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FM TALLINN  
TO DESKBY 120900Z FCO  
TELNO 210  
OF 111500Z NOVEMBER 92

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RERUN OF OUR TELNO 210: AMENDED VERSION  
SUMMARY

1. SUSPENSION OF TROOP WITHDRAWALS DOMINATES RELATIONS BETWEEN ESTONIA AND RUSSIA. CSCE OFFICIAL TO MAKE EXPLANATORY VISIT TO ESTONIA. THE ECONOMY PRODUCES WORSE THAN EXPECTED FIGURES. TENSION IN THE ESTONIAN BANKING SECTOR. THE ESTONIAN BORDER GUARD CELEBRATES IT'S 70TH ANNIVERSARY. THE SWEDISH PRIME MINISTER, CARL BILDT VISITS ESTONIA. ESTONIAN FOREIGN MINISTER PAYS OFFICIAL VISIT TO DENMARK AND SWEDEN. A DELEGATION FROM THE US HOUSE OF REPRESENTATIVES IS IN ESTONIA ON A GOODWILL MISSION.

DETAIL

2. RELATIONS WITH RUSSIA. YELTSIN'S DECREE OF 29 OCTOBER RECEIVED CALMLY IN PUBLIC BY BOTH PRESIDENT MERI AND PRIME MINISTER MART LAAR. ON 3 NOVEMBER THE RUSSIAN DEPUTY MINISTER OF FOREIGN AFFAIRS, VITALI TSHURKIN MET WITH MERI, LAAR, FOREIGN MINISTER VELLISTE AND SPEAKER ULO NUGIS IN TALLINN AND TOLD THEM THAT RUSSIA DID NOT LINK HUMAN RIGHTS OF THE RUSSIAN-SPEAKING MINORITY IN ESTONIA WITH TROOP WITHDRAWALS. LAAR WROTE A LETTER TO JOHN MAJOR ON 4 NOVEMBER ASKING MAJOR TO PUT ACROSS THE BALTIC STATES POINT OF VIEW IN HIS MEETING WITH YELTSIN ON 9 NOVEMBER. YELTSIN WROTE A LETTER TO MERI ON 5 NOVEMBER EXPLAINING THAT ALTHOUGH RUSSIA WAS COMMITTED TO TROOP WITHDRAWALS, ISSUES SUCH AS THE HUMAN RIGHTS OF RUSSIAN POPULATION IN ESTONIA WOULD NEED RESOLVING FIRST. MERI RECEIVED THE LETTER ON 10 NOVEMBER AND TOLD ME HE WOULD RESPOND POSITIVELY SAYING HE WELCOMED UN INVOLVEMENT BUT THAT HUMAN RIGHTS OF BALTIC CITIZENS SENT TO SIBERIA WOULD ALSO NEED INVESTIGATING.

3. CSCE. A REPRESENTATIVE OF THE CSCE WILL START WORK NEXT WEEK ON EXPLORING THE POSSIBILITY OF SENDING A MISSION TO EXAMINE THE RELATIONS BETWEEN ESTONIANS AND ETHNIC RUSSIANS WITH THE AIM OF AVOIDING FUTURE ETHNIC TENSION. THIS PROJECT WAS PROPOSED BY THE SWEDISH DELEGATION AT THE CSCE MEETING IN PRAGUE.

4. THE ECONOMY. UNEMPLOYMENT IN ESTONIA IS NOW ESTIMATED TO STAND AT 80,000. OVER OCTOBER CONSUMER GOODS PRICES WENT UP BY 14 PER CENT ON AVERAGE AND RENT ROSE BY 12 PER CENT. INFLATION FOR THE MONTH STANDS AT 7.5 PER CENT, SOME 2.5 PER CENT ABOVE THE GOVERNMENT'S TARGET. PRIVATIZATION IS NOW SEEN AS A MAJOR PRIORITY BY THE ESTONIAN GOVERNMENT BUT PLANS MAY BE HAMPERED BY THE FACT THAT 75 PER CENT OF LARGE STATE ENTERPRISES ARE JUDGED TO BE INSOLVENT. PRODUCTION HAS DROPPED BY 40 PER CENT OVER THE PAST YEAR. FOREIGN TRADE FOR SEPTEMBER SHOWS A DEFICIT OF 67 MILLION KROON DUE TO OIL IMPORTS, AND THE JULY - SEPTEMBER QUARTER NOW SHOWS A 20 MILLION KROON DEFICIT OVERALL. ON 27 OCTOBER AN INVESTMENT PROTECTION TREATY WAS SIGNED IN TALLINN BETWEEN ESTONIA AND THE NETHERLANDS.

5. THE UNION BALTIC BANK HAS CAUSED ALARM IN THE BANKING SECTOR BY FREEZING ALL STATE ENTERPRISE TRANSACTIONS AS OF 9 NOVEMBER. IT HAS TAKEN THIS ACTION BECAUSE IT THINKS THAT THE ESTONIAN GOVERNMENT IS NOT DOING ENOUGH TO RETRIEVE THE 40 MILLION US DOLLARS BELONGING TO THE BANK WHICH WERE FROZEN JANUARY 1992 BY THE RUSSIAN VNESHECONOMBANK.

6. THE ESTONIAN BORDER GUARD CELEBRATED IT'S 70TH ANNIVERSARY BETWEEN 28 OCTOBER AND 1 NOVEMBER BY STAGING SEMINARS, RECEPTIONS AND A VISIT OF DEFENCE ATTACHES ACCREDITED TO TALLINN TO NARVA.

7. THE SWEDISH PRIME MINISTER, CARL BILDT, MADE AN OFFICIAL VISIT TO ESTONIA ON 27-28 OCTOBER. BILDT MET MART LAAR, THE ESTONIAN PRIME MINISTER, FOR DINNER AND TALKS ABOUT THE EC, THE CSCE PROCESS AND MUTUAL DEFENCE ISSUES.

8. FOREIGN MINISTER TRIVIMI VELLISTE MADE AN OFFICIAL VISIT TO DENMARK AND SWEDEN ON 4-10 NOVEMBER. IN DENMARK HE MET THE DANISH FOREIGN MINISTER, UFFE ELLEMANN-JENSEN, AND TOOK PART IN THE DANISH CONSERVATIVE PARTY'S ANNUAL CONFERENCE, AND MET THE NORWEGIAN FOREIGN MINISTER, THORVALD STOLTENBERG AT THE AUTUMN SESSION OF THE NORDIC COUNCIL. HE MET THE SWEDISH FOREIGN MINISTER, MARGARETHA AF UGGLAS IN STOCKHOLM ON 10 NOVEMBER.

9. A FOUR MEMBER DELEGATION FROM THE US HOUSE OF REPRESENTATIVES WAS IN TALLINN ON 9-10 NOVEMBER. THE DELEGATION MET THE PRIME MINISTER

MART LAAR, AND THE DEFENCE MINISTER HAIN REBAS AND DISCUSSED THE DEVELOPMENT PROGRAMME OF ESTONIA, TROOP WITHDRAWALS, AND THE HUMAN RIGHTS SITUATION OF NON-ESTONIANS.

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