



British Embassy
Tallinn

31 December 1996

The Rt Hon Malcolm Rifkind QC MP
Secretary of State for Foreign
and Commonwealth Affairs
London

Sir,

ESTONIA: ANNUAL REVIEW FOR 1996

1. In mid-1996 Estonia notched up five years of renewed independence. The feeling of achievement was tempered by doubts that its European aspirations would soon be satisfied. The newly-reelected President Meri said while visiting Latvia: "At present our status is that of a pupil coming from a poor family, whose tuition expenses are covered by someone else... but a precondition for that has always been excellent progress at school." On the whole that progress was achieved during the year.

POLITICS

2. All year, until its November collapse, Tiit Vähi's brittle three-way coalition was weakened by arguments between its component parties. A lot centred on personalities, notably the Prime Minister himself and his Foreign Minister Kallas. But the disagreements were also about real issues, especially the desirability of introducing agricultural protection as urged by the farm lobby. The coalition somehow held together past the Presidential and local elections before Kallas pulled his Reform Party out; Vähi blamed him for trying to be in opposition as well as government. He soon put together a two-party coalition with six new ministers, and though a minority government it can rely on Centre Party votes and some Russian MPs. But its life-expectancy is short - the cynics say no longer than March, when existing MPs qualify for generous pensions. It cannot be good for government to have had three Foreign Ministers in just over a year and three European Affairs Ministers in five months.

