

Ladies and Gentlemen,  
Excellencies,  
Dear friends.

Today is the anniversary of the Tartu Peace Treaty, the first great accomplishment of the diplomacy of the Republic of Estonia.

It is also owing to this 89-years-old treaty, one of the base documents of our independence, that we are today enjoying life as a democratic independent nation; that we can be a western democracy abiding by the rule of law, free of the many vices still haunting several of the countries whose fate we had to share during the 50 years of foreign occupation.

Today, it is also the 90th anniversary of the death of Julius Kuperyanov, the great hero of the War of Freedom, who was severely wounded in the Paju battle.

Even this should serve to remind is that for any accomplishment resolute, often self-sacrificing action are required. As passive bystanders, we can never accomplish anything, never make our lofty dreams come true.

Ladies and gentlemen.

Since the previous anniversary of the Tartu Peace Treaty, the world surrounding Estonia has changed considerably. And Estonia has changed too.

First, the economic environment. The grave global financial crisis that broke out last autumn has now grown into a global economic crisis and acquired proportions unknown to the developed world for almost half a century.

Estonia has survived many difficult times:

we remember how the collapse of the Soviet Union brought a general decline in living standards. In 1998, we were facing problems related to the economic collapse in Russia.

Today, we are facing the first cyclical and global economic crisis. This also serves to prove that Estonia is part of the world economy.

A simple case to the point: when the US car producer Ford was hit by difficulties, this also meant a setback for Ford's Swedish subsidiary Volvo. Volvo in turn cut its production down and has therefore no need for the brake system gaskets produced by Merinvest in Kaarna rural municipality on Saaremaa. The employees of Merinvest have therefore been made redundant.

This is just one example of the impact that participation in global economy has on Estonia. When our main export targets – Sweden and Finland, or Germany and Russia – are in economic difficulties, this is bound to affect Estonia.

For Estonian economy, export is of major importance. As we are a small country, stimulation of our domestic market is not enough. We have to sell our goods and services also outside Estonia.

If we cannot do that, business declines and unemployment increases. The state budget is short of funds.

This is where we stand on 2 February 2009. We have no magic wand. Nor did our forefathers who brought us freedom.

Yet they had wisdom and will, they had their dreams.

And this is exactly how we are to tackle our hardships today. We must not panic and start speculating, for instance, about changing the rate of the Estonian kroon.

Because this would bring no relief. This would help no one – neither an individual nor a company, and finally, nor our country – to solve the problems we are facing today. Quite the contrary – we would be playing on our credibility and scaring the people.

Instead, we should prudently take stock of our resources, retrench and plan our economy with more frugality. Above all, everyone – especially the government and the parliament, but also every company, every family and every man and woman – must be aware of their personal and professional responsibility.

This way, we are definitely going to manage. Just as we have managed under much harder trials in our history.

Ladies and gentlemen.

Another considerable, and in my opinion crucial change in the international environment last year took place in our security space. We learned that in Europe it is possible to change national borders by means of military power.

Of course, I am talking about the war between Georgia and Russia. All the post-Cold-War safety that Estonia used to enjoy suffered a severe blow last August.

It is true that Estonia's situation is different from Georgia's. We are in NATO; we are in the European Union. We have strong and reliable allies. It is hardly probable that something similar could happen to Estonia.

Nevertheless we have cause for caution. The aggression of last August has –one might say – been swept under the carpet and forgiven in several influential capitals of the world. Also several EU member states were regrettably modest in their remonstrations.

An Europe divided into spheres of interest or spheres of responsibility belongs to the past centuries. It robbed several nations of their independence and imposed alien dictate on many

countries.

The post-Cold-War Europe of the 21st century – of which the European Union is a moral core – cannot be divided into spheres of influence. Nor can we countenance a neighbour's persistent wishes to that effect.

And this is why we are cautious of Russia's proposal to establish a new security organisation in Europe, because – according to Moscow – the old structures are simply not working, as the very war with Georgia allegedly proves.

Not working indeed, but why? Can the reason be Russia's „privileged interests“ in its neighbours? If we answered in the affirmative, we would admit that the democratic choice of some nations is somehow secondary to Russia's interests.

Foreign policy is always balancing between values and interests. I am still convinced that it is especially in the interests of Estonia to restore the pre-last-August principles.

There is no excuse, no pardon for aggression, as it tramples underfoot all the creeds of the democratic world. We must perpetually defend the position that conflicts are solved by means of diplomacy, not troops.

Ladies and gentlemen.

Active participation in shaping the common policies of the European Union on the part of members who joined the EU in 2004 is not just an issue of prestige or valuation of the results of the Russian-Georgian war.

This winter has, once again, reminded us of the importance of the European energy policy, or rather, and still – its absence. I cannot guess how many more lessons Europe will need to finally understand: the absence of a common European energy policy is going to constrain our choices in implementing independent policies also on a wider plane.

Above all, this calls for the liberalisation of the energy market. Estonia has not taken this step yet. And why should we, if the others are not intending to follow suit?

We need a common decision of the European Union, a common energy policy. As long as the energy markets of the member states remain closed, and each of them vulnerable in its isolation, each member state is going to reconcile itself to solutions that satisfy its own needs. And this takes us to the triumph of the divide et impera or divide and rule policy.

The European Union has been asked to finance the Nordstream project. Indeed, why not. On the whole, Estonia is unable to stop the enterprise that was launched on terms unknown to us. Yet we can, moreover, we must require that the project be carried out in accordance with the EU's own competition rules.

The European Commission has already twice fined the US software company Microsoft for

attaching the obligatory Internet browser Explorer to their software. In the European competition policy, such illegal action is called „bundling“.

At the same time, the European Union allows the gas supplier to own the gas supply networks. This, too, is „bundling“, and also contrary to the very same competition regulations.

This is something quite different from the Microsoft case, they say. Of course it is different. When buying Microsoft software, you are always free to use another web browser, for instance Firefox. Just as you are free to use Linux or Macintosh instead of Microsoft.

With gas, you have no choice. If you are heating your home with gas, or when your power comes from gas turbines, you can only buy it from a single company, who also owns the networks. This is a total monopoly.

If this monopoly is owned by a country not belonging to the European Union, and if that country is using it as a political advantage, then it is the duty of the European Union to protect the citizens of its member states, also by requiring that the laws of competition be observed.

Even here, I believe, Estonia and the other Eastern European countries have their work cut out for them in Brussels.

Ladies and gentlemen.

Yet it is not only in these dark colours we speak of the past foreign policy year. The Lisbon agreement, which last year still seemed hopelessly stuck, may enter into force already at the end of this year.

We are witnessing hopeful developments in transatlantic co-operation, as the regrettable opposition between the US and Europe of the past few years is dissolving.

Estonian troops are concluding their mission in Iraq, where the situation has taken a turn to the better. Now, similar success has to be accomplished in Afghanistan. By means of joint contributions and active solution-finding.

All in all, the foreign policy tasks Estonia is facing are characterised by a single, very clearly defined trait: we must purposefully address the issues that are eventually affecting all Europe.

This is our only chance of making a major contribution in both the European Union and the world at large, one which is not belittled or ignored on the pretext of us being „new“ or „the hostages of our history“.

Ladies and gentlemen.

Facing the economic setbacks together with Europe and the world, Estonia must not forget that it is foreign policy and diplomacy that determine our future for a very long time to come.

This is where we have to try hard, to make us heard and understood. We must be brave and active. We cannot afford to be passive bystanders.

In the 89 years that have passed since the Tartu Peace Treaty, we have seen very hard times, both economically and politically. Yet we must not fail to remind ourselves that we make our own decisions. We need not wait for someone else, somewhere, to make the decisions for us or issue orders.

All this is possible because we are a nation. And one of our nation's cornerstones is the Tartu Peace Treaty from 2 February 1920.

Thank you.