Yesterday in Kadriorg, President Toomas Hendrik Ilves hosted a luncheon for Valdis Zatlers, the newly elected President of Latvia, who was in Estonia on a working visit.

"I am very happy that you, as the new Latvian Head of State, have made your first foreign visit to Estonia," said President IIves. "This characterizes our relations, which can sincerely be described as 'special'. We think in harmony."

The Estonian Head of State said that one need only to look at the economic relations between the two neighboring countries, which continue to develop upwards; Latvia remains one of Estonia's five most important trading partners and the volume of commerce, as well as the ratio of reciprocal investment, is continually increasing.

President Ilves welcomed the preparation of the Estonian-Latvian future report announced by the Prime Ministers of the two countries, the purpose of which is to analyze mutual opportunities for cooperation and to formulate recommendations for the governments of both countries. The Rapporteur for the Estonian side is Mart Meri and Gints Jegermanis, the former ambassador to Estonia is the Latvian Rapporteur.

The Estonian and Latvian Heads of State both felt that cross-border cooperation is important and expressed their hope that this will gain new momentum after January 1, 2008, when both countries joint the Schengen visa space.

Speaking about energy, the Presidents discussed the future of the Ignalina nuclear power plant and the need to reach a binding agreement between the Baltic countries and Poland as soon as possible.

Speaking about Estonian-Russian relations, President IIves affirmed that Estonia wishes to have mutually respectful relations with its neighbors, which would be free of improper economic and political pressure.

The Estonian Head of State recalled that Estonia is waiting for progress from Russia on almost 20 draft agreements, including agreements on fighting oil pollution in the Baltic Sea, and the prevention and liquidation of states of emergency, while the cooperation agreement related to pension insurance and its amendment protocol are also awaiting an exchange of letters of ratification.

The Estonian Head of State said that although Russia has not implemented official economic sanctions against Estonia, significant restrictions and hindrances are noticeable in normal commerce and the transit by Estonian railways and through Estonian ports.

Speaking about the cyber defence center to be created in Estonia—for which Germany and the United States have expressed support—President Ilves said that Latvia would be a welcomed partner.

"It is usually said that generals are preparing for the last war, but now we can demonstrate that we are thinking about how to be ready for the next, future war," said the Estonian Head of State.

Discussing the problems of the European Union, President Ilves said that Estonia hopes for a quick and active inter-government conference.

"It would be wrong to reopen the political questions. Estonia cannot support this, because it would jeopardize all the compromises the Council achieved with such difficulty in June," said the Estonian Head of State.

Looking to the future, he said that one must not dismiss the enlargement plans of the European Union.

"This means that one should not use negative public opinion as an excuse to start hindering the further enlargement of the Community, or to "finally complete" Europe," said the Estonian Head of State. "It is true that we must consider public opinion; it is true that we can see how Europe is struggling with the consequences of the last enlargement; but we must start patiently explaining the success story of the enlargement, and do so more often."

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