

Honourable members of the audience.
Ladies and gentlemen.

By way of introduction, let me commend all of you who have taken up discussion on the future of relations between Estonia and Russia.

I am sure I do not need to add that in place of glaring at one another and levelling accusations the likes of which saturate the media we need to engage in debate in which we all express our thoughts.

You gave your conference the title of "Is there another way?" – a question we must answer.

Yes, there is another way. There is always another way.

But that answer in itself means nothing. As an approach, it is far too simple. In fact it is not even an assertion that needs to be proved.

It is much more difficult to answer the question: "If there is another way, then how?"

If we really want to do something differently, you have to start by forgetting about labels.

Every indictment against the government that it is incompetent and should stand down is met with the argument that certain businessmen are willing to sell Estonia and its people in the name of a bigger profit.

Every claim that relations between Russia and Estonia would be much better if it were not for Estonia's stupidity can be rebuffed by highlighting the statement made by a highly ranked Russian official recently that there will be no improvement in relations without a "zero option" on citizenship.

But then we have to ask: are relations with Russia any better in Lithuania, Georgia or Ukraine – countries which have implemented this "zero option"?

The answer to the question "Is there another way?" therefore requires a much more detailed analysis.

In fact I would like to reword that central question, too:

What economic, social and cultural detriment or benefit do poor relations with Russia produce or what detriment or benefit have they produced?

Or alternatively:

What economic, social and cultural detriment or benefit could good relations with Russia produce or what detriment or benefit have they produced?

In other words, if we do not want to keep hammering the ball into the same goal, we have to look at the opportunities that are open to us all over the field. Logically and rationally. *Sine ira et studio*

without anger and without prejudice.

Ladies and gentlemen.

I am sure than none of us doubts that relations between Russia and Estonia today are merely the latest chapter in a much longer story. Centuries of chequered, painful historical experiences cannot simply be overlooked.

Neither is it possible to separate the political relations between the countries from their economic relations.

As we all know, relations between Russia and Estonia are far from great. And this has effectively cut – or at least we feel that it has cut – the economic ties between our countries.

Politics and the economy are indeed connected in international relations, but nobody can produce an exact measuring stick and say: "Ratifying the border agreement would add this or that percent to imports and exports". Postulating along those lines is impossible.

In the same way it is only possible to assume in hindsight what the lack of Russia's double tolls would have meant at the time for the competitiveness of the Estonian economy.

Having said that, I am quite convinced that bilateral economic relations can develop if two key conditions are met:

- firstly, that neither party may set conditions for or make demands of the other to change their domestic policy; and
- secondly, that the parties may not set the fulfilment of demands or wishes in one field as the basis for the development of relations in another.

I am sure that you all agree with me – Estonia sets no such demands or requirements of any other nation.

Normal economic relations between two countries can only take place if both of these conditions are met. In such a case you do not necessarily require a great friendship or understanding of one another in all matters affecting bilateral relations.

The world has seen a number of examples of how close interpersonal, inter-organisation and economic relations between two countries can ultimately lead to closer political relations.

Take Germany and France for example, and how those two nations have related to one another through 30 years of war up until today. Countries who were once historical enemies have now become partners.

However, that is a place you can never reach if normal economic relations – or better relations, compared to what you have – are considered a bonus you only get if you make sweeping changes at the political level.

On the contrary: demands that changes be made in domestic policy only make relations between two countries worse.

Ladies and gentlemen.

Next, let us examine the issue of the will of the people of a democratic country – that is, the voters.

Estonia freely elected its parliament and thus its governing coalition, who have continued the policy of previous parliaments and governments.

In free and fair elections the Estonian people have not been guided by the policies demanded by another country. And it cannot be any other way if a country and its people are truly independent.

It is not possible in Estonia or any other free and democratic country to serve in a government which implements fundamental changes in other areas – changes which are not accepted by the voters – in order to gain certain advantages, principally desired economic advantages.

A simple example is Estonia's integration with the European Union. Without public support, without lengthy preparations and explanatory work, such a step would have been unthinkable at the political level.

Moreover, the will of the political and economic elite of Estonia alone would not have been enough for the European Union to accept us. We needed a referendum. We needed to hear the will of the people.

Without public support Estonia would not have had the kinds of governments and parliaments who proved able to complete the long and arduous journey to reach the European Union.

And we know of countries that have come unstuck on that journey because the desire of the public to join the European Union has not been sufficiently strong, clear or determined.

In short, we – Estonia and Russia – must respect each other's domestic policy choices that come from the freely expressed will of the people.

Honourable members of the audience.

Thirdly, I would like to raise the issue of the price of good relations and the limit we are willing and able to set in such relations.

Should Estonia have declined to join NATO so as not to irritate Russia? Would that have been the right price?

Is the new Citizenship Act the price we will have to pay? Two official languages? Estonia's support for Georgia?

These kinds of questions are not only been asked in Estonia, or of Estonia.

Everything – every relationship – has its price. If people think that something should be done differently, they should come out and say how much it will cost.

And they should answer one question: Cui bono? Who does it benefit? What good will it bring Estonian voters or business circles?

Ladies and gentlemen.

I do not share the opinions of those who feel that bilateral relations between Estonia and Russia are hopelessly inflexible and cannot be changed.

My meeting this summer with Russian president Dmitri Medvedev – the first official meeting between the heads of our countries in a very long time – was not merely a courtesy visit.

It was a sign that there is a desire to improve relations between our countries; that Russia is basically ready to move ahead in its relationship with Estonia. Given Estonia's readiness to do the same – and let me emphasise that here once again – that is more than a minor victory.

Nevertheless, I am convinced that nothing will change in the short term. More than anything, good relations are based on mutual trust, and that is what we lack most of all.

Building trust is a time-consuming process, but it is something we must try to do. To my mind it would be fitting for us to finally enter into those agreements of a more technical nature which have been ready for years and which, amongst other things, would contribute to economic cooperation.

For the moment though we must remain honest with ourselves and our opponents and admit one thing:

As long as the political relations between our two countries remain not at their best, there is no reason for us to believe that there will be any marked development in our economic relations.

These are just a few of my thoughts then on how we could improve the situation. I wish you every success in exchanging your own in as constructive a way as possible.

Thank you.