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statehood, in return for which, Tarand has hinted, they will drop their claims. There are some signs that the Russians will moderate their point - blank refusal to acknowledge the Treaty's validity. At least the respective Border Guards seem, with Finnish help, to be talking to each other about practical issues. At the end of the year, the Chechnya crisis caused considerable worry here, both because of the use of Russian force against a small people on its border, and because Dudaev has Estonian links dating from his Soviet Air Force service here in the late '80's. At first the Government kept its rhetoric level down, despite parliamentary pressure, but at year-end they criticised the Russians strongly on human rights and CSCE grounds.

10. Difficulties were also caused by the continuing restiveness of the 500,000 strong Russian ethnic minority - nearly 40 % of the population - and by Russian expressions of sympathy for them. Complaints of human rights abuse (and of 'racism', even 'apartheid', to use Russian UN rhetoric) may be overstated. But there is some administrative discrimination, in addition to the stiff requirements of the Estonian citizenship law, which requires both several years' residence and a formal test in this country's difficult national language. Such requirements are likely to be tightened in 1995. The continued presence of a resident CSCE mission monitoring this issue, and making criticisms in its reports, seriously riled the Estonians - in September to the point of threatening to close the mission down. They calmed down, and after the Budapest summit in December agreed - with ill grace - to have the mission's mandate extended to mid 1995. The new (British) head of the CSCE mission is going to have a delicate task. But, on the whole, 1994 saw real improvement in Russo-Estonian relations. Luik spoke in his end-year review of 'flexibility', and a real bilateral dialogue between Foreign Ministries has begun.

ESTONIA AND EUROPE: EU AND NATO

11. The Estonians were well satisfied with the progress they made in 1994 towards their goal - which they don't think is utopian - of membership of the Union by 2000. They consider themselves better placed than the Latvians and Lithuanians. They signed the FTA in July and ratified it in December. They reckon that with no transition periods and their ultraliberal economic policy they can and should finish negotiating the next step, a Europe Agreement, by the spring, and they very much value the 'political dialogue' aspects of the preaccession strategy agreed at Essen. 60 % of their trade is now with the enlarged Union. They are trying seriously to align their laws with EU norms, and they say they do not want to bring their border and minority problems to Brussels. The fact that Finland's accession gives the Union a long common border with Russia encourages them further, and they expect their Nordic friends to campaign them in Brussels. But they know, and Tarand has said, that there is still a long way to go. Their real worry is over security, and they would dearly like to join NATO tomorrow. They were among the first to sign up to PFP and are playing their part in the creation of a Baltic Peace Keeping Battalion.

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