal." I had learned that if military training is purely defensive training, then there is no American law against it as long as weapons are not being provided, and I said, "It may not be illegal from an American standpoint but I don't like it. It gets us involved in the Nagorno-Karabakh situation and we don't want to get involved in it and so I am asking you to remove these people from your country." And he also was disingenuous, said he didn't know about it, he would look into it and he would let me know. So I went back a week or so later and he said, "Oh yes, those American trainers that we have in the country, they are not actually doing anything military at all; they are working at the plow factory and they are helping us develop our farm machinery." And I said, "Mr. Prime Minister, really. Tell me another one." And I said, "I am not going to sit here and talk to you on the basis of this kind of a discussion." And I had brought the military attaché along in full uniform with his ribbons and medals and all that and I wanted to do that deliberately as part of the political theater. And I brought the deputy, Robert Finn, along and I said, "This conversation is over as far as I am concerned and I'll take it up with the President." And I stood up and walked out. And I did take it up with the President and the mercenaries were removed shortly after that. By the way, the title of the cable we sent out on this episode was "Beating Plowshares into Swords".

*Q: Oh boy.*

MILES: Yes. It was exciting times actually. And the State Department was so busy with all the developments in the independent Russia and efforts to get the nuclear weapons under control and opening up all these new posts and so forth that they really couldn't spend a lot of time with any one ambassador. And also our communications were pretty primitive in those days. You know, we had a secure phone which didn't work very well and we had a rather primitive encrypted cable facility and that was about it. Our American staff had to take turns sleeping in the room in the hotel where we had this quite simple equipment. I mean, the equipment consisted of opening a window, literally, and putting a little tiny dish out the window and hopefully you got a signal from the satellite to be able to send stuff back to Washington and other interested posts. Primitive though it was, it was still classified stuff and so we had to take turns sleeping on the floor of this little room at the hotel to protect it. And I did it too; I took my turn as well. It was kind of fun; I enjoyed it.

*Q: Was there any relationship with our Embassy in Moscow or had they pretty well written you off?*

MILES: The latter. We informed them and our embassies in Yerevan and Tbilisi what we were up to and I think we informed Ankara and that is about it. Other than that our addressees were all either with the military authorities in Europe or with Washington, the various agencies in Washington. Because everyone was so busy in those days and so preoccupied with their own little piece of the geographic turf, we didn't try to disseminate our messages as widely as we would have otherwise.

*Q: Were you hit by all the NGOs or were they headed elsewhere?*

MILES: No, at the beginning, they weren't very active in Azerbaijan. Wait a minute, CARE was there because they hired my daughter for a while. Maybe there were some others at that time but I really can't recall any.

*Q: They were all over the place.*

MILES: Yes, but they came a little more slowly to Azerbaijan. These were pretty wild and wooly days and you had a few Protestant missionary types out there, including at least a couple that were there under somewhat false pretenses who claimed not to be religious and who were setting up schools or whatever but who actually had a hidden Protestant Evangelical agenda. But these were very few in number. I mean, by the time I left Azerbaijan in late 1993 I could count the number of Western NGO representatives in the country, literally on the fingers of one hand. It was not anything like the flood of people that you have out there now. That began a few years later.

*Q: Well, they were, you know—when I was in Kyrgyzstan and also in Kazakhstan, I mean, there were quite a few. But those are big places.*

MILES: They are bigger, yes. Well, keep in mind, Azerbaijan was in the throes of a civil war and in a sense a war with Armenia as well and so it wasn't a very safe place. In addition to the peaceful coup d'état that took place shortly after I arrived, there was a second attempted coup which occurred within the year—in '93—which, in the end, brought Heydar Aliyev to power. Now, that was also relatively bloodless but it did involve arms and it did involve danger and so I think sensible people tended to stay away except for the oil and gas people.

*Q: What about the Russian Embassy? Were the Russians pretty well happy to sort of write these areas off or—? Of course, Azerbaijan had all the oil.*

MILES: They were interested. I was good friends with Walter Shoniya, the Russian Ambassador, who was a very decent fellow but he wasn't getting clear instructions from Moscow and he wasn't getting much money from Moscow to run his embassy either. For quite a while the Russians were working out of their hotel rooms just like we were. In fact, when I finally got a temporary residence for my wife and myself—we were there 18 months in Azerbaijan, and we stayed in the awful hotel room for 16 of those 18 months—Walter grabbed our room. It was considered a "luxe" room because it had a folding plastic screen that you could pull from wall to wall and hide the bed.

*Q: Oh boy.*

MILES: Yes. It was considered a luxe apartment because it had a sitting room attached to the bedroom. It was just one big room but it was bigger than the other rooms. And we cooked in that room and believe it or not, entertained in that room. We washed the dishes in the sink or the bathtub and let them dry in the bidet. Our daughter Elizabeth was working with CARE before they stopped their work in Azerbaijan and part of the time she was there she slept on the floor of the sitting room, as did our son Richard when he came for Christmas. And when I left, the Russian Ambassador grabbed the room because it was considered very desirable. So we had a

good relationship. In fact at one point Sharon said she wished she had taken a picture of this; it was a perfect example of peaceful coexistence. We would give our laundry to the chambermaids in the hotel to wash, they would wash them by hand and they would hang them on the line behind the hotel and I knew from saunas and things that Walter wore these black sort of swimming trunk type shorts, underpants, and I wore boxer shorts that were white, and so one day she looked out and there was the Russian ambassador's black underpants hanging on the line right next to my white boxer shorts.

*Q: What do you want? We can go for another half hour or would you like to stop here?*

MILES: Why don't we stop here because I haven't spoken yet about our relationship with Heydar Aliyev and the way in which he came to power; I think it's fairly important.

*Q: Okay, we'll do that. Does this include the sort of complexities of the civil war there?*

MILES: To a degree.

*Q: Okay. Alright then, we'll do that the next time.*

MILES: Okay. That's fine.

*Q: Okay. Today is the 14<sup>th</sup> of May, 2007. Dick, do you want to pick up from where we were?*

MILES: Okay. Well, The nationalist government didn't really like us developing our relationship with Heydar Aliyev, who was in domestic exile over in Nakhchivan, the exclave of Azerbaijan nestled up against the Iranian border and a tiny border with Turkey, actually, about seven kilometers. But we did it anyhow because I thought it was important to do so and in the end this proved very beneficial for United States policy because even though Aliyev was hardly a democrat he was a very intelligent and wise politician, a real political figure, and he did bring some stability to the country and did rule up until his death and his son, this is 2007 now, his son is ruling today. And so by getting to know him and developing, I would say, something of a friendship with him we were able to move easily from having been supporters of Elchibey's nationalist government to being supporters of the Aliyev government, which replaced the nationalist government. The change of governments was not exactly a violent turnover but neither was it totally peaceful either. So it probably is, if not unique, it's certainly rare, I think, in contemporary history that a great power like the United States would be able to maintain such a smooth relationship between two rather different governments, one of which came to power not entirely by peaceful means.

I don't recall exactly the degree to which I explained some of this earlier but I had sent my deputy Robert Finn over to see Heydar Aliyev in Nakhchivan. He reported back that Aliyev was obviously an intelligent person and was just vegetating over there in Nakhchivan trying to help the people that lived in Nakhchivan to keep body and soul alive. We always think of the economic sanctions between Azerbaijan and Armenia but we sometimes tend to forget that they cut both ways and the sanctions hurt Nakhchivan as much as they hurt Armenia, maybe even more because Nakhchivan is a smaller place with a tiny population and a rather poor place; there

are no natural resources there particularly, it's an agricultural community. And so when I did go over, I believe by then it was approaching the winter of 1992, I found the conditions very grave indeed.

People, as they had in Armenia, people had lopped the limbs off trees so that all over Nakhchivan, which isn't a terrifically wooded place and therefore trees are rather valuable, you saw the stumps of trees up in the air with the major branches being cut off and I don't know how many of those trees actually survived that kind of treatment. The Iranians were providing a little bit of kerosene and a little bit—a few kerosene heaters and that's how Heydar Aliyev was heating his office. But most people in Nakhchivan were simply suffering and staying warm through the use of charcoal heaters or blankets or whatever they could do.

I remember visiting one eye hospital, ophthalmological hospital, and I was struck by the fact that the apparatus that's used to boil instruments for surgical operations, the water had frozen solid in it and so it would be something of a task to make sure those instruments were boiled and sterile. And I remember going to a heart clinic where I was taken into a room where a fellow had just had a heart attack and there were blankets that had been nailed up over the windows and over the door. So in this room, then, where the fellow had suffered a heart attack and was lying in bed pretty much comatose, there were three or four or five family members gathered around, there were blankets tacked up over the windows and over the door so you had to push aside two layers of heavy blankets to get into the room. And the only heat in the room came from what amounts to a primitive electric grill, like a hotplate in a way, but what it was—it's worth describing—it was made of sheet metal, tin sort of, bent into kind of a hollow square, and in the middle of it was a very poorly made piece of ceramic with grooves, and in the ceramic grooves was a coil of wire so that when plugged into a mains, when there was electricity, the wire would glow red and that was the heat. It was dangerous itself and of course there was not usually electricity. I was told, and I witnessed, actually, that the electrical grid had so little electricity that in order to share it around Nakhchivan it would be shunted to one quarter of the town of Nakhchivan for two hours and then would be shunted to another part of it for another two hours and for certain periods of the day there would be no electricity in the town whatsoever and people would simply go without or they would use candles or an oil lamp or whatever; in the cold winter, these were just desperate conditions.

But I found also that Aliyev was intelligent and alert, grateful for all the attention from us, grateful for news from Baku. He had his own agents, of course that would report to him once in a while but with people like Heydar Aliyev, authoritarian leaders, there is a great tendency, I think, for his supporters or people who wanted to cozy up to him to tell him what he wants to hear. And I think that was true for Heydar Aliyev. Well, he didn't get that from us, he got pretty much the straight story from us and I think he was very grateful for that.

And then, I think I may also have told this story but I want to be sure it's on the record because it was important. When Aliyev's brother died over in Baku he didn't feel able to attend the funeral because he was afraid he would be arrested if he went back, even though he had a legitimate political position in Nakhchivan. And the fear on the part of the nationalist government, the Elchibey government, of him was so great that I think Aliev's fears were justified, and if I had been in his position I think I wouldn't have attended my brother's funeral either. But I did attend

it and I not only attended it but I went with the flag flying on the car and that got back to him, of course. I didn't tell him I was going to do it, I just did it, and again while the nationalist government didn't like it, that gesture made a lot of points with Aliyev.

And then the third thing worth mentioning is that I took my daughter over there. Elizabeth spoke then and speaks now impeccable Russian—she learned to speak it in Russia and also has a doctorate in Russian from Oxford. Heydar Aliyev spoke beautiful Russian, and so—he was a great family man; he was never known for womanizing or anything of that sort. His wife had died and after that he lived a bachelor life with no talk of a scandal; what he may have done for his sex life I haven't the foggiest idea. But it was not widely considered that he was spending time with that sort of thing. At least there was no gossip about it. He was quite devoted to his family and would speak about it often with me, mentioning that he missed his wife, that he thought family was important. So when Elizabeth went with me all the way over to Nakhchivan to meet him, that made a really big impression on him. They got along famously—her Russian was better than mine—and he would always ask about her later. Years later he would ask about her, and I think that her going over there to meet him made a good impression on him. I always enjoyed those visits; they were difficult because the conditions over there were so difficult and you just felt that it was a pity there wasn't something we could do.

We had these Section 907 restrictions that the U.S. Congress had imposed at the request of the Armenian lobby in the United States which basically forbade us from giving any kind of assistance to the government of Azerbaijan as long as the so-called economic blockade continued. And it was one-sided; it was just directed against Azerbaijan, it didn't have any punitive provisions against Armenia or against Nagorno-Karabakh. We were able, working with Dick Armitage, who was later Deputy Secretary of State but at that time he was the U.S. assistance czar for the former Soviet Union. He was a very dynamic, "can do" sort of a fellow. And so working with him we were able to get one shipment of pharmaceuticals and food into Nakhchivan and that also made a splash on television. The nationalist government in Baku couldn't oppose that because after all it was humanitarian assistance for people who really needed it and it was carried—the arrival of the plane, the unloading of the cargo, was carried on television and so that helped a little bit if only in the public relations sense. But in order to get around the feeling in Congress at that time—it was just very shortly after the passage of Section 907 restrictions—we had to land the plane first in Armenia and unload some supplies for the Armenians and then we flew on in, flew the plane on into Nakhchivan.

And there is a funny little story that goes with that. The majority population in Azerbaijan and of course in Nakhchivan is Muslim, Shiite Muslim, and sometimes they do eat pork but generally they tend to avoid it. And so when we got the lift vans on the trucks and backed up to the receiving area there in Nakhchivan we had the television there and the idea was I would go and dramatically open the rear doors of the lift vans and the cameras would then pan on into all these wonderful American goodies there. And I did have the wit to go out and just see what exactly was in those lift vans before they turned the cameras on and I'm glad I did because what was facing the camera and the door as you opened it was one pork meal after another. It was incredible. There was a wall of food there which looked like an advertisement for pork. I suppose no one packed it that way deliberately but the effect was really kind of ridiculous. Now in the practical sense it didn't matter because the people in Nakhchivan and in Azerbaijan had become

rather secular over the course of the communist period and, so, many of them did eat pork in fact, so I don't think it would have caused a big fuss, but it's not the kind of thing you want to put on television in a Muslim country. And so I quickly told one of the American officers to tell the TV people that there would be just a short delay and then we rearranged this food so that we have more politically palatable food up front. Kind of funny, really.

Anyhow, later that year, well, actually, in '93, the political crisis in the country continued to worsen due to the ineptitude and inability of the Elchibey Government to organize themselves. And admittedly the fighting in Nagorno-Karabakh was distracting them and there didn't seem to be a whole lot that the international community could do to try to bring about a solution to that problem, and in fact here and now, 15 years later, they still haven't brought about a solution to the problem although various ceasefires have been arranged. I believe I counted something like 15 ceasefires during the 18 months I was there and they would hold for a little while or they would hold on one portion of the lines and then they would be destroyed by one side or the other or both. It was just too difficult. But the OSCE did set up the so-called Minsk Group, in which Americans did take part and other people of good will tried and the United Nations developed a program, tried in its way to alleviate the conditions for the refugees and also for some of the people in Nagorno-Karabakh as well. The UN High Commissioner for Refugees was functioning in Armenia and in Azerbaijan and so that also helped a little bit. But the plight of the refugees—there were 800,000 of them living in very difficult conditions: dugouts in the ground, abandoned railway cars on the siding, abandoned Pioneer day camps in the summer, often, well, actually, usually, with no electricity and no heat. Our daughter Elizabeth, who was helping deliver relief supplies to refugee communities around Azerbaijan, would tell us of the absolutely horrendous conditions many of the refugees were living in.

All this was putting a lot of pressure on the Elchibey government, and then a disgruntled army officer, I believe his rank was colonel—these ranks didn't mean a whole lot: nobody had much military experience there except from taking potshots at the Armenians in Nagorno-Karabakh—but a disgruntled army officer named Surat Huseynov declared that he was going to march on Baku and clean things up there. It was never clear to me if anyone actually put him up to that or if this was just his idea. He was a little bit of a megalomaniac and he may have had the idea that he would put himself in power; I really don't know. I have shaken his hand but I never had a substantive discussion with him. He didn't have slogans like, "I am going to restore Heydar Aliyev to power"; his aim basically was he was just going to go to Baku and toss the rascals out and then see what happens at that point. And this threw the nationalist government into a tizzy. In this as in many other things, they just could not agree on what to do and then set someone to do it. At one point they did have some desultory negotiations with him which didn't amount to anything. Now this "March on Baku" was one of the strangest things I have ever seen. The small group of military people that had surrounded this fellow came closer and closer to Baku and eventually they got close enough to the town so that the soldiers, in what amounts to a rebellion within a rebellion, would get into their army trucks, their lorries, rifles, pistols and all and drive off into downtown Baku where they would get out, not being met by anybody, would then hop out and have tea or a Coca Cola at a sidewalk café and would, you know, watch the girls go by and then would hop back in their trucks and drive back out to their bivouac. And nobody stopped them one way or the other; nor did they try to do anything themselves. I witnessed this with my own eyes. Very strange.

I remember once, in fact, Sharon and I were walking along one of the sidewalks in the early evening and one of these trucks came careening up, stopped right in front of us, and about 20 soldiers with AK-47s jumped out, and I thought, Jesus, we've had it now. We're going to be shot or held hostage or who knows what. And they just went right straight past us into the café there and sat down and had their tea or whatever. So it was a very strange display of force, I must say.

Well anyhow, the nationalist government did panic over this and I guess that was almost their only recourse, given their own ineptitude. So they called Heydar Aliyev in from Nakhchivan to take over the government and help to restore order, with the idea that he would stop Colonel Huseynov from bringing the troops on into town or at least handle him appropriately. And I guess he did handle him appropriately; the nationalist leader Elchibey himself went off into domestic exile in Nakhchivan and—by sheer coincidence he also was from this tiny place in Nakhchivan—where he eventually died. There was some pressure on him but he was allowed to have his own guards around his house and as far as I know there were no government organized assassination attempts against him. There was a little bit of attempted violence against him but I think most likely, because it was so unsuccessful and never repeated, that it probably was simply done by adventurers who thought they would curry favor with the new government. But, I don't know the facts of that case. Anyhow, Elchibey was able to live out the rest of his life in somewhat comfortable exile over there in Nakhchivan while Aliyev, to jump ahead a little bit, at first treated Colonel Huseynov with a degree of respect—appointing him Prime Minister, for example. I left Azerbaijan about that time so the rest of the story is not anything I witnessed personally. But, Huseynov, who was basically a thuggish type, with no experience in governing anything, military or civilian, apparently was involved in a coup attempt against Aliyev. He fled to Russia but was then returned by the Russians because they were trying to build a decent relationship with Heydar Aliyev and vice versa. Huseynov was put in prison and was only recently released. So his coup-making attempts were not very successful in the personal sense.

Well, to back up a bit, Aliyev asked me, shortly after his return to Baku, what I thought he needed to do, now that he was in power, to obtain the support and the recognition of the American government and I said, well, there was no question—and this is after checking with Washington, of course and keeping them informed during all this time, that is what all ambassadors do—I said there was really no question of our recognition, that we understood the way things had happened, both with regard to the failures of the nationalist government and to his own coming to power and so our policy toward Azerbaijan itself would not change. But I suggested to him, and this was not an original idea, it actually came from one of the deputy assistant secretaries in the European Bureau of the State Department, Larry Napper, later our ambassador to Latvia and also to Kazakhstan, that Aliyev hold a referendum. And we all know that referendums are the lowest form of democratic life but nonetheless they can serve a public relations purpose and so I suggested that to Aliyev, and he thought it was a great idea, and that is what he did. And I said, “Keep it simple. We don't want to be looking backward at the mistakes of the previous government or anything like that. You just need to legitimize yourself by having people say whether they want you in power or not.” Aliyev was far from being a democrat but he was a very popular person. He had his popularity even before the coup, and after the coup, his popularity went even higher. In that part of the world, public opinion tends to follow the fellow who actually has the power. Well, this is not unknown in other countries. And so there was a

referendum, he did win that with 99 percent of the support in that referendum and was in a way legitimized by it. Later, he did win democratic elections, although I don't over-rate the degree of democracy in a place like Azerbaijan even to this day. And I notice the election which just took place in Armenia was declared by the international observers in the newspapers today, you know, May 14, 2007, as being a relatively open and honest election and the first such election in Armenia since their independence. So, you know, democracy comes a little bit slow out in these former communist states.

But at any rate, Aliyev was certainly capable of running the country and he did run it and did try, especially later after I had left, to work with the United States and the other countries and the international organizations to bring about a peaceful solution to the Nagorno-Karabakh problem and they wound up, and, again, this is after my time, but he wound up in meetings with the Americans, with Colin Powell and with the representatives from Armenia, in Key West, Florida, to try to reach a solution. In the end neither he nor the Armenian leaders felt they could bite their respective bullets and so that attempt failed and I think he was perhaps the only person who at that time and in the foreseeable future could have brought about a political solution from the standpoint of the Azeri people, and so the effort failed and it's unfortunate that it did so. But in other ways, in cooperation with the Americans and other countries that were involved in the exploitation of the Caspian energy resources, in trying to work out a better relationship with the Russians, in trying to develop the economy of Azerbaijan, he did a pretty credible job, actually. So I think it was well done that we were able to help him in his transition into power and his holding onto the reins of power.

*Q: While this was going on what were the Armenians doing?*

MILES: Well, in Nagorno-Karabakh they were consolidating their military victories. Shortly before I arrived there was in fact a famous massacre, the Khojaly Massacre, which you can read about in history books, in which not just fighters were killed by the Armenian forces in the town of Khojaly but also women and children when they were trying to flee. It was a pretty awful little piece of history and that again is the sort of thing that put a lot of pressure on the nationalist government to rectify these losses and to somehow justify these dead and they were frankly never able to do it. So you continued to have—

*Q: Given the Armenian lobby pressure in the United States, did the Armenians in Armenia ever—were they, as far as we were concerned, held accountable for this massacre?*

MILES: The answer actually is no. The people who should have been held accountable for it were the Nagorno-Karabakh Armenians who were involved in this incident. And no, they were not. I'm not saying that atrocities weren't committed by the Azeri side—I've already mentioned the anti-Armenian pogroms in Sumgait and in Baku—but we are talking about Khojaly now. And I think that Khojaly was a pretty awful event.

So the Armenian-American community continued to support the Armenians in Armenia and also the Armenians in Nagorno-Karabakh. This had a kind of a romantic appeal, you know, and people often will just—Armenians and Armenian-Americans will often simply use the word “Turk” to describe the Azeris. They are a Turkish people, of course, but they have their own

history; they are not, they have never been part of the Ottoman Empire and so forth. I do some consulting with the U.S. Army. I have been a mentor at a negotiating exercise at the Army War College for the last two years. The instructors use the Nagorno-Karabakh situation as basis for their exercise because it involves all these ethnic issues, border issues, historical issues and the great powers in the international community are all involved and so it makes a great exercise for people to sink their teeth into and worry over a little bit. By the way, the student negotiators have never been able to reach a peaceful solution to the problem.

**HENRY L. CLARKE**  
**Ambassador**  
**Uzbekistan (1992-1995)**

*Ambassador Clarke was born in Georgia in 1941. He attended Dartmouth College and enlisted in the US Army. He later entered Harvard University and then entered the Foreign Service. His career included positions in Germany, Nigeria, Romania, the USSR, and Israel. He was later appointed Ambassador to Uzbekistan. He was interviewed by Charles Stuart Kennedy in 1998.*

*Q: Were we concerned about ecological matters? Looking at the Caspian Sea, oil apparently was all over the ground. They weren't making any effort to reduce wastage. It was misuse of nature.*

CLARKE: Right. We viewed those as Soviet problems rather than global problems in those days, it's fair to say. But even though we weren't generally able to go to oil fields, in our travels around the Soviet Union we had no trouble running into environmental disasters. In the case of Baku, it was not a closed city for us. We could visit Baku. I did several times, partly because of our interest in the oil industry. We had sanctions against the oil industry too, trying to keep American companies out of the oil business in the Soviet Union. I never did agree with that. But the scene around Baku is ghastly. That was not news. The question of whether they would reroute the northern Siberian Rivers to flow south into Central Asia was already an issue during the early 80s. It was being discussed. That was one of the few issues actually in which you could find conflicting public opinion in the Soviet Union. There weren't many such issues but this was one. Russian nationalists would speak up when it looked like something disastrous might happen to Russia in favor of Central Asia, for example, in the case of these rivers. Some environmental protest was sometimes made.

One of the first signs that Andropov might be introducing some reform after Brezhnev's death was in the economic pages of *Izvestiya*. Even though I hadn't been there very long by then, it was my impression that they had eased restrictions on reporting about economic problems, specifically environmental problems. This was the end of 1982. I'd only been there for a few months. It was very interesting that we for once learned of a environmental disaster out of the Soviet press before we knew about it from some other source. This was a major waste chemical spill. I'm trying to remember now. It was on the Dneister or the Dnieper River. It was a disaster. It ruined the water supply for many, many towns and villages and killed all the fish for a long

stretch of the river until it came to a dam where it was somehow contained.

Just the fact that the story was published while it was still news before everybody heard about it on Radio Liberty was an interesting sign. That continued pretty much after Andropov came in. Nothing changed on the front page of Pravda or Izvestiya. All the political propaganda was in place but if you turned inside, there were certain pages – I forget exactly which pages, but I think maybe pages two and three – that were usually devoted to economic developments. That went from almost totally phony stuff to some interesting stuff about such things as why they couldn't get spare parts for certain oil fields. Then later it even began to creep into TV. You'd actually see a TV program in which somebody would be saying, "Yes, this is not working right." That was unheard of when I first came.

**MICHAEL W. COTTER**  
**Ambassador**  
**Turkmenistan (1995-1998)**

*Ambassador Michael W. Cotter was born in Wisconsin in 1943. He graduated from Georgetown University in 1965 and received a JD from the University of Michigan in 1968. Postings throughout his career have included Saigon, La Paz, Can Tho, Quito, Ankara, Kinshasa, Santiago, and an ambassadorship to Turkmenistan. Ambassador Cotter was interviewed by Charles Stuart Kennedy in 1998.*

*Q: Today is the 5<sup>th</sup> of February 1999. Mike, we are going to talk about oil and oil lines because the main thing about Central Asia has been figuring out how to get the oil out of there. You want to talk about your view, what was happening during your time?*

COTTER: Right. Well, a couple bits of history here. One is that the Caspian areas had oil for a long time in a number of areas, particularly southwestern Azerbaijan. The Russians first used oil from there in the late 1800s. The oil bubbled up to the surface, in 1870, before people really were clear what to do with it. Azeri fields were a major source of oil for the Russian Empire and for the Soviet Union for a long time. During the Second World War, the Baku oil fields were a major target of the Germans. Indeed, there is today, in Turkmenistan on the Caspian Sea, an oil refinery which was provided to Russia under Lend Lease from the United States. It was originally in a town in Russia, and then, when that town came under threat, the Russians moved the refinery down to the Caspian Sea. The Turkmen are very proud of the fact that this is Land Lease and still running (although they are now replacing it). So, oil has been in the area for a long time. The Soviets, of course, didn't go about exploring very effectively or very efficiently, and their technology to draw out oil was very limited. They also did a very dirty job of it. When you go to western Turkmenistan to the oil fields there, there are incredible hulks of machinery lying around and hundreds of these donkey engines...

*Q: I think they are these up and down things.*

COTTER: Up and down things pumping oil, some of which work, and some of which don't. In any event, in the 1970s and later on, the Soviets put most of their effort into exploiting Siberian oil and gas fields, and they really stopped investing in the Caspian area. A lot of the oil in the Caspian is quite deep, but the Soviets didn't have the technology to exploit it. In any event, when those countries became independent, two things happened... by those countries, we really are talking about Kazakhstan, Azerbaijan and Turkmenistan. Now, Azerbaijan is where most of the oil was exploited in the Caspian basin, not much in Turkmenistan.

Q: *Baku.*

COTTER: Baku is the capital of Azerbaijan, and it sits right on the Caspian. I'm not certain how much of the deposits in Kazakhstan were well known, but certainly soon after independence day, the Kazakhs encouraged foreign companies to come and take a look at them. Turkmenistan, as I said yesterday, has primarily gas, and not so much oil. It doesn't have so much experience in exploiting oil. I can talk a little bit later how the Turkmen were a little slow getting off the mark. The major international oil companies, as usual on the outlook for new reserves, were very interested, I think, right after independence. I have seen it written and said that U.S. Government policy in this area is motivated by and formed by the oil companies. I think that is not quite accurate. I think what you have is a conjunction of interests. Our interests in the area are fairly clear. Essentially, it is to help to do what we can to ensure the political independence of the countries of the former Soviet Union. The reason for that, obviously, is to prevent or help avoid a re-creation of a Soviet or a Russian Empire that ends up becoming another challenge to us. Obviously, hand-in-hand with political independence goes economic viability. This is a real problem in some of the countries, especially those which must import energy and are energy dependent and which have not found productive activities to replace those that they engaged in during the Soviet Union. Ukraine, Georgia, Armenia, Belarus are all examples of this. So it seems fairly clear, perhaps shortsighted, although I don't think so, that for those countries that do have an economic resource that can be exploited upon which their economic independence can be based and solidified, it is only reasonable that they would pursue that. When you come to Azerbaijan, I think the oil is the only major resource of any kind they have. Kazakhstan has a number of alternatives, but very clearly oil will be a major part of their economic development. Turkmenistan has cotton, but I don't think anybody would suggest that a cotton mono-culture is any better than exploiting a natural resource like gas. So, for those countries that have oil or gas, it automatically becomes the prime candidate for forging economic strength that will underlie their political independence. The fact that this coincides with oil companies' interest is obvious, but I think it is a mistake to suggest that oil companies drive our policy. I think U.S. policy would be the same if it were another natural resource. It is true, however, that oil companies coming into the region then have a significant influence in what the United States does and how it does it. I think in Kazakhstan, which I can't speak to directly, but certainly the oil companies there have been very influential and have good access to the embassy. The embassy assists them in any way possible, as we would any other company. The same is true in Azerbaijan, where there is a large number of American oil companies. It is true to a lesser

extent in Turkmenistan, although only UNOCAL and Mobil have been working there. We work very closely with those companies.

In Soviet days, and still to this day, all pipelines in the Soviet Union, and the markets for energy resources in the Soviet countries, went essentially from the southern area north and west. Turkmen gas went north and west. The oil pipelines that existed went through southern Russia, to Novorossiysk, on the Black Sea, from whence they were exported. Those pipelines, in most cases, are old and suffer from the general Soviet lack of maintenance and technology. In any event, they were only developed to export the quantity of oil that the Soviet Union was planning on exporting. Once there are independent countries, each of which wants to maximize what it is doing, all of a sudden the need for export capacity goes up exponentially. We had to negotiate agreements with governments that aren't very familiar with this, which took up a lot of time in all of these countries. All of them felt that they were sitting on great riches, that it was a seller's market, and that they could extract terms from the oil companies that would make them wealthy forever. Well, the oil companies didn't look at it that way. At the present time, this is incremental oil. The oil companies and western governments tend to look at Caspian oil as a strategic reserve for, perhaps, sometime in the 21<sup>st</sup> century. This was obviously not something that the countries in the Caspian liked, since they are not interested in exploiting a resource in the 21<sup>st</sup> century. They want to exploit it today. Nonetheless, there were as you might expect the normal conflicts in negotiating agreements. We have seen replicated already in Turkmenistan in one case and I think we will see in some of the other countries, what has happened in other parts of the world. That is, the first company in an area, particularly with natural resource exploitation, comes in and says, "Well, nobody has been here before. This is a new market, a very risky market. We need a return that reflects the risk we are taking." Then, they negotiate an agreement that gives them a significant return. Their investment proves out. They get along with the government, and the second and third companies come in. Well, the risk level has dropped. They are willing to settle for less return. Well, the government signs on with better terms for those companies and then looks at the first contract and thinks it was taken advantage of. Then comes an effort to renegotiate, or simply, flat out break the contract. I have seen this happen in Ecuador. It happened in Mexico a long time ago, and it has happened in other countries. It happened in Turkmenistan in the case of an Argentine company, Bridas, which had the gas and some oil exploration and production agreements with the Turkmen government. The Turkmen reneged on these and have been in arbitration and court over them for some time. So, the first stage, which took some time, was negotiating agreements and for these countries to determine how they were going to go allowing foreign companies in. There is also a lot of jockeying because some of these projects were quite large, and so involve consortia, rather than single companies.

I should say that there is one other difficulty here that the companies are now wrestling with and that is going to cause a great problem. That is a shortage of oil rigs for offshore work in the Caspian. Parts of the Caspian are very deep, and the Soviets didn't do any deep water drilling, or did very little. They had only a couple of deep water rigs. These were in Azerbaijan, and I think at this point only one is useable. They had some shallow water rigs, most of which, again, aren't useable. So, the companies that come in have been forced to figure out how they are going to carry out drilling. Rehabilitating one of these rigs can cost a couple hundred million dollars. Bringing a new rig in is almost impossible because you have

to break it up into pieces, and bring it from the Black Sea, up the Don River, to the Volga-Don Canal, and down the Volga River. That may not be feasible. You could build one in the area except the technology and the construction expertise used to build that kind of thing doesn't exist there. So, companies have had a very hard time meeting their drilling timetables. This is important to them because most of the contracts with the government require the consortium to drill a certain number of test wells within a specified period of time. I think it is fairly clear that a number of the consortia in Azerbaijan are not going to meet their deadlines, and they are going to have to renegotiate, simply because they don't have rigs that they can use.

*Q: I want to concentrate, because this is your oil history on Turkmenistan.*

COTTER: Okay. Well, then you get a somewhat different picture. Let me move more quickly through this. Anyhow, the third thing is getting the oil out. On that, there has been a lot of discussion. There is the oil pipeline that goes to Novorossiysk, which comes up from Azerbaijan. The companies in Kazakhstan have been negotiating with the Russians to build a pipeline, which would go north of the Caspian Sea and connect with the pipeline to Novorossiysk. The U.S. has been working very hard on negotiating pipelines from Baku, across the Caucasus to the Black Sea, or then down through Turkey to the Mediterranean. You can get Stan Escudero in here at some point to talk about all that. Turkmenistan was a little different, again, because it is focused on gas. But it shares with the other countries the difficulty that they think it is a seller's market, or have thought that it is a seller's market, and that they were in charge. When UNOCAL came in, they first got into trouble because the Argentines had originally had the concession from the Turkmen to build a pipeline down to Pakistan. UNOCAL came in and negotiated with them and UNOCAL and Bidas have been involved in a lawsuit ever since. The Turkmen felt they could dictate price and how the project proceeded. Well, the fact of the matter is that what is going to dictate it is how much it costs to build a pipeline, and then what the market in Pakistan is. It turned out that the Afghan civil war is preventing any pipeline from being built for now, but even if a pipeline was built, it's not clear that a sufficient market exists in Pakistan to use the gas. A lot of the projections that were done by UNOCAL originally were betting on the cone. They were looking at Pakistani projections of what their need for energy will be, what their growth would be, over a period of time. It has been assumed that most of this gas would be used to generate electricity. I think, as with most countries, Pakistan's projections were wildly optimistic. It has also been thought that the only way the project would really make sense would be to extend the pipeline on to India, which makes a lot of economic sense, but probably faces some political difficulty. UNOCAL put together a consortium with a couple of Japanese companies, or an Indonesia company controlled by Japanese, and a Saudi company, to carry out the pipeline. That consortium still exists, although as I left Turkmenistan, it was practically moribund.

This is really difficult for the companies because there is a whole series of negotiations that have to take place. They can talk with the Turkmen, on one hand, about exploiting gas. Really, the way their contract with the Turkmen read, it simply required Turkmenistan to deliver to the border X amount of gas and to prove that it had the reserves to do that. The assumption was that the Turkmen would pump that gas themselves and get it to the border.

The fact of the matter is that we believe that any banks that finance the project would want to have an international operator in from the beginning, but UNOCAL simply felt that they would sort that out if and when the time came. Well, they also had to negotiate with the Pakistanis, and they had to negotiate with the Afghans. Negotiating with the Afghans was very difficult because they had to decide who to negotiate with. This caused enormous difficulties as it wasn't clear who was in charge. The government in Kabul during most of this time was what is called the Northern Alliance. It insisted as the "government" of Afghanistan that it would be involved in the project, Even though they didn't control the route. Since late 1996 the Taliban has controlled the entire route, but it has been very difficult for UNOCAL to find someone in the Taliban who can speak to this issue definitively, because it is not a very organized entity. There have always been concerns about Taliban ability to control the pipeline. Then, UNOCAL had to negotiate with the Pakistanis. The Pakistanis have had their own difficulties. One of the other elements that entered into this was Saudi interests. In the battle between Bidas and UNOCAL as to who was going to build the line, at one point Bidas had claimed to have the support of Prince Turki. I think his full name is Turki bin Faisal, who is the head of Saudi secret service. He is a very influential person. UNOCAL, on its side, had another Saudi company, headed by an influential businessman. There was much toing and froing as to which of either of these consortia the Saudis actually supported. At one point, we sent Embassy Riyadh in to ask the Saudi Government what the heck was going on. We discovered, as one might expect, that the government took no interest in it at all. But it is often difficult to separate influential Saudis' individual interests from their government positions. That finally got sorted out, but not without many anxious moments.

Another issue came into this equation. That was the position of Iran. There were a number of people who were saying that the Iranians would never allow this pipeline to go through. They wanted to sell their own gas to Pakistan. Iranian gas primarily comes from the oil fields, down on the gulf. But the question is whether Iran wanted that competition. This gets into another digression, which is the geopolitical importance of Central Asia. Maybe I will come back to that, because it is something worth talking about on its own.

**EDWARD MARKS**  
**Private Consultant**  
**Washington, DC (1996)**

*Ambassador Edward Marks was born in Chicago in 1934, and received his BA from the University of Michigan. He served in the US Army from 1956 to 1958. Entering the Foreign Service in 1959, his postings included Nairobi, Nuevo Laredo, Luanda, Lusaka, Brussels, Lubumbashi and Colombo, with ambassadorships to Guinea Bissau and Cape Verde. He was interviewed by Charles Stuart Kennedy on August 12, 1996.*

*Q: Can you briefly touch on what you have been doing after you retired?*

MARKS: My time in class came up and, counting my military service, my time in the Foreign Service amounted to 39 years of government service. I retired November 30, 1995. Since then I have become the usual odd jobs man. The choices in retirement are to find another full-time job or create a new career like writing, turn to a full-time hobby like golfing or boating, or become an odd jobs man. Some of these jobs are remunerative, but many are pro bono. In my case a lot of what I have done continues what I was doing in INSS. For instance, I have a contract from INSS to write a monograph on peacekeeping and regional organizations.

I have become an Adjunct Fellow at the Center for Strategic and International Studies, the place where I once spent a year on detail. I am continuing work on my own in the same general areas, and writing on peacekeeping, the United Nations, as well as on the Commonwealth of Independent States, the former USSR. So, my major activity has been to continue working in the area of peacekeeping, UN reform and UN activities.

Did I mention the UN job? That is kind of fun. While at USUN I got to know a lot of people in delegations and in the UN bureaucracy. The United Nations Development Program (UNDP) recently became involved in the countries of the former Soviet Union, with a project entitled "Democratic Governments and Participation" which is providing as technical assistance to the 15 countries of the former Soviet Union. The project focuses on institution building in these countries, including the judiciary, the police force, the prison force, creation of ombudsmen, and the ministries of foreign affairs, etc. I was contacted by an old colleague, a Moroccan, and asked if I would be interested in doing the foreign affairs part of the overall project. I, of course, said yes and the next thing you knew I was off to Tbilisi, Georgia. This happened while I was still at INSS on active duty, but this year - 1996 - I continued the project as a private consultant and went to Armenia and Azerbaijan. In each place I spent a week or two interviewing ministry of foreign affairs people and designing a technical assistance program to be financed and implemented by UNDP. It was an interesting and amusing thing to do, stemming right out of my professional career. I drew up three specific country programs, for the three ministries of foreign affairs. The programs are supposed to go through and I hope they do and that I will get involved and have to go back to Tbilisi, Yerevan and Baku. It is fascinating part of the world, and quite new to me.

**LISA PIASCIK**  
**DCM/Chargé**  
**Baku, Azerbaijan (1997-1999)**

Lisa Piascik was born in Delaware in 1957. She graduated from George Washington University and entered the Foreign Service in 1980. Her overseas posts include Beirut, Lebanon; Sana'a, Yemen; Damascus, Syria; Cebu, Philippines; Baku, Azerbaijan, Warsaw, Poland; Abuja, Nigeria, Baqubah, Iraq; and Paris, France. Ms. Piascik was interviewed by Charles Stuart Kennedy in 2016.

PIASCIK: Where did I go next? I went to Baku, Azerbaijan as the DCM there. I went there in 1997 just as the ambassador, Rich Kauzlarich, was leaving. A new ambassador hadn't been nominated yet. I was chosen by S/NIS, the new independent state bureau, I think who really went to bat for me was the head of office of Caucasian Affairs, Steve Young, who'd I known from my Iran desk days. He'd been working on the China desk and we had worked on sanctions issues together. He was really very supportive and that I already had a principal officer tour under my belt was.

Rich Kauzlarich was incredibly helpful in the two weeks we had together. He made sure I knew all his contacts and was fully briefed on internal embassy issues as well as those pertinent to our relationship with Azerbaijan. I was chargé d'affaires for about four months until, Stan Escudero, the new ambassador arrived. There was a lot going on. The Azeri president, Heydar Aliyev, had just been in the United States before I went out so he was very interested in building up his relationship with the United States as a way to counterbalance that with Russia. He had been a very high-level official in the Soviet government but he wanted to carve out as much room to maneuver as he could. And of course, solidify his own position.

There had been a war with Armenia where Armenia had occupied about 20% of Azerbaijan. People from these areas were displaced from their homes and living elsewhere in the country. The U.S., along with France and Russia, were the co-chairs of the OSCE Minsk Group, which sought to resolve this conflict. We were prohibited from providing assistance to the Azerbaijani government, but had a lot of humanitarian aid to assist the displaced people. Finally, just about every major oil company was in the country looking for oil, primarily in the Caspian. So there was a lot going on. We had a number of congressional delegations visit and the secretary of energy came too when I was chargé.

*Q: What was the language?*

PIASCIK: The government had declared that Azerbaijani was the official language of the country. It's a Turkish dialect. But Russian was very widely spoken as most educated people had been taught in Russian. Russian was the language of the oil industry. I studied Azeri for 10 months at FSI, and most of officers did as well. Most of the others had either studied Russian or knew it from serving in the former Soviet Union. Now, the plan in Azerbaijan was that the language would be with the Latin alphabet, as it had been at one point in the early 20<sup>th</sup> century. Before that, Azerbaijani used the Arabic alphabet. After Azerbaijan was absorbed into the Soviet Union, the language used the Cyrillic alphabet. Anyway, at FSI we studied the Cyrillic alphabet, although by that time, Azeri newspapers were using the Latin alphabet for headlines, and Cyrillic for the body. So it was a little confusing.

All that aside, the Azeris loved that American diplomats spoke their language. Very few other diplomats did, so we got a lot of credit. At a ceremony to commemorate the opening of an off-shore oil field, the French Ambassador had memorized a speech in Azeri and the moment he started speaking, the audience went crazy, clapping and whistling. It was quite an accomplishment, as the other countries represented in that consortium has sent high level officials – our secretary of energy came – but the French Ambassador just captured their hearts.

*Q: You must have been caught in the middle between Armenians and Azeris didn't you?*

PIASCIK: Well, there weren't many Armenians left in Azerbaijan.

*Q: So they weren't... it wasn't a major factor.*

PIASCIK: No, no. But we did have the Minsk Group co-chairs in quite a bit, but they never really got very far. Azerbaijan wanted its territory back, and the Armenians claimed most of it – especially Nagorno-Karabakh – was an integral part of the Armenia. The active hostilities had basically come to an end several years before, so they were in a stalemated period.

*Q: The Armenian lobby in the United States is extremely powerful and did you get a feel of that?*

PIASCIK: Oh yes. Because of the Armenian lobby, there were restrictions on provision of foreign assistance to the Azerbaijani government. We had some humanitarian programs going on to assist the internally displaced people but nothing on a government level. This was a huge issue. The American oil companies used to complain about it all the time because not only the state oil industry but business in general was set up on a Russian model, and the lack of assistance prohibited them from really learning and adopting Western practices, for example accounting methods.

*Q: I've been told people back then were seeing reports that the oil fields were a real mess because under the Soviets, they didn't really clean up after themselves.*

PIASCIK: Azerbaijan has a very long history of oil production. Originally, it was just oil and I think gas which appeared on the surface or very close to the surface. The earliest wells in the 1800s were just gushers, which of course, was very destructive to the land. It wasn't just the Soviets or the Russians who were involved in oil extraction so there is plenty of blame to go around for how polluted and horrible some areas became once the wells were depleted.

*Q: Did you feel that in relations with the Azeris you had one hand tied behind your back?*

PIASCIK: To a certain extent, yes. Mainly because of the prohibition on foreign assistance to the government. The Azeris were aware how strong the Armenian lobby in the U.S. was and that we did provide lots of assistance to Armenia. However, the Azeris were quite anxious to have a good relationship with us.

*Q: The Armenian government is renowned for being corrupt. How about the whole area there?*

PIASCIK: These are governments and societies which are big patronage networks

*Q: So they are basically smugglers.*

PIASCIK: Positions within the government would be sold. Customs, immigration, police, those positions would be sold. I think even in the military itself so then those who had paid would want

to recoup their money and make a profit, either by selling low ranking positions or collecting money, and of course expecting bribes from the public.

*Q: Was there any progress on human rights and democratization?*

PIASCIK: Not really. The Azeris were pretty intolerant of dissent. There was a presidential election during the time that I was there and President Aliyev had said at one point, Shevardnadze won with the presidency of Georgia with 86% of the vote, that sounds like a good number. Of course, some of the opposition forces could be hot-headed and their own worst enemies.

*Q: Who was your ambassador?*

PIASCIK: Stan Escudero. He came in about four months after I arrived.

*Q: What was his background?*

PIASCIK: He had served in Iran before the Iranian Revolution. He had been ambassador in Turkmenistan and Uzbekistan as well.

*Q: Well Turkmenistan, that's where they had this ruler was sort of a megalomaniac?*

PIASCIK: Exactly – Niyazov. A real strongman sort.

*Q: How about your ruler?*

PIASCIK: Compared to Niyazov, Heydar Aliyev quite low-key. He had long been prominent in Azerbaijan and became very powerful and rich. He was appointed to the Soviet Politburo and the Council of Ministers in the 1980s but ran afoul of Gorbachev and retired to Azerbaijan. Aliyev managed to establish a powerbase in Nakhchivan province, where he was from, and after the Soviet Union fell apart, he used that eventually become president in 1993. He managed to hold on to power and consolidate his position, despite or maybe because of a coup attempt in 1995.

His son, Ilham, was head of the state oil company, and became president after Aliyev died in 2003.

I had a fair amount of dealings with Aliyev. We had good access to him when we had visitors or the Minsk Group came through, or if the ambassador needed to see him. He really wanted to cultivate a good relationship with the U.S. That doesn't mean he was forthcoming with what we wanted. He dressed well, but not ostentatiously, listened carefully, asked questions, and was generally reserved but polite.

He did have the room that was outfitted like a cave with fake rocks, where he would take guests for drinks after dinner. It was a little weird. I don't remember that he drank very much at all – he would say that tea was the national drink.

*Q: How did you find dealing with the officials there?*

PIASCIK: We had good access in general and could speak frankly. They could be tough. They didn't like that we cultivated relations with the opposition.

*Q: How about the oil community? How did you find dealing with them?*

PIASCIK: We had good access to the state oil company. That said, I think they kept us at a bit of arm's length because of their ties to the Russian oil apparatus. These ties had existed for years. On the other hand, they were very conscious not to be co-opted by the Russians. We met with the representatives of the American oil companies once a week. It was a good relationship. The big issue became how Azeri oil would be transported out of the country. We, and the Turks, were really pushing the Baku-Ceyhan pipeline, which would move oil to Turkey and thence to Western markets. The Russians didn't like this at all because they wanted to use their already existing pipelines, which of course would maintain and grow their influence.

*Q: When you were there, what happened with that?*

PIASCIK: Well, there were always talks of one sort or another going on. The oil companies were a little unsure about the costs. The pipeline bypass Armenia altogether and go through Georgia. The Armenians were worried that this would isolate them, but the Georgians were very keen on it, as it would strengthen their independence. And, of course, the Turks were very keen. But there were a lot of questions over financing, whether the pipeline could be secured, and what the environmental impact would be.

*Q: How stands it now?*

PIASCIK: It's been in operation since about 2005.

*Q: Other than the Armenian factor, were there equivalent parties or opposition or anything like that?*

PIASCIK: Yes, there was an active opposition. Many leaders had been jailed at one point or another, some for long periods of time. They were constantly harassed by the government. Unfortunately, there were disagreements among many of the parties and leaders, so they often had problems uniting and presenting a common front.

*Q: Well, could we do anything for the people there? Schools or aid or anything like that or was it all...*

PIASCIK: A lot our assistance was geared toward the internally displaced people and was structured as humanitarian assistance. A lot of them ended up in old public buildings, such as schools or old government buildings. Many had been abandoned or were decrepit and were just not good space for people and families. We provided assistance to furnish them. We had a number of public health, schooling and job training programs as well. You know, a lot of these people had been farmers and shepherds and they really just wanted to go back home. So it was

really hard for them. Even for job training, the country had trouble absorbing them in anything but a more traditional role.

We also did a lot in preparation for elections. We worked with NGOs and with the international community on voter education and monitoring programs . We did work some with the electoral authority to insure that elections were free and fair, transparent. There were some problems there.

*Q: You told me about the 86 per cent.*

PIASCIK: Yes, exactly.

*Q: How did you find the NGOs. I was in Kyrgyzstan for USIA at one point and the place was flooded with all these young people full of good intentions on all sorts of things. Did you have a lot of that?*

PIASCIK: Same thing. Most of our assistance was programmed through American or international NGOs, for example, Save the Children and Mercy Corps. We did make some grants on democratization and civil society to Azeri NGOs. They were very inexperienced, but most meant well.

*Q: Now was Islam the religion there?*

PIASCIK: Yes. Most Azeris are Muslim and of those, most are Shi'a. But most people were not very observant. It was really more of an ethnic identity than a religious belief. we did know that the Iranians were quite active. Most Azeris are Shi'a. The Iranians undertook a number of activities on a variety of fronts.

*Q: Were you concerned about terrorism?*

PIASCIK: We were concerned, yes. The bombings of our embassies in East Africa took place while I was in Baku, so we were very concerned.

*Q: Did we have much of a leader exchange program or anything like that?*

PIASCIK: Yes, we did. The usual programs – education, democracy, civil society.

*Q: Did you find the oil industry, our oil industry, fairly sophisticated in what they could and couldn't do? I would imagine they had been around for a while.*

PIASCIK: Yes, they were all major companies and had been around for a long time. Very experience.

*Q: What was the role of women?*

PIASCIK: Limited. A lot of women worked but there were very few that were prominent.

*Q: Did they have trade?*

PIASCIK: The Azeris? Yes, mainly oil.

*Q: How about agriculture?*

PIASCIK: Mainly cash crops – grapes, cotton, vegetables.

*Q: Did they look towards Moscow? Was that sort of still the central place to go?*

PIASCIK: There were a lot of Azeris living in Russia. A lot of Azeris saw it as an easy place to work and sell things. Most Azeris had been educated in Russian and Azerbaijan had been part of the Soviet Union so there were cultural and other ties. On the other hand, I think a lot of Azeris were just as happy to be independent.

*Q: Was there Russian military stationed there?*

PIASCIK: There were some Russian military forces at a radar station in Gabala. That was it.

*Q: How about travel?*

PIASCIK: We were able to travel pretty easily to those areas under Azerbaijani control. I made a big circuit of the country when I first arrived to look at USAID projects and make a few calls. Expats often travelled to Lahij, a mountain village where people still did a lot of traditional brass and copper work. It was only safely accessible in the summer, really. The road was just basically clinging the side of the mountain. I was friendly with the British ambassador and his wife so we made a couple of picnics to old ruined castles and other picturesque sites. One time, we went with a couple of people from British Petroleum. On the way back, one of the guys from BP managed to run up this very steep embankment and the car ended up on its side. Fortunately, no one was hurt, and we somehow managed to right the car using the ambassador's Land Rover. I later found out that the driver of the BP vehicle had traveled with his wife in the north of the country, and tried to cross a raging river. They got stuck in the middle of the river and came very close to being swept away and managed to get out. The vehicle remained in the middle of the river and the story was the locals used it for target practice.

*Q: Where did you go after Baku?*

PIASCIK: I went back to Washington, to the Bureau of Intelligence and Research.

*End of reader*