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FM TALLINN  
TO DESKBY 010800Z FCO  
TELNO 183  
OF 301045Z SEPTEMBER 92  
INFO PRIORITY RIGA VILNIUS MOSCOW HELSINKI KIEV STOCKHOLM  
INFO PRIORITY OSLO COPENHAGEN WASHINGTON BONN PARIS  
INFO PRIORITY UKDEL NATO UKREP BRUSSELS ACTOR

ESTONIA: LATEST DEVELOPMENTS

SUMMARY

1. PARLIAMENTARY AND PRESIDENTIAL ELECTIONS PASS CALMLY. QUALIFIED VICTORY FOR CENTRE-RIGHT. PRESIDENT TO BE ELECTED BY PARLIAMENT ON 5 OCTOBER. RUSSIAN GOVERNMENT TAKES HARD LINE ON ALLEGED DISENFRANCHISEMENT OF RUSSIAN COMMUNITY. TALKS ON TROOP WITHDRAWAL CONTINUE AT WORKING GROUP LEVEL. CONFIRMATION THAT RUSSIAN BORDER GUARDS ALL OUT THIS YEAR. SEVERAL MILITARY PREMISES HANDED OVER IN GOOD CONDITION FOLLOWING UNDERTAKING BY RUSSIAN C-IN-C NW DISTRICT. ESTONIA TO INVITE INSPECTION TEAM UNDER MOSCOW MECHANISM OF HUMAN DIMENSION. ECONOMY STAGNANT BILATERAL RELATIONS BUOYANT.

DETAIL

2. ELECTIONS. SOME 68 PER CENT OF THE ELECTORATE VOTED ON 20 SEPTEMBER IN AN ATMOSPHERE OF CALM. COUNCIL OF EUROPE OBSERVERS REPORTED THAT THE ELECTIONS WERE FREE AND FAIR. THE RESULTS LEAVE THE RIGHT OF CENTRE FATHERLAND FRONT WITH THE LARGEST NUMBER OF SEATS (29) IN THE 101 MEMBER PARLIAMENT. THE FRONT IS NOW COBBLING TOGETHER A COALITION WITH THE NATIONAL INDEPENDENCE PARTY, THE MODERATES AND SAFE HOME. BRISK BARGAINING IS IN TRAIN AS EACH PARTY HOLDS OUT FOR SPECIFIC MINISTERIAL PORTFOLIOS. MART LAAR, A 32 YEAR OLD CHRISTIAN DEMOCRAT, IS THE FRONT'S NOMINEE FOR PRIME MINISTER WHILE SAFE HOME WANT THEIR RIIVO SINIJARV IN THE PM'S SLOT. THE FRONT SHOULD GET THEIR WAY.

3. NONE OF THE PRESIDENTIAL CANDIDATES GAINED AN OVERALL MAJORITY ON 20 SEPTEMBER WHICH MEANS THAT PARLIAMENT WILL NOW ELECT THE PRESIDENT ON 5 OCTOBER. THE TWO REMAINING CANDIDATES ARE ARNOLD RUUTEL (42 PER CENT ON 20 SEPTEMBER), THE CURRENT CHAIRMAN OF THE SUPREME COUNCIL, AND LENNART MERI (29 PER CENT), THE FORMER FOREIGN MINISTER. MERI SHOULD WIN COMFORTABLY AS

RUUTEL'S POPULARITY AT THE GRASS ROOTS DOES NOT EXTEND TO THE POLITICAL LEVEL.

4. RUSSIAN-ESTONIAN RELATIONS. THE RUSSIAN GOVERNMENT REACTED TO THE ELECTIONS BY ISSUING A STIFF STATEMENT THREATENING STERN MEASURES (AS YET UNSPECIFIED) AGAINST ESTONIA FOR DENYING ITS RUSSIAN COMMUNITY THE VOTE. MEANWHILE TALKS ON TROOP WITHDRAWAL ARE CONTINUING IN TALLINN AT WORKING GROUP LEVEL. THE HEAD OF THE RUSSIAN BORDER GUARDS CONFIRMED THAT ALL HIS PEOPLE WILL LEAVE BY THE END OF THE YEAR. FOLLOWING AN UNDERTAKING BY THE RUSSIAN C-IN-C OF THE NORTH WEST DISTRICT, SEVERAL MILITARY AND BORDER GUARD PREMISES HAVE BEEN HANDED OVER TO ESTONIA IN GOOD CONDITION, A WELCOME DEVELOPMENT. WHEN I VISITED THE HITHERTO CLOSED TOWN AND NAVAL BASE OF PALDISKI RECENTLY (20 MARLBORO GET YOU PAST THE RUSSIAN GUARDS) THERE WAS EVERYWHERE EVIDENCE OF DELIBERATE DESTRUCTION.

5. HUMAN RIGHTS MISSION. ESTONIA HAS INVITED AN INSPECTION MISSION UNDER THE MOSCOW MECHANISM OF THE HUMAN DIMENSION. SHE HAS HITHERTO DECLINED TO DO SO BECAUSE OF THE COSTS INVOLVED, BUT, FOLLOWING AN OFFER BY HMG TO CONTRIBUTE TOWARDS THESE, FOLLOWED BY SIMILAR PLEDGES FROM FINLAND AND DENMARK, SHE HAS DECIDED TO GO AHEAD, PRE-EMPTING AN EXPECTED RETURN TO THE CHARGE BY RUSSIA.

6. ECONOMY. THIS REMAINS STAGNANT. UNEMPLOYMENT IS EXPECTED TO RISE TO 10 PER CENT BY THE END OF THE YEAR AS INEFFICIENT AND LOSS-MAKING STATE ENTERPRISES ARE ALLOWED TO GO TO THE WALL. INFLATION IS A WORRY: 24.3 PER CENT IN JULY AND 17.6 IN AUGUST. THE MINIMUM MONTHLY WAGE HAS BEEN INCREASED BY 50 PER CENT TO 300 KROONS FROM 1 OCTOBER. THE ESTONIANS ARE PINNING HIGH HOPES ON THEIR FREE TRADE AGREEMENT WITH RUSSIA SIGNED ON 7 SEPTEMBER BUT IF THE RUSSIANS HOLD TO THEIR INTENDED STERN MEASURES AGAINST ESTONIA (PARAGRAPH 4), THE AGREEMENT SEEMS LIKELY TO BE AN EARLY CASUALTY.

7. BILATERAL RELATIONS. THESE ARE BUOYANT. AN AIR SERVICES AGREEMENT WAS SIGNED IN TALLINN ON 23 SEPTEMBER. LAST WEEK ALSO SAW SUCCESSFUL VISITS FROM A ROYAL NAVAL SQUADRON OF THREE MINESWEEPERS AND THE HEAD OF EASTERN DEPARTMENT. THIS WEEK THE COMPTROLLER AND AUDITOR GENERAL, SIR J BOURN, IS HERE AT THE INVITATION OF HIS ESTONIAN COUNTERPART AND IS BEING RECEIVED AT THE HIGHEST LEVEL.

COMMENT

8. THE ELECTIONS CAP AN EVENTFUL FIRST YEAR OF INDEPENDENCE. ESTONIA NOW HAS A CONSTITUTION, A DEMOCRATICALLY ELECTED PARLIAMENT AND HER OWN CURRENCY. SHE ALSO HAS A CITIZENSHIP LAW WHICH, ALTHOUGH LIBERAL AND EVEN GENEROUS BY INTERNATIONAL STANDARDS, IS PERCEIVED AS DISCRIMINATORY BY THE RUSSIAN COMMUNITY AND THE RUSSIAN GOVERNMENT. SINCE THE KEY TO ESTONIA'S VIABILITY AS A SOVEREIGN STATE IS A HARMONIOUS AND STABLE RELATIONSHIP WITH RUSSIA, IT IS IN HER INTERESTS TO DO ALL SHE CAN, SHORT OF PREJUDICING HER SOVEREIGNTY, TO ACCOMODATE THE ASPIRATIONS OF THE RUSSIAN COMMUNITY. THE ELECTIONS TOOK PLACE ON AN ALL-PARTY PLATFORM OF NATIONALIST FERVOUR. NOW THERE IS REASON TO HOPE THAT THIS CAN BE DISPENSED WITH AND THAT THE NEW PARLIAMENT WILL SEE ITS WAY TO MAKING IT EASIER FOR THE RUSSIAN COMMUNITY TO ACQUIRE CITIZENSHIP.

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OF 060830Z OCTOBER 92  
INFO ROUTINE RIGA VILNIUS MOSCOW HELSINKI KIEV STOCKHOLM  
INFO ROUTINE OSLO COPENHAGEN WASHINGTON BONN PARIS  
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ESTONIA: FIRST SESSION OF PARLIAMENT

1. THE FIRST SESSION OF THE NEW ESTONIAN PARLIAMENT TOOK PLACE ON 5 OCTOBER. AFTER SWEARING-IN OF THE 101 MEMBERS, VOTES WERE TAKEN FOR THE POSITIONS OF SPEAKER, FIRST AND SECOND DEPUTY SPEAKERS AND PRESIDENT OF THE REPUBLIC.

2. RESULTS WERE AS FOLLOWS: FOR SPEAKER, ULO NUGIS (FATHERLAND FRONT) BEAT RIIVO SINIJARV (SAFE HOME) BY 50 TO 47. THERE WAS ALSO A TWO-HORSE RACE FOR FIRST AND SECOND DEPUTY SPEAKERS WON BY TUNNE KELAM (NATIONAL INDEPENDENCE PARTY) AGAINST EDGAR SAVISAAR (PEOPLE'S FRONT) BY 50 TO 41.

3. THE MAIN EVENT OF THE DAY CAME NEXT: THE ELECTION OF THE PRESIDENT. MERI (FATHERLAND FRONT) WON AS EXPECTED AGAINST RUUTEL (SAFE HOME) BY 59 VOTES TO 31 (11 SPOILED OR ABSENTEE VOTES).

COMMENT

4. MERI'S VICTORY WAS LESS CLEAR CUT THAN EXPECTED, THANKS TO SAVISAAR'S POPULAR FRONT DEFECTING TO RUUTEL AT THE LAST MINUTE. THIS LEFT SAFE HOME AND POPULAR FRONT VOTING FOR RUUTEL WHILE THE FATHERLAND FRONT, MODERATES, NATIONAL INDEPENDENCE PARTY (NIP) AND ROYALISTS SUPPORTED MERI.

THE ESTONIAN CITIZENS' PARTY (ECP) MEMBERS SPOILED THEIR PAPERS ON THE GROUNDS THAT THE METHOD OF ELECTING THE PRESIDENT IS UNDEMOCRATIC. THEY HAVE A POINT: THE CANDIDATE WITH 42 PER CENT OF THE POPULAR VOTE ENDS UP LOSING TO THE ONE WITH 29 PER CENT. THE ECP MAINTAIN THAT THE PEOPLE SHOULD HAVE A FRESH OPPORTUNITY TO CHOOSE BETWEEN THE TWO.

5. SAVISAAR'S DEFECTION FROM THE MERI RANKS IS DOUBTLESS DUE TO THE LATTER'S REFUSAL TO NOMINATE HIM FOR PRIME MINISTER, REASONING, RIGHTLY, THAT HE DID NOT HAVE TO PAY THAT HEAVY

PRICE FOR VICTORY. IT WAS A BAD DAY FOR SAVISAAR, BEING BEATEN INTO THE SECOND DEPUTY SPEAKER SLOT BY KELAM OF THE NIP WHOSE REWARD FOR SUPPORTING MERI IS THE JOB OF FIRST DEPUTY SPEAKER. THE CLOSEST CONTEST WAS FOR SPEAKER WITH NUGIS SCRAPING HOME AGAINST SINIJARV. THE LATTER MUSED LAST EVENING ON TELEVISION THAT IT WAS ODD THAT THE FATHERLAND FRONT FACTION, AFTER CAMPAIGNING AGAINST THE OLD NOMENCLATURA, FINISHED UP VOTING ONE OF ITS MOST PROMINENT MEMBERS INTO THE SPEAKER'S CHAIR.

6. MERI MUST NOW NOMINATE A PRIME MINISTER, ALMOST CERTAINLY MART LAAR, WHO WILL THEN NEED TO FORM A CABINET TAKING INTO ACCOUNT THE NEED TO REPAY WITH PORTFOLIOS THE VARIOUS PARTIES IN THE FATHERLAND ALLIANCE FOR THEIR SUPPORT. THIS COULD TAKE AS MUCH AS TWO WEEKS.

7. I HOPE THE QUEEN WILL SEND A MESSAGE OF CONGRATULATIONS TO PRESIDENT MERI. A SIMILAR SPEAKER TO SPEAKER MESSAGE WOULD ALSO BE APPROPRIATE SINCE THIS IS ESTONIA'S FIRST DEMOCRATICALLY ELECTED PARLIAMENT SINCE THE 1930S.

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Digest of 14 October 1992 report from Tallinn to FCO London titled "ESTONIA: LATEST DEVELOPMENTS"

ELECTIONS

2. ON 5 OCTOBER THE RIIGIKOGU'S FIRST SESSION SAW THE ELECTION OF LENNART MERI AS PRESIDENT BY 59 VOTES TO 31 FOR ARNOLD RUUTEL. THE RIGHT ALSO GAINED THE POSTS OF SPEAKER (ULO NUGIS) AND FIRST DEPUTY SPEAKER (TUNNE KELAM), WHILE EDGAR SAVISAAR, FORMER PRIME MINISTER, WAS ELECTED SECOND DEPUTY SPEAKER.

3. UPON BEING SWORN IN ON 6 OCTOBER MERI, AS EXPECTED, NOMINATED MART LAAR AS HIS PRIME MINISTER. LAAR IS A 32-YEAR OLD CHRISTIAN DEMOCRAT, AN OUTSPOKEN NATIONALIST WHO NARROWLY ESCAPED ARREST BY THE KGB BEFORE INDEPENDENCE. HE IS FORMING HIS CABINET WHICH WILL BE PUT BEFORE THE RIIGIKOGU ANY DAY NOW. DEPUTY FOREIGN MINISTER VELLISTE IS LIKELY TO BE PROMOTED TO FOREIGN MINISTER.

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FM TALLINN  
TO PRIORITY FCO  
TELNO 193  
OF 160900Z OCTOBER 92  
INFO ROUTINE RIGA, VILNIUS, MOSCOW, HELSINKI

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ESTONIA : NEW GOVERNMENT

1. IT NOW SEEMS LIKELY THAT MART LAAR WILL PRESENT BOTH HIS  
GOVERNMENT PROGRAMME AND HIS CABINET TO THE RIIGIKORU ON  
MONDAY 19 OCTOBER.

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 TO PRIORITY FCO  
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 OF 220600Z OCTOBER 92  
 INFO ROUTINE RIGA VILNIUS MOSCOW HELSINKI KIEV STOCKHOLM  
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ESTONIA: NEW GOVERNMENT

1. MART LAAR, THE NEW PRIME MINISTER, HAS FORMED HIS GOVERNMENT WHICH WAS ANNOUNCED LATE ON 21 OCTOBER. THE CABINET IS AS FOLLOWS:

PRIME MINISTER	:	MART LAAR (FATHERLAND)
INTERIOR	:	LAGLE PAREK (NATIONAL INDEPENDENCE PARTY)
JUSTICE	:	KAIDO KAMA (FATHERLAND)
CULTURE AND EDUCATION:		PAUL-EERIK RUMMO
SOCIAL AFFAIRS, LABOUR AND HEALTH	:	MARJU LAURISTIN (MODERATES)
ECONOMY, TRADE, CONSTRUCTION AND INDUSTRY	:	AIN SAARMANN (FATHERLAND)
FOREIGN AFFAIRS	:	TRIVIMI VELLISTE (FATHERLAND)
ENERGY	:	ARVO NIITENBERG (RETAINS HIS POST)
AGRICULTURE	:	JAAH LEETSAAR
FINANCE	:	MADIS UURIKE
ENVIRONMENT	:	ANDRES TARAND (MODERATES)
DEFENCE	:	HEIN REBAS
TRANSPORT AND COMMUNICATIONS	:	ANDI MEISTER (FORMER AIDE TO PRIME MINISTER VAHI)
MINISTER FOR REFORM	:	MS LIIA HANNI (MODERATES)
COUNSELLOR FOR ECONOMIC AFFAIRS WITH RANK OF MINISTER	:	ARDO HANSSON (EMIGRE FROM SWEDEN)

2. ECONOMY HAS ABSORBED THE FORMER MINISTRIES OF CONSTRUCTION, TRADE AND INDUSTRY WHILE SOCIAL SERVICES HAS TAKEN IN HEALTH AND LABOUR. CULTURE AND EDUCATION HAVE BEEN COMBINED.

3. THE CABINET WILL BE SWORN IN ON 22 OCTOBER. PERSONALITY NOTES WILL FOLLOW WHEN AVAILABLE.

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Digest of 28 October 1992 report from Tallinn to FCO London titled "ESTONIA: LATEST DEVELOPMENTS"

ESTONIA: LATEST DEVELOPMENTS

6/12

1. NEW CABINET ANNOUNCED ON 21 OCTOBER BY PRESIDENT MERI WITH MART HAAR AS PRIME MINISTER. OUTLINE OF GOVERNMENT PROGRAMME GIVEN TO PARLIAMENT BY THE PRIME MINISTER. WORLD BANK CREDIT OF US DOLLARS 30 MILLION TO ESTONIA AND COMMISSION DELEGATION AGREES TERMS FOR 40 MILLION ECU LOAN TO BRIDGE FINANCING GAP. ANNOUNCEMENT BY RUSSIAN DEFENCE MINISTER THAT TROOP WITHDRAWAL TO BE HALTED.

DETAIL

NEW GOVERNMENT

2. MART HAAR'S CABINET WAS ANNOUNCED ON 21 OCTOBER AND SWORN IN THE FOLLOWING DAY. THE NUMBER OF MINISTERS HAVE BEEN REDUCED FROM 18 TO 11 WITH TWO MINISTERS WITHOUT PORTFOLIO. ONE WILL COVER REFORM AND THE OTHER ENERGY. ECONOMY, TRADE AND CONSTRUCTION HAVE BEEN MERGED AS HAVE HEALTH, LABOUR AND SOCIAL SECURITY AND EDUCATION AND CULTURE. THE BUREAUCRACY WILL BE CUT BY A THIRD. TRIVIMI VELLISTE IS FOREIGN MINISTER AND DEPUTY PRIME MINISTER.

GOVERNMENT PROGRAMME

3. THE GOVERNMENT'S AIMS ARE AS FOLLOWS:

- REINFORCEMENT OF ESTONIA'S STATEHOOD
- PROTECTION OF DEMOCRACY
- STABILISATION OF THE ECONOMY
- CREATION OF ENVIRONMENTAL AND SOCIAL CONDITIONS NECESSARY FOR DEVELOPING A MARKET ECONOMY
- INTEGRATION INTO EUROPE.

\*end\*