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NKR PRESIDENT VISITS ARMENIAN AMERICAN COMMUNITIES, RAISES FUNDS FOR STRATEGIC NORTH-SOUTH HIGHWAY

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At the State House reception honoring President Ghukhassian and the First Lady in San Francisco. (From left to right: Assistant Speaker pro Tempore, Assemblyman Leland Yee, President Arkady Ghukhassian, Yee's assistant Sevag Sarkissian and the First Lady Inna Ghukhassian.)

President Arkady Ghukhassian visited Armenian communities in the United States twice last year, October 23-November 3 and November 25-29. The purpose of the visits was to promote the efforts of the Armenia Fund in raising funds for two critically important projects in Nagorno Karabakh: the new state-of-the-art Polyclinic and Diagnostic Center in Stepanakert and the strategic North-South Highway. The construction of the \$2 million Polyclinic has already begun and during the visit the remaining \$400,000 were raised at an October 24 event in New York City. The Polyclinic will include a Diagnostic Center to handle advanced medical testing and analyses for the entire hospital complex. The North-South "backbone" Highway is 105 miles long and when finished will link over one hundred towns and villages in the five provinces of Na-

gorno Karabakh with its capital Stepanakert. The project has a critical strategic and economic importance for Artsakh and Armenia. The overall cost of the project is \$25 million. Nearly half of the highway has already been completed.

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NAGORNO KARABAKH CELEBRATES INDEPENDENCE DAY

September 2nd marked the 12th anniversary of Nagorno Karabakh's independence. In a speech, celebrating the occasion, President Arkady Ghukhassian said that improving the living conditions of the people, especially in the villages, remains his government's top priority. In order to achieve this goal, Ghukhassian said, the government is encouraging investments in the agricultural sphere, providing incentives to local farmers to expand their businesses, and exploring ways to export their production abroad. The President noted Nagorno Karabakh's significant economic growth of the past several years and said Azerbaijan's hopes to suffocate Nagorno Karabakh economically have failed. He underscored his government's policy to continue strengthening the armed forces, as they remain the only tangible security guarantee. "No one can take away from us our hard-fought freedom and independence!" Ghukhassian said.

U.S. Congressmen Frank Pallone (D-NJ) and Joe Knollenberg (R-MI), the two Co-chairmen of the Congressional Caucus on Armenian Issues, sent a congratulatory letter to the people of Artsakh. "On this September 2, we salute your formidable spirit and congratulate you on this Independence Day. With [the] historic Declaration [of Independence], the courageous people of Artsakh expressed their determination to live in freedom and be masters of their own destiny. Nagorno Karabakh has proved to be a serious and reliable partner of the international community. Your contribution to peace and stability in the strategic South Caucasus region is critical and deeply appreciated. Once again, we assure you of our strong commitment to Nagorno Karabakh's security and development," the letter said in part. The Co-Chairmen also praised Nagorno Karabakh's leadership for its determination and efforts in strengthening the country's democratic institutions and market economy.



NKR Defense Army Honor Guard

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NKR PRESIDENT'S VISIT TO THE UNITED STATES

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Ghoukasian also met with the leaders of major Armenian-American organizations, the Armenian Church, and prominent figures in the Armenian communities of New York, Philadelphia, Fresno, Sacramento, San Francisco and Los Angeles. He also met with the leadership of the Armenian Revolutionary Federation (Dashnaktsutyun), Ramkavar Azatakan and Social Democratic Hunchakian parties. The President briefed the Armenian community on the political and economic situation in Nagorno Karabakh, highlighting the successes of the recent years in bringing much-needed foreign investments to Artsakh. Ghoukasian also addressed the participants of the Armenian Assembly of America's Gala in Palm Springs, CA thanking the organization for advancing the interests of Armenia and Artsakh in the United States.

During the visits, President Ghoukasian met with U.S. Congressmen Frank Pallone (D-NJ) in New York, George Radanovich (R-CA) and Devin Nunes (R-CA) in Fresno, thanking them for the U.S. Congress' continued funding of humanitarian programs in Nagorno Karabakh, which contribute greatly to its post-war reconstruction. Ghoukasian visited the California State Assembly, meeting with Speakers' Chief of Staff, as Speaker Herb Wesson was traveling at the time. In San Francisco, California Assistant Speaker pro Tempore, Assemblyman Leland Yee accompanied Ghoukasian to the Mount Davidson Cross, where they laid a wreath in memory of the one and a half million innocent Armenians, who perished in the Armenian Genocide.

Ghoukasian held editorial board meetings with the Los Angeles Times and the Boston Globe newspapers, briefing foreign editors on recent developments in the South Caucasus and presenting



At the Armenian Assembly's Annual Gala in Palm Springs, CA. (Left to right: Consul General of Armenia in Los Angeles Gagik Kirakossian, his wife Marina Susanian, First Lady Inna Ghoukasian, President Arkady Ghoukasian, NKR Deputy Representative Sarkis Kotanjian and Executive Director of All-Armenia "Hayastan" Fund Naira Melkumian.)

Stepanakert's position on resolving the Nagorno Karabakh conflict. He also met with experts at the New York-based Council on Foreign Relations.

During the All-Armenia Hayastan Fund's Thanksgiving Day Telethon held November 27, a record-breaking \$6.1 million was raised from Armenians around the world, with the bulk of the funds going to the completion of the North-South Highway. Among the top contributors this year were Mrs. Louise Manoogian Simone and Mr. Albert Boyajian, who donated \$1 million each, Mr. Gerard Cafesjian, who gave \$500,000 and Russian businessman Ara Abrahamian, who brought in \$200,000 on behalf of the Moscow-based Armenian World Congress. This year, Armenia and Nagorno Karabakh contributed a record figure of \$720,000, which is a significant amount given their economic hardship. The Armenians of European countries contributed some \$900,000. In order to complete the highway an additional \$7 million is needed.

PRESIDENT OF ARMENIA MEETS ILHAM ALIYEV, DISCUSSES KARABAKH



President of Armenia Robert Kocharian and Ilham Aliyev.

The Presidents of Armenia and Azerbaijan, Robert Kocharian and Ilham Aliyev met December 11 in Geneva to discuss the stalled Nagorno Karabakh peace process. While there were no breakthroughs, it was the two presidents' first such meeting. The newly-elected Azerbaijani President has cemented the Aliyev clan's hold on power in an election that foreign observers called undemocratic. It was the first dynastic transfer of power from father to son in the countries of the former Soviet Union. Kocharian met with Aliyev's late father, Heydar, more than two dozen times, beginning 1999, in a process that brought the sides "significantly close to the final solution of the conflict" in the words of the American, French and Russian Co-Chairmen of the OSCE Minsk Group. The two presidents

came close to reaching a peace deal, following the Key West, Florida talks in 2001, but Heydar Aliyev backed off at the last minute citing domestic political pressure, a move that, in effect, stalled the peace process.

At a press conference following the one-on-one meeting, Kocharian and Aliyev summed up their encounter as an "exchange of opinions" on how best to proceed with the peace process mediated by the Organization for Security and Cooperation in Europe's (OSCE) Minsk Group. Reportedly, no peace plan was discussed during the meeting. In his comments the Armenian Foreign Minister Vardan Oskanian called the meeting "useful" but said it had no concrete results. "We are still not sure whether Azerbaijan will continue the talks from the point where they stopped or would like to start everything from scratch," said Oskanian.

The meeting followed separate consultations of the OSCE Minsk Group Co-Chairmen with the Presidents of Armenia, Nagorno Karabakh and Azerbaijan. The recently appointed Russian Co-Chairman

of the Group, Yuri Merzlyakov traveled to Stepanakert in September to clarify the position of the Nagorno Karabakh side. Nagorno Karabakh officials stressed the importance of resumption of negotiations, with Stepanakert sitting at the table, alongside Yerevan and Baku. Merzlyakov also traveled to Yerevan and Baku. On October 21, President Arkady Ghoukasian met with the then OSCE Chairman-in-Office, the Minister of Foreign Affairs of the Netherlands, Jaap de Hoop Scheffer in Yerevan, briefing him on the current political situation in the region and offering Stepanakert's perspective on the negotiations process. While in Yerevan, Ghoukasian also met with the European Union's Special Representative for the South Caucasus Heikki Talvitie, who, a day later at a press conference, called Ghoukasian "a central figure in the region". On November 8, Ghoukasian also met in Paris with the French Co-Chairman of the OSCE Minsk Group, Henri Jacolin.

All three OSCE Minsk Group Co-Chairmen visited the region in early De-

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PRESIDENT OF ARMENIA MEETS NEWLY-ELECTED ILHAM ALIYEV, DISCUSSES KARABAKH

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Family photo of Ilham Aliyev with his late father, Heydar Aliyev, from whom he inherited the post of the President of Azerbaijan.

December, arriving in Stepanakert December 7. They held a meeting with President Ghukasian, Foreign Minister Ashot Ghoulia and Defense Minister Seyran Ohanian. "For us, the negotiation is not a goal by itself, but rather a means of achieving a final settlement of the conflict, in which Nagorno Karabakh is critically interested", said Ghukasian. He added that it was very important that Azerbaijan cease its smear campaign against the au-

thorities of Nagorno Karabakh, as it impedes rapprochement among the parties to the conflict. At the press conference following the meeting, the Russian Co-Chairman stated that "Nagorno Karabakh is a side in the conflict and this cannot be denied." Ghukasian said that the mediators did not bring any new proposals but rather some new ideas, which are not yet thoroughly defined.

Aliyev made several statements in January characterizing the activity of the OSCE Minsk Group as "unsuccessful" and demanding that the mediators come up with new peace proposals. At the same time he indicated an apparent toughening of Baku's position, saying that he didn't exclude waging a second war to take Nagorno Karabakh under Azerbaijan's control. "We will not put up with the current situation. Azerbaijan has a full right

to liberate its territories at any time and with any means," he declared on January 20th in Baku. The mediators and the U.S. administration have criticized similar statements in the past. In a January 23 interview with Paris-based Figaro newspaper, Aliyev also said "Azerbaijan will never agree to Nagorno Karabakh's independence or its unification with Armenia." Reaction from Stepanakert was swift and direct: "The people of Nagorno Karabakh definitely do not see their future within Azerbaijan," said Foreign Minister Ghoulia, adding that the independent status of Nagorno Karabakh was lawfully affirmed during the December 1991 national referendum. "This should be the basis for defining Nagorno Karabakh's legal status in any peace agreement," concluded Ghoulia.

Two Azeri Citizens Cross the Line of Contact

The situation on the Line of Contact has remained relatively calm during last five months with the exception of two incidents, in which two Azerbaijani citizens crossed the Line of Contact. One of them, Alsafa Abdulkarimov, a shepherd, apparently got lost near his village and ended up on Nagorno Karabakh's territory on September 13. Later, Asif Bayramov, an Azerbaijani army servicemen, deserted his military unit on September 26, escaping what he described as "regular beatings" he received from his commanding officers, got lost in the fog and accidentally crossed the frontline. The military patrol of the NKR Defense Army detained both Azeris. The Stepanakert missions of the International Committee of the Red Cross (ICRC) and the Organization for Security and Cooperation in Europe (OSCE) were

granted free access to the detainees, who were later returned to the Azerbaijani side.

Six OSCE monitoring visits took place during this period. Two of them occurred in Mardakert province (October 24 and November 28), two near Agdam (September 11 and January 8) and two more in Fizuli (November 11 and January 22). During the monitoring sessions the Azerbaijani side did not allow OSCE monitors to access its outposts on the frontline, breaking the previously reached agreements. No cease-fire violations were reported during the monitoring sessions. Representatives of the NKR Ministries of Defense and Foreign Affairs accompanied the OSCE officials.

NKR FOREIGN MINISTRY: "AZERBAIJAN'S ALLEGATIONS UNFOUNDED"

December 10, Stepanakert. The Ministry of Foreign Affairs of the Nagorno Karabakh Republic issued a statement reacting to a new wave in Azerbaijan's smear campaign against Stepanakert. The statement refutes Azerbaijani senior officials' allegations that Nagorno Karabakh is an uncontrolled "gray zone" that hosts international terrorists and is involved in drug-trafficking. It said in part, "The Ministry of Foreign Affairs states that the authorities of the Nagorno Karabakh Republic are responsible for the situation in the NKR and the territories under its control. The Official Baku's accusations are part of an elaborate campaign aimed to discredit Nagorno Karabakh and damage the country's international image." The Foreign Ministry repeated its appeal to the United Nations, Council of Europe, the OSCE, and to the U.S. State Department to send fact-finding missions to Karabakh

"guaranteeing unfettered access to all territories under its control to investigate the matter" and reveal the false nature of Baku's allegations. The statement underscored that the U.S. Department's 2003 Narcotics Control Strategy Report indicates that it is the territory of Azerbaijan that has become one of the major routes of drug trafficking in the world. The MFA's statement also mentions that beginning in early 1990s, Azerbaijan hosted a number of Muslim terrorist groups on its territory that provided support to Azerbaijan in its war against Nagorno Karabakh. Indeed, in 1993, thousands of Islamic mujaheddin from Afghanistan and other countries fought alongside Azerbaijani conscripts on the frontlines of Karabakh. Considerable evidence - identification papers, letters and other documents confiscated from captured or killed mujaheddin, substantiates the report.

Nagorno Karabakh's Industrial Output Grew 39% in 2003

According to the National Statistics Service, the industrial output of Nagorno Karabakh grew 39% in 2003, reaching \$20.2 million. The processing industry share is 66%, while that of the newly established copper and gold mining business was 10% of the total industrial output. At the same time, the private sector produced 67% of all industrial output. Industrial growth was registered at 18% in Stepanakert, 22% in Askeran province, 21% in Hadrut province, 520% in Mardakert province, 260% in Martuni province and 40% in Shushi province. As a result, 352 new jobs were created in the industrial sector alone.