

Oil pipeline hope may spur Azeri peace

By Bruce Clark
in Washington

Senior US, Russian and French officials will confer in Washington today in an effort to hammer out a joint approach to ending more than nine years of conflict between Armenia and Azerbaijan.

The initiative follows a series of unexpected statements from President Heydar Aliyev and other Azeri officials that in the event of a settlement, they would accept the idea of a pipeline through Armenia to transport some of the vast oil reserves of the Caspian.

The Azerbaijan International Operating Company, a BP-led consortium which has signed an \$8bn contract to extract oil off the Azeri coast, has yet to decide which route to use to transport its main output.

Its initial production, or early oil, will be divided between two pipelines: one through Georgia, and the other passing through the former war zone of Chechnya to the Russian port of Novorossiysk.

The viability of the Chechen route has been enhanced by this week's Russian-Chechen peace accord - but also overshadowed by clashes between Moslem sects in the neighbouring Russian region of Dagestan.

An Armenian route is unthinkable as long as the Azeri-Armenian standoff continues - would provide one of the shortest paths to ports on the southern coast of Turkey.

The US and France have recently joined Russia as co-chairmen of the 11-nation Minsk group which has been trying to settle the bitter

dispute over the status of Nagorno-Karabakh, an Armenian-populated enclave of Azerbaijan.

Tens of thousands of people were killed in fighting before a 1994 ceasefire which has been violated by several recent skirmishes.

Today's meeting is aimed at working out a formula for balancing Azerbaijan's insistence on full sovereignty over its territory and Armenia's concern for the security of its ethnic kin.

Previous proposals have called for the early return of thousands of Azeri refugees who were driven from their homes in the region around Karabakh in 1992-93.

However the status of the Lachin corridor, linking Armenia with Karabakh, and the town of Shusha which is the region's highest point, have generally been sticking points.

"We would welcome the economic benefits of a pipeline but we will not trade the security of Karabakh for oil," said Mr Rouben Shougarian, the Armenian ambassador to the US, yesterday.

If the western powers and Russia, which are rivals for influence in the region, can agree on the common approach they could send a joint delegation to put pressure on the parties, diplomats said.

Mr Caspar Weinberger, the former US defence secretary, has this month castigated the administration for conceding too much to Russia and Armenia in the tug of war over control of the Caspian region.

He said Russia's "oil grab" in the Caspian could turn out to have greater strategic significance than the expansion of Nato.