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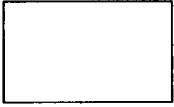
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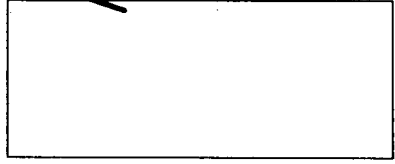
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DIRECTORATE OF
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Intelligence Report

"FINLANDIZATION" IN ACTION: HELSINKI'S EXPERIENCE
WITH MOSCOW
(Reference Title: ESAU LVI)

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August 1972
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"FINLANDIZATION" IN ACTION:
HELSINKI'S EXPERIENCE WITH MOSCOW

MEMORANDUM FOR RECIPIENTS

This study documents the elements of Finland's unique relationship with the USSR, important in itself but especially in its illumination of what a "Finlandization" of Western Europe might resemble in practice -- at least in Soviet expectations. This study finds that the Finns have ingeniously maintained their independence, but a limited one indeed, heavily influenced by the USSR's proximate military might, a preconditioned prudence not to offend Moscow, and the existence of various Soviet capabilities to complicate Finland's domestic life.

Doubtless in the Soviet view these limiting forces would transfer in some measure to a broader Western European scene, to the degree that any future "Finlandization" there should obtain. And Moscow may consider that those factors which presently permit a greater assertion of Finnish independence -- chief

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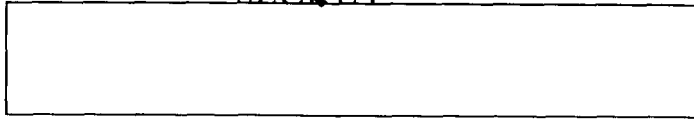
among them Moscow's regard not to undercut its peace offensive in Europe -- might be of lesser force in a situation where some progress toward a broader "Finlandization" had been registered.

The judgments of this study have met general agreement within the Central Intelligence Agency. The paper incorporates information available through 20 August 1972. Comments on this study are welcome, and should be addressed to its author, Carolyn M. Ekedahl, of this staff.

Hal Ford
Chief, DD/I Special Research Staff

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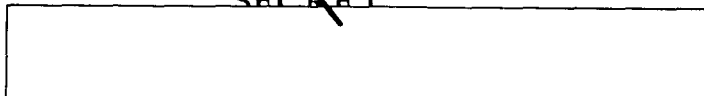
"FINLANDIZATION" IN ACTION:
HELSINKI'S EXPERIENCE WITH MOSCOW

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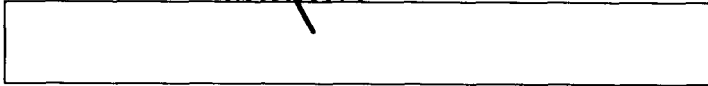
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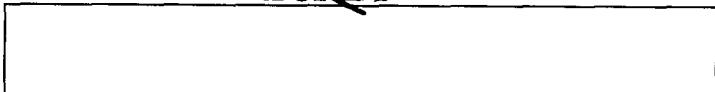
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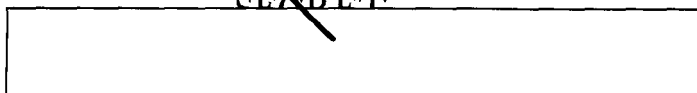
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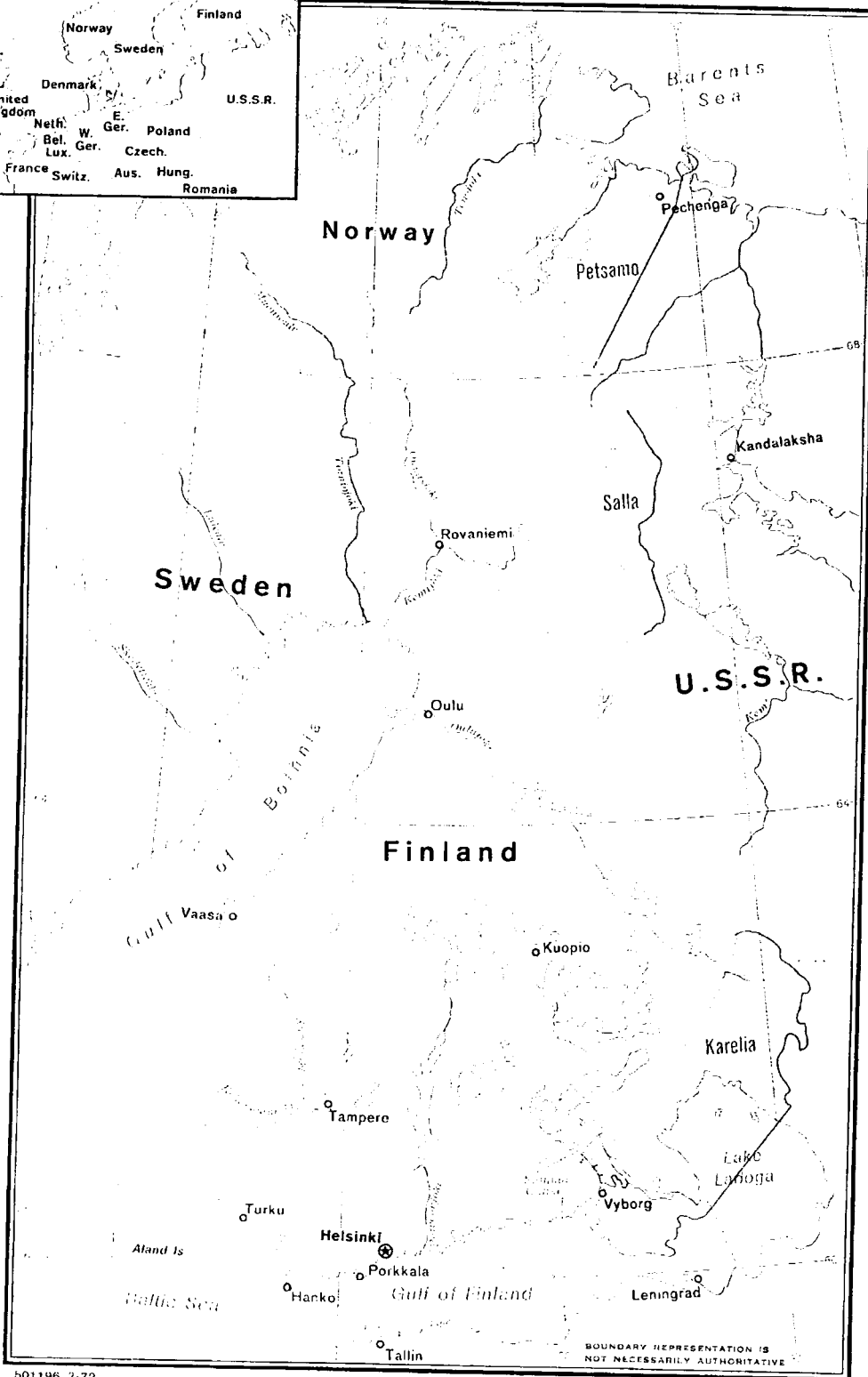
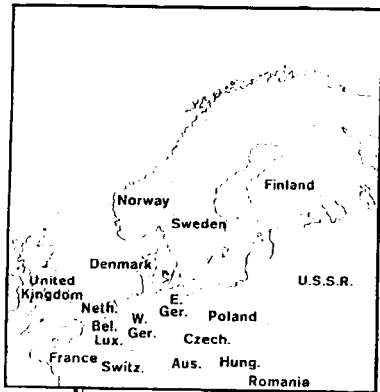
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Finland

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"FINLANDIZATION" IN ACTION:
HELSINKI'S EXPERIENCE WITH MOSCOW

PRINCIPAL OBSERVATIONS

The phrase "Finlandization of Europe" has been heard with increasing frequency in recent months as the Soviets have pursued their peace offensive in Europe. The term is often employed loosely to describe the potential transformation of Western Europe from alliance with the United States to a somewhat vague neutrality; in practice, however, the concept would imply not mere neutrality, but a relationship in which the Soviets possessed a large measure of hegemony. To appreciate what some such "Finlandization" of Europe would actually entail, the model itself must be examined. By understanding the elements which have created the Finnish situation and what in fact that situation is, the implications of the extension of a somewhat analogous status to Western Europe may become more clear.

The most significant factor in the Finnish equation is, of course, Finland's military helplessness vis-a-vis the Soviet Union. This obvious vulnerability was reinforced in Finnish minds by the failure of the West to extend its protection to Finland in the postwar years. The Finns were disillusioned by what they considered to be the West's inability to provide meaningful assistance to them against Soviet aggression in 1939-1940, as well as by Western unwillingness to aid them in mitigating the harsh demands made by the Soviets following the war.

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Feeling that they had been virtually assigned to the Soviet sphere of influence, the Finns pursued a course by which they hoped to secure their survival as an independent nation. Choosing to believe that Soviet interest in Finland was defensive in nature and to accept as legitimate Soviet concern that Finland might be used as a staging area for an attack on the USSR, they adopted a policy of providing perpetual reassurance to the Soviets that they would never become anti-Soviet nor allow themselves to be used by an anti-Soviet alliance. The pursuit of this policy of reassurance demanded of the Finns a highly developed sensitivity to Soviet wishes on a wide range of subjects and the ability and willingness to voluntarily restrict their own courses of action. They hoped to keep their independence by significantly limiting it, to secure their neutrality by generally leaning to one side, and to maintain their democratic privileges by restricting them in certain key areas. By monitoring themselves and continually reassuring the Soviets, they hoped to deny the USSR either a reason or pretext for using force against Finland.

In practice, this policy has meant the frequent sacrifice of Finland's economic interests and political preferences to the needs of assuaging Soviet suspicions and meeting Soviet demands. In the first postwar years this meant the costly rejection of an invitation to participate in the Marshall Plan; as recently as 1970 this meant a last-minute withdrawal from negotiations to join a customs union with the other Nordic countries. In domestic politics the policy has led to the fall of governments not acceptable to the Soviets and to the granting to the Soviets of a virtual veto over which persons and parties may participate in government.

Within these major limits, the policy has also enabled the Finns to run their own country and select their own leaders, a contrast to the fate of other

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European peoples bordering the Soviet Union. Compared to the tight control mechanisms which the Soviets maintain in the East European countries, Soviet entree into the Finnish system is fairly limited. Finland, with its multiparty, parliamentary system, is a far cry from the typical East European state dominated by a single party which in turn is closely monitored at several levels by the Soviet security, military, and party mechanisms. While the Finnish Communist Party functions as one of the four main parties in Finland, it has been rigorously excluded from control over the vital functions of internal security and defense. In addition, Finland is not a member of either the Warsaw Pact or the East European economic grouping -- CEMA. Most importantly, there are no Soviet troops in Finland.

But the considerable leverage which the Soviets do have within the Finnish system stems not from any direct controls within the country, but from the combined factors of the omnipresent threat of hostile Soviet reaction and of a more-or-less preconditioned Finnish state of mind. Since the war the Finns have become accustomed not to ask what the Soviets would do in a given instance, but to accept as inevitable a high level of Soviet influence. Clearly, in the immediate postwar years the threat of military attack was the most ominous club hanging over the Finns. But the actual likelihood of a Soviet punitive invasion has steadily declined since that time. Similarly, the threat of economic reprisals, while still strong, has decreased in the past decade. True, Finland's exports to the USSR are concentrated in vital industries, giving the Soviets an obvious lever which they have at times used to great effect. This has nonetheless declined, for since 1960 the Soviet share of Finland's total exports has dropped from about 18 percent to about 12 percent, while its trade has become increasingly Western-oriented.

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The Soviets have a variety of means of making their desires known and applying pressure to gain their objectives. Their most direct and probably most effective line of communication is their frequent high-level meetings with Finnish President Kekkonen. One of the key figures in designing Finland's postwar relationship with the USSR, Kekkonen has based his postwar career and reputation on his ability to deal with the Soviets, and he is therefore very sensitive to their wishes. Both because of his responsiveness and because he is a known quantity, the Soviets have consistently supported his retention of power as President. It seems unlikely that any eventual successor would deviate sharply from the Kekkonen line.

The Soviets also maintain close contact with various other Finnish leaders and political parties, over whom they hold the combined carrot and club of their required approval for government participation. Thus, in their 1965-1966 campaign for inclusion of the Finnish Communists in the governing coalition, the Soviets negotiated with the Social Democratic Party (SDP), trading their acceptance of SDP participation for Communist inclusion as well. The SDP's felt need for Soviet blessings also prompted this formerly anti-Soviet party to adopt an increasingly pro-Soviet foreign policy line in the late 1960's.

Like the East Europeans, the Finns read the Soviet press with great attention and sensitivity to learn which way the wind is blowing in Moscow, and articles in Pravda and Izvestiya are frequently seized upon as the latest expression of Soviet wishes. The Soviet view is also expressed through the press organs of the Finnish Communist Party. At the same time, the Finns exercise voluntary censorship in their own communications media. According to the terms of the postwar peace treaty, the Finns may not tolerate the existence of any organization

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conducting propaganda hostile to the USSR. By not responding to Soviet criticism of them with articles critical of the Soviet Union, the Finns try to avoid incurring Soviet charges that they are not honoring their treaty obligations. Finnish radio and TV is governed by a state-appointed board, but the press is not under government jurisdiction, and there is no official state censorship policy on anti-Soviet material. Rather, this is a self-regulated voluntary policy exercised by the media itself, with frequent suggestions from Finnish government officials and periodic "reminders" from Soviet spokesmen.

A de facto Soviet veto power over government participation was established in 1958, when the Soviets combined a press and diplomatic campaign with economic reprisals to bring about the collapse of a government they opposed. This episode convinced the Finns that they could not maintain a government which was unacceptable to the Soviets, and they have since chosen not to test this conclusion. Indeed, the principle was applied most blatantly following the 1970 Finnish parliamentary election: in spite of a clear swing to the right by the electorate, the Soviets indicated that they would view any changes in the government coalition unfavorably: the Finns complied by forming a coalition of the same composition as its predecessor.

The Soviets have a direct wedge into the Finnish political system in the Finnish Communist Party (FCP) and its parliamentary arm, the People's Democratic League (SKDL). While the FCP has been kept from control of functions considered sensitive, its size and importance (it consistently polls close to 20 percent of the popular vote) give it considerable leverage within the system. This factor, when combined with the uniquely responsive nature of the Finnish political structure to Soviet wishes, makes the FCP an inherently useful tool for the Soviets.

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The FCP was used by the Soviets in the mid-1960's in an experiment with "unity of action," a line of cooperation between Communists and Social Democrats designed to bring the Communists to power through the front door of government participation. The Soviets probably hoped that the Finnish Communists could set a successful precedent which could then be pursued by Communist Parties in other West European countries. They also expected the FCP to gain strength by demonstrating its respectability, and they probably anticipated their own influence within the government would be strengthened as a result.

"Unity of action" produced the desired result of FCP participation in the coalition government; the party thus became the first West European party to participate in such a coalition since the Cold War began. However, it also produced side effects which the Soviets did not find so desirable. In order to achieve their purposes, they had promoted the ascendancy within the party of a liberal element willing to discard many of the Marxist-Leninist dogmas -- such as the goal of a "dictatorship of the proletariat" -- which stood in the way of cooperation with the Social Democrats and national appeal. But since many of the old-guard Stalinist party leaders remained unwilling either to change the FCP's course or to surrender power in the party, the result was exacerbation of differences within the party and the FCP's polarization into two seemingly irreconcilable factions.

In any event, the trauma of Czechoslovakia dampened Soviet enthusiasm for "unity of action" and doubtless sharpened disagreement within the Soviet hierarchy over its application to Finland. For the Soviets saw the Czechoslovak Party in power adopt some of the reformist concepts they had been urging on the FCP, and observed that such a reformist, flexible party could lose its subservience to Moscow and spread such infection to other Soviet neighbors in Eastern Europe. This was certainly

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demonstrated by the conduct of the FCP, whose liberal leadership "deplored" the Soviet invasion of Czechoslovakia in terms more critical than those used by other Finnish parties, including the SDP.

Following Czechoslovakia, the Soviets seem clearly to have been torn between continued conflicting goals for Finland. On the one hand, Moscow preferred Communist participation in the Finnish government coalition, an aim shared by the FCP's liberal majority, but not by the Stalinist minority. On the other hand, the Soviet leadership felt an increasing desire to enforce FCP unity and obedience to the USSR, preferably with the loyal old-guard Stalinists again dominant. In the late 1960's, gradually and with considerable fluctuation probably reflecting internal CPSU disagreement, the Soviets resolved this contradiction by reordering their priorities, subordinating Finnish Communist unity of action with other parties to implicit Soviet support of the Stalinist minority.

This reordering of priorities in turn produced new complications which eventually threatened to upset the delicate mechanism of Fenno-Soviet relations. Concerned by what they considered to be a conservative trend in Finland, the Soviets began in 1969 to give press support to Finnish Stalinist attacks on the Finnish system. Encouraged by Soviet support, the Stalinists increased their attacks on government policy (primarily economic stabilization measures) in an effort to undermine their liberal Communist rivals who were still trying to function as government participants.

The Finns, including Kekkonen, were concerned by Soviet press criticisms and were further annoyed by what they considered to be the blatant interference in their domestic affairs of Soviet Ambassador Belyakov, who in their view had been directing the Finnish

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Communists in their anti-government campaign. In addition, Kekkonen was personally offended by opposition from the Communist participants in the government coalition to his own December 1970 proposals concerning wage/price controls. Kekkonen made his unhappiness known to the USSR, and the result was a hurried trip to Helsinki by Soviet First Deputy Foreign Minister Kuznetsov to try to soothe Kekkonen's ruffled feathers. In a striking effort to placate Kekkonen, the Soviets withdrew Belyakov shortly thereafter and took steps to ensure that both factions of the Finnish Communist Party supported Kekkonen's wage proposal.

While some of the immediate results of this Soviet confrontation with Kekkonen were short-lived -- in March 1971 the FCP again refused to support a government policy and finally withdrew from the coalition, the December 1970 Soviet retreat was significant because it demonstrated that there are limits to Finnish acceptance of Soviet interference in their purely domestic affairs. This crisis also showed that when the issue was pressed, the matter of ensuring the continuation of their relationship with Kekkonen and his compliance with their wishes on foreign policy proved far more important to the Soviets than any other consideration, including the posture of the Finnish Communist Party.

At the same time, the evidence of the last few years suggests that there are some limits even to the extensive Soviet influence on Finnish foreign policy formation. The changing international situation and the decreasing likelihood attached to the tacit threat of Soviet military intervention in Finland has not and probably will not soon result in the abandonment by the Finns of their "special relationship" with the USSR. However, it has permitted and will probably continue to allow a certain flexibility in Finnish foreign policy.

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Finnish conduct in recent years has suggested greater determination in seeking to trade off Finnish assistance to major Soviet foreign policy goals, in exchange for the advancement of purely Finnish interests vital to Helsinki but not shared by the Soviet Union and sometimes opposed by Moscow.

The Finns have long been defensive about the peculiar nature of their neutrality. In the immediate postwar years, when the possibility of a Soviet invasion remained a consistent threat in Finnish minds, they were far less concerned with asserting neutral status than with emphasizing their reliability to Moscow. But in the more relaxed atmosphere of the 1960's, Kekkonen undertook a campaign to convince the world that Finland was in fact neutral. In recent years the Finns have tried to extend the limits of their independence without endangering the credibility of their reassurances to the Soviets. The nomination of their UN Ambassador, Max Jakobson, for the post of Secretary General reflected such an attempt; the blocking of his candidacy by the Soviets suggested, among other Soviet motives, an unwillingness to see Finnish neutrality strengthened.

Further, the 1969 Finnish initiative on convocation of a Conference on European Security and Cooperation reflected an attempt by the Finns both to advance their claims to neutrality and to demonstrate their loyalty to the Soviets. The Soviets had been calling for such a conference for years, but had needed a neutral proponent in order to enhance the concept's credibility in the West; thus the Finnish initiative was designed to please the Soviets. At the same time, the Finns have a natural interest in advancing the CSCE, since a Soviet rapprochement with Western Europe would give them more room for maneuver; furthermore, by attempting to serve as broker between East and West, the Finns have probably hoped to bolster their neutral image. The pursuit of

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such a difficult dual course often produces a sort of vicious circle; for example, the Finns' very endorsement of Soviet-favored policies such as the CSCE evokes some Western reluctance to accept them either in the role of East-West broker or as host to the CSCE conference.

The Finnish CSCE initiative must also be seen in the context of Finland's overriding current foreign policy objective -- to achieve an arrangement with the European Communities acceptable to the Soviets. Kekkonen probably hopes that the Soviets would hesitate to veto outright a Finnish-EC arrangement, tarnishing Finland's neutral image at a time when a neutral Finland is important to advancing the CSCE scheme. He probably also reasons that such a veto would not harmonize with the Soviet peace offensive, symbolized by the effort to secure a CSCE.

An agreement with the European Communities is of vital economic importance to the Finns and must be seen as their primary foreign policy goal of the early 1970's. In its expanded form the EC will include Finland's main customers and competitors, and Finland's foreign trade situation (specifically in the forestry industry which accounts for about 60 percent of her exports to the West) will suffer severely if agreement is not reached. Negotiations with the EC finally produced an essentially defensive trade agreement covering paper products and a variety of sensitive Finnish products. The Finns initialed the agreement in July 1972, but the minority Social Democratic government resigned rather than take the responsibility of signing the accord.

In an attempt to meet Soviet objections, the Finns also announced in July that they were forming a 10-man group to begin trade talks with the Council for Mutual Economic Assistance (CEMA) in the fall. The Finns realize that the basis of Soviet hostility to their arriving at

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an arrangement with the EC is apprehension that this would gradually lead to a strengthening of Finland's political and economic ties with the West and a corresponding weakening of Soviet economic leverage over Finland. The decline in the Soviet share of the Finnish market following Finland's agreement with the European Free Trade Association in 1961 lends substance to the Soviet concern; this tendency of Finnish trade to become increasingly Western-oriented would probably continue should Finland sign the agreement with the EC. The long-term implications of this accord thus strike at the heart of Finland's postwar policy and assume a political significance at least as great as the economic.

The Finns are fully aware of Soviet concern over the future course of Fenno-Soviet relations in light of a Finnish-EC accord, and they have attempted to demonstrate that their "special relationship" would not be threatened. They have tried to reassure the Soviets that trade between the two countries would not suffer and, to this end, have made several recent bilateral trade concessions to the USSR. In 1970, when the Soviets requested another renewal of the 1948 Friendship Treaty, the Finns tried to exchange such an extension for Soviet approval of an EC arrangement, but apparently received no explicit sign of approval. The Finnish initiatives on recognition of two Germanies, taken in September 1971 and July 1972, can be seen as an attempt to demonstrate Finland's friendship and loyalty to the USSR and thus as a payment for an EC arrangement, but at the cost of antagonizing West Germany, the US, and other Western states, and of undermining Finnish claims to neutrality and weakening support of Helsinki as the site for a CSCE.

As the Finns are well aware, the final Soviet position on the Finnish-EC arrangement will not be known until the last minute and will be based on a number of factors: the nature of the agreement itself, the Soviet

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posture towards the EC at the time, the extent to which a veto would damage Soviet European policies, Soviet appreciation of the economic importance of an EC agreement to Finland, and the degree of Finnish success in convincing the Soviets that their "special relationship" will not be endangered. With regard to the last aspect of this equation, the importance of Soviet trust in the Finnish leadership should not be underestimated. In large part, this explains the recent Finnish moves to prolong Kekkonen's term in office; for with a man the Soviets trust in charge of Finland's foreign policies, the credibility of Finnish claims regarding continuation of their relationship with the Soviets will be enhanced.

At the same time, it is not an absolute certainty that the Finns would accept Soviet rejection of a Finnish-EC arrangement with the same meekness with which they accepted the Soviet veto of their participation in the NORDEC customs union in 1970. NORDEC was not of nearly the same order of economic importance to Finland as is the EC, and it is conceivable, although not probable, that on this vital issue the Finns might decide to ignore a Soviet veto. However, such action would be most difficult and traumatic -- difficult because of domestic opposition and apprehension, traumatic because it would appear to deviate from Finland's policy of accepting Soviet guidelines for their foreign policy commitments.

Psychological inhibition would probably be the major impediment to a potential Finnish decision to override a Soviet veto of the EC accord, as the chances of any major Soviet reprisals at this time appear to be slight, given Moscow's present interest in a peace offensive in Europe. Military action against this small non-Communist state would seem unlikely, and severe economic sanctions (such as cutting off crude oil supplies), while conceivable, would, if publicized by the

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Finns, exact a certain cost which the Soviets might consider disproportionate and unacceptable at this time. Strong diplomatic and psychological pressures would undoubtedly be exerted, particularly in private importunings of and threats to Kekkonen and other Finnish leaders of all parties.

Should the whole, very hypothetical, scenario be played out -- 1) a Soviet veto of the Finnish-EC agreement, 2) a Finnish decision to ignore the veto, 3) a strong verbal Soviet reaction but not extreme measures of reprisal, and 4) a continued Finnish determination to proceed -- then a sharp change would have indeed occurred in Fenno-Soviet relations. Barring such an unlikely chain of events, any outright abandonment by the Finns of their policy of maintaining a close relationship with the Soviets and of tolerating extensive Soviet interference in their affairs appears improbable for the foreseeable future. The Finns would consider the advantages to be gained not worth the unknown repercussions. Furthermore, the fact that most Finns thus far believe the policy to have been both necessary and successful is a primary reason for its continuation, and the established pattern of Finland's conditioned political life militates against any change. The Finns of course have many options short of complete abandonment of their established policy. They can continue to probe the limits of this policy and to gradually extend the degree of their independence, while seeking to head off any harsh Soviet reaction, such as severe economic reprisals.

Soviet acquiescence in the successful establishment by the Finns of even limited ties to the European Communities would mark a significant step forward for the Finns in their quest for greater independence. Somewhat ironically, the Soviet peace offensive in Europe, designed in the long run to pull other West European

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nations closer to the Finnish model of semi-subservience, may inhibit Soviet reactions to extension by the Finns of their own independence.

The Soviet peace offensive, with its goals of presenting the USSR as a cooperative friend of West Europe and weakening West European ties to the United States, has created the spectre of the "Finlandization of Europe." Although the Soviets would doubtless regard it as unduly optimistic to expect to duplicate all aspects of the Finnish model elsewhere in West Europe, they certainly hope to contribute to the gradual extension of analagous relationships to other nations. No other West European state shares the conspicuous aspects of Finland's vulnerability to Soviet pressure -- i.e. virtually complete military helplessness and a degree of economic dependence -- which underlie the Soviet ability to influence Finnish policy and politics. But Soviet policies in Europe are geared to encouraging the erosion of a balancing military force in Western Europe and, secondarily, to creating stronger economic ties between the USSR and West Europe.

The Finnish experience has demonstrated that it is not necessary for the Soviets to actually employ their tools of leverage in order to gain advantages; economic pressure has been applied only occasionally and military force not at all since the war. But the very existence of these points of purchase, no matter how remote the possibility of their use, has created a state of mind in Finland which is now as important as the leverage weapons themselves: the Finns tolerate considerable Soviet influence over their national destiny, accepting the need to do so as a fact of life. Surely a major Soviet objective seems to be to foster similar advantageous situations in Western Europe.

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"FINLANDIZATION" IN ACTION:
HELSINKI'S EXPERIENCE WITH MOSCOW

I. FACTORS SHAPING FINLAND'S POLICY

A. Finland's Postwar Predicament

The 1944 Soviet victory over Germany's cobelligerent, Finland, and the implicit recognition by the West that Finland fell within the Soviet purview, rendered Finland highly vulnerable to any subsequent Soviet designs. By a combination of skill, circumstance, stubbornness, and luck the Finns nonetheless managed to survive with an important degree of freedom and independence -- albeit with important limitations. Finland thus survived as a special case, while other European states on the Soviet periphery soon came under the control of the Communist Party and of Stalin.*

A combination of factors was undoubtedly involved in this result. The fact that the Soviet army did not occupy a substantial portion of Finnish territory was of vital significance. Adroit Finnish diplomacy played a central role. A third factor was the Soviet strategic view

*The three other states included with Finland in the Soviet sphere of influence by the Nazi-Soviet Pact of 1939 (Lithuania, Latvia, Estonia) were incorporated into the USSR. And every other European country bordering the Soviet Union which engaged in the war was either incorporated into the USSR or became a Communist state.

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of Northern Europe: keeping Sweden neutral and out of NATO was of great importance to the Soviets, who remained sensitive to the dangers inherent in upsetting the existing "Scandinavian balance." An outright act of aggression against Finland might have served to drive Sweden towards NATO, thus more than offsetting any gains from such a move.

The Finns had been disillusioned by their failure to receive meaningful support from the West during their 1939-40 war with the USSR. This disillusionment was deepened after World War II by their feeling that the West had failed to assist them in modifying the USSR's postwar demands and had relegated them to the Soviet sphere. This view had a profound effect on Finnish thinking. As early as 1943, future President Urho Kekkonen, then a member of parliament, stated that as a member of an anti-Soviet Western alliance Finland would always be an outpost which would be overrun in the event of conflict, but would be powerless to affect the questions of peace and war. He said that only a return to neutrality could ensure Finland's security after the war.

Soviet postwar leverage in Finland was enormous. The terms of the 1947 Peace Treaty which formally ended the state of hostilities were harsh: the Soviets received considerable territory, including a naval base at Porkkala only 10 miles from Helsinki*; Finland was forced to pay

**The treaty confirmed the terms of the 1940 treaty, which had transferred to the USSR the Karelian Isthmus, all of Lake Ladoga, and several islands in the Gulf of Finland. It replaced the Soviet lease on Hanko with a 50-year lease at Porkkala for use as a naval base, and Finland returned to the USSR the northeast province of Petsamo. Since the war the Finns have kept their hopes*
(footnote continued on page 3)

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sizable reparations to the USSR, thus placing severe limitations on Finland's ability to shape its own economic development and foreign trade situation*; and the Finns were not to tolerate the existence of any organization conducting propaganda hostile to the USSR, giving the Soviets a potential pretext for intervention. Additionally, the Finnish Communist Party had been legalized under the terms of the September 1944 armistice, giving the Soviets a legitimate arm within the Finnish political system.

(footnote continued from page 3)
for return of these territories fairly quiet, but they are no less real. In 1955 the Soviets returned Porkkala; and in 1968 the Soviets leased the Finns some 24 miles of territory in Karelia for the reopening of the Saimaa Canal. (This had more symbolic than real value, as the canal was not expected to receive much use.) Kekkonen's view was that the Finns had secured a foothold in the lost territory and would try to get new ones as a result of the agreement. His subsequent approaches to the Soviets on the subject have not been received with much enthusiasm.

**In addition to the amount of the reparations, an eventual total of about \$265 million in prewar prices (\$600 million in actual dollar value), the commodities specified for payment added to the difficulties. Over two thirds of the commodities had to be in the form of such finished goods as machinery, vessels, and cable products. This meant that Finland had to expand its metallurgical and shipbuilding industries at abnormal speed while its already developed forest industry was put in the background. This imposed a heavy burden on an economy already very hard pressed by wartime damages and a large population of displaced persons.*

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Against this background, an additional element was needed in Finland's postwar policy, according to Juho Paasikivi, Finland's President from 1946 to 1956. He reasoned that neutrality had not saved Finland from war in 1939 because the Soviets had not believed in Finland's ability or willingness to remain neutral. Thus, the main task of Finnish postwar policy was to create a new relationship with the Soviet Union, based on Soviet trust that in no circumstances would Finland permit itself to be used as a staging area for an attack on the USSR. Paasikivi argued that Soviet interest in Finland was strategic and defensive, not expansionist and aggressive, and that the Soviets' main interest was to insure Leningrad's safety from attack through Finland. Terming this a "legitimate interest," he believed that only by convincing the Soviets that Finland would in no circumstances turn against them could the Finns secure their independence.

B. The 1948 Mutual Assistance Agreement

The 1948 Finnish-Soviet "Agreement of Friendship, Cooperation, and Mutual Assistance" became both the test and the formal statement of this postwar policy. When, only a year after the Peace Treaty had been signed, Stalin demanded that such a second treaty be concluded, most Finns reacted with dismay, seeing it as a breach of their hoped-for neutrality and a first step toward a Soviet take-over such as that of Czechoslovakia. Paasikivi chose to look at it differently, interpreting the demand as a sign of a Soviet wish for security, not aggression. He rejected the model treaty proposed by the USSR, which was based on the Soviet treaties with Hungary and Rumania, and which had imposed on those countries an unlimited obligation for political consultations in time of war or peace and automatic mutual assistance in the event of war.

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Instead, Paasikivi proposed and the Soviets accepted a far more limited treaty which provided that if Finland were attacked or the Soviet Union were attacked through Finnish territory by Germany or a state allied with Germany, Finland would fight to repel the attack within its own frontiers, if necessary with the aid of the USSR. The two countries were to decide through consultations and mutual agreement when such aid might be necessary. The treaty did not call for consultations regarding general political or international questions, and it left Finland free to remain neutral in all instances of Soviet military conflicts not involving Finnish territory.

The Finns consider this treaty simply a formal acknowledgement of the reality of their situation -- that the Soviet Union will not tolerate an attack on its territory through Finland, and that the Finns, in order to survive, must guarantee the Soviets that they will not permit such an attack. The treaty has since been renewed twice, in 1955 and 1970, with little opposition in Finland.

C. The Thwarted 1948 Communist Coup

Meanwhile, in early 1948 evidence of a planned Communist coup surfaced. At this time the Party was a participant in the coalition government and held three cabinet positions, the most important being that of Ministry of Interior (which controlled the state police.) Groundwork for a coup had been prepared by the Communists, who had organized rallies, engineered strikes, and conducted a propaganda campaign against the government. The Communists apparently anticipated that these factors, combined with Finland's severe economic problems and vulnerability to Soviet pressures, would contribute to a government collapse; after all, a similar scenario had just brought the Communists to power in Czechoslovakia.

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The Finns handled this challenge to their independence adroitly. As the threat became more obvious, Finnish resistance solidified, and various parties and leaders formed a united front against the Communists, blocking their attempts to take control of the trade-union movement and parrying their efforts to throw the country into economic chaos. In April 1948, when Communist arms caches were discovered, the plans for a coup were neutralized in advance.

News of this attempted coup aroused public opinion, and the Communists suffered severe losses in the July 1948 elections, in spite of Soviet efforts to assure them gains.* These Communist election losses, rather than the coup plans, were used by the other Finnish political parties to justify excluding the Communists from the coalition government.** Thereafter during the tenure of

**The Soviets applied pressure of various sorts to try to get votes for the Communists. Shortly before the elections they announced cancellation of half the outstanding war reparations. The FCP hope of capitalizing on this gesture did not bear fruit, however. To the carrot was added the stick: also shortly before the elections, the Soviets fired their big guns in the Porkkala area, in an apparent attempt to frighten the Finns into voting for the Communists. This, too, had little apparent effect.*

***The unity of the other Finnish parties was vital in this effort. They first proposed that the Communists should lose representation in the coalition in proportion to the vote and, specifically, that they should lose the Ministry of Interior. The Communists adamantly refused to accept a cut. The other parties finally agreed that the Social Democratic Party should form an all-socialist cabinet without either the Communists or the Agrarian*
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this government a number of measures were taken to guard against a possible future Communist takeover. Most significantly, the old state police under the Ministry of Interior was abolished and a new security system (SUOPO) established. The period of the late 1940s and early 1950s was followed by rapid improvement in the Finnish economic situation for which the Communists could not take any credit. In 1952 the last reparations were paid to the Soviets; by this time the internal Communist threat had been neutralized.

April 1948 had thus proved a major watershed for Finland's postwar course. In that month the Finnish-Soviet friendship treaty was ratified, thereby firmly anchoring Finnish policy in Paasikivi's line of appeasement of what he termed the USSR's "legitimate interests." On the other hand, the same month had seen vigorous, determined, and united action by the Finns to thwart the planned Communist coup. The net effect was to strengthen hopes that the policy of appeasing the Soviets could be accomplished without caving in to the Communists at home and without granting the Soviets control of Finnish domestic life.

D. Kekkonen and the Finnish Presidency

In addition to the adoption of the 1948 Treaty and the blocking of further Communist encroachment into the

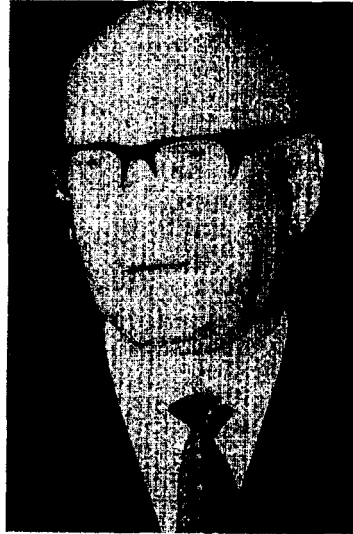
*(footnote continued from page 6)
(now Center) Parties, even though the parliament itself was controlled by non-socialists. This was an example of Finnish united action to outmaneuver the Communists without at the same time drawing Soviet wrath.*

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government, a third basic factor in the evolution of post-war Soviet-Finnish relations has been the evolution of the Finnish Presidency and its incumbent into an institution capable of calming most Soviet anxieties about Finland.

The Finnish Presidency serves as a significant stabilizing factor, both within Finland itself and in the context of Fenno-Soviet relations. While parliamentary elections are held at least every four years,* presidential elections are held every six, and while parliamentary coalitions have changed frequently, only three men have served as president since the war.** These factors, combined with the strong leadership qualities of Finland's post-war presidents, have contributed to an increase in presidential prestige and power. The President has primary responsibility for the conduct of foreign affairs and, in recent years, Urho Kekkonen has played an increasingly active role in domestic matters.



Urho Kekkonen
Finland's President since 1956.

**They can be held more often if the President exercises his constitutional authority to dissolve parliament and call for new elections. This was done, for example, following the government collapse of October 1971.*

***Marshall G. Mannerheim from 1944-46, Juho Paasikivi until 1956, and Kekkonen since then.*

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A combination of long-term political primacy,* political acuity, and unquestioned leadership ability has established Kekkonen as the outstanding postwar Finnish political figure, both in Finnish and Soviet eyes. His longevity plus his undeniably active role in formulating and executing Finnish foreign policies support his claims to being the architect of Finland's successful strategy. Kekkonen has tied his whole postwar career to the benefits of the so-called Paasikivi-Kekkonen foreign policy line, the core of which is the maintenance of good relations with the USSR. Because virtually all Finnish political leaders now subscribe to this policy, Kekkonen has on occasion felt the need to prove that he is in fact indispensable to its preservation. His enthusiastic pursuit of Soviet good will has led to the charge that he is often willing to give the Soviets what they want before the Soviets themselves know what that is.

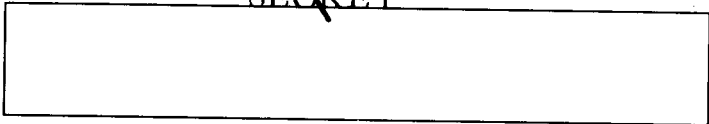
In any event, Kekkonen strongly believes that the personal element of diplomacy is of great importance, particularly in dealing with the Soviets. He has stated that the Soviet leaders think in terms of people, not governments, and that they feel that by coming to terms with the leader they come to terms with the government. Thus Kekkonen believes that the building of mutual trust and friendship between leaders is the best way to ensure harmonious state relations. When Khrushchev fell, Kekkonen

**Before becoming President, Kekkonen had served as prime minister in 1950-53 and 1954-56. Before that he had held various cabinet positions, including that of foreign minister.*

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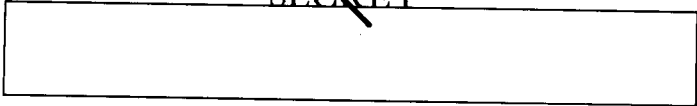


Kekkonen and Khrushchev during hunting expedition (1963) .



Kekkonen with Soviet leaders in Moscow (1968).

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was concerned that he would not be able to establish as close a relationship with the new leadership as he had had with Khrushchev. By the spring of 1966, however, Kekkonen stated that he had good rapport with Kosygin, whom he considered tougher than Khrushchev but well disposed towards Finland. Kekkonen has maintained close contact with the Soviet leaders and meets frequently with them, both on official and informal occasions.

Kekkonen's analysis of the Soviet psychology has appeared to be vindicated by the Soviet response to his personal diplomacy.* While other aspects of their policy towards Finland may fluctuate, the Soviets remain committed to his retention as president. A Soviet functionary commented in January 1970 that Kekkonen's standing with the Soviet leadership was extremely strong and that "as long as Kekkonen remains chief of state, all will go well between Finland and the USSR." Soviet eagerness to continue on good terms with Kekkonen was demonstrated in December 1970, when Kekkonen's displeasure with what he considered an unacceptable degree of Soviet intervention in Finnish domestic affairs occasioned a rapid Soviet effort to placate him.**

**His analysis has also been supported by a Soviet expert, Timur Timofeyev, Director of the Soviet Institute of the International Workers Movement. While in Finland in the spring of 1970, Timofeyev commented that Dubcek had not handled things well and claimed that the Hungarians had managed to implement "more" economic reforms than the Czechs attempted, because Kadar had often traveled to Moscow stressing his desire for friendship and cooperation. He cited Kekkonen as a leader with considerable latitude because of his frequent professions of friendship. Timofeyev stressed that this psychological phenomenon exists in Soviet relations with other countries regardless of who is in the Soviet leadership.*

***For more on this, see pp. 47ff.*

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Because they favor his retention, the Soviets have tried their best to ensure it. Their most straightforward approach has been to praise Kekkonen publicly and to credit him with Finland's foreign policy, thereby enhancing his image as the protector of Finland's relations with the USSR. When such endorsement appears insufficient, the Soviets turn to other tactics. These were most effectively demonstrated when Olavi Honka was nominated by a coalition of parties to challenge Kekkonen in the presidential elections of 1962. Honka and his backers were accused by Soviets and pro-Kekkonen Finns alike of being anti-Soviet; dire warnings were issued about the possible consequences of his winning, with Izvestiya forecasting another "period of frost." A chill did in fact set into Soviet-Finnish dealings and there were delays in trade arrangements. Many interpreted the Soviet Union's call in 1961 for consultations under the provisions of the 1948 treaty as an attempt to undermine Honka, and Kekkonen's successful negotiations with Khrushchev on this issue did in fact enhance Kekkonen's stature. As a result of the various pressures, Honka withdrew from the race in November 1961 and Kekkonen was easily re-elected.

Soviet criticisms of a candidate and implications that he is anti-Soviet are thus significant to the Finns and often decisive, not because the person would in fact consider changing Finland's foreign policy course but because they reveal that the candidate is unacceptable to the Soviets. Any suggestion that the Soviet Union views an act as a rejection of Finland's postwar policy is enough to arouse Finnish apprehension. The Finns have been very sensitive to Soviet warnings, in effect giving the USSR the power to blackball presidential candidates.

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II. THE SOVIETS AND FINLAND'S DOMESTIC AFFAIRS

It is realistically understood that entry into the government does not alone depend upon the approval of the Finnish parliament, the Finnish electorate, and the Finnish president, but also concurrence of the Soviet Union.

(T. Junnilla, Conservative M.P.)

...we can direct the party according to the political situation as we assess it, by letting the party participate for a time and then by withdrawing from participation whenever we deem it advisable.

(CPSU functionary discussing Finnish CP, September 1971)

A. The Soviet Veto Over Finnish Governments

The Soviets, also, consider the composition of the Finnish government Cabinet an issue of national interest to them and are unwilling to accept the Finnish choice of leaders as a purely Finnish concern. It is deemed important by Moscow that control of the Helsinki government, and thus its policies, remain in acquiescent hands. But the Soviet entree into the workings of the Finnish system, while not insignificant, is far weaker than the advantages the Soviets have in the East European states they control. Through the complex network of CPSU, security, and Warsaw Pact officials stationed within the satellite countries and often working alongside their East European counterparts, the Soviets maintain a tight,

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interrelated system of checks and counterchecks. Through the use of this system, backed up by multiple high-level contacts and visits and further insured in most cases by the presence of Soviet military forces, they control key policies and appointments in vital areas such as defense, internal security, foreign policy, and propaganda.

In contrast, the Soviets have no such elaborate control mechanisms, no formal structure for communicating and enforcing their will on the Finns. The Finnish multi-party system which no single party is able to dominate is a far cry from an East European nation ruled by a single party which in turn is closely monitored by the parallel CPSU apparatus. The Finnish Communist Party (FCP), represented by its parliamentary arm, the Finnish People's Democratic League (SKDL)* receives only 15-20 percent of the popular vote; while this places it among the four largest Finnish political parties** and makes it a force to be reckoned with, the FCP remains far from the levers of power: since the late 1940s, the Party has been conscientiously excluded from positions of control

**The SKDL was formed in 1944 as a Communist front and has been dominated by the FCP ever since. Although two thirds of the SKDL membership is non-Communist and its current Secretary General, Ele Alenius, is not a Communist, the FCP maintains practically complete political and economic control over the SKDL.*

***The other major parties are the Social Democratic Party (SDP), which polls about 25 percent of the vote, the Center (formerly Agrarian) Party, about 20 percent, and the Conservative Party, about 15 percent. Other parties receiving small proportions of the vote are the Finnish People's Party, the Swedish People's Party, the Social Democratic League of Workers and Small Farmers (TPSL), and the Rural Party.*

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over the vital functions of internal security, defense, or foreign policy; the sensitive security and defense functions, in particular, have remained in the hands of fiercely independent nationalists. Most importantly, there are no Soviet troops in Finland.

Thus, Soviet influence over Finland stems chiefly from the threat of force and of economic sanctions; the Soviets use these omnipresent threats to extract concrete concessions. Although the Soviets have occasionally tried to influence Finnish elections directly, this is an uncertain occupation even for those well-versed in the vagaries of democratic elections, and they have generally had indifferent success. They have therefore concentrated their attention on ensuring that the persons and parties chosen to form a government as the result of each parliamentary election are only those acceptable to the USSR, regardless of the outcome of the election. To this end, the Soviets use the techniques of implied warnings, personal arm-twisting, diplomatic "freezes," economic pressures, and press campaigns. Soviet ability to influence the composition of Finnish governments through such tactics is extensive, and the USSR has frequently exercised a veto over individual and party participation in government. To this extent, the importance of the views of the Finnish electorate in determining the country's leaders has been reduced. Thus the formal democratic process, while still vigorous, has been partially modified.

But while all this adds up to a real limitation upon Finnish independence and sovereignty, there are also major limits to what the Soviets can do. Soviet influence is essentially negative and reactive; the Soviets are far better positioned to prevent a party or individual from forming or joining a government than to dictate who in fact should so do. Below the top government echelon, the Soviets have only marginal influence upon appointments. The USSR has comparatively little influence upon Finnish domestic-affairs legislation. And most important,

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the Soviet Union has been unable to alter the tacit understanding that Communists and their sympathizers are to be kept out of the most sensitive government posts.

The toppling of the Fagerholm Social Democratic government in 1958 was the key event which demonstrated both the extent of Soviet power over Finnish politics and its means of application. In addition, it established the framework of Soviet prerogatives over Finnish government formation within which the Finns were subsequently to work, and it set the guidelines for Finnish government composition which were to be observed for the next eight years.

Soviet antipathy for the Finnish Social Democratic Party (SDP) is deep-seated and was reinforced by the SDP's dedicated support of the battle against the Soviets during World War II. Following the war, the SDP continued to be more hostile to the Soviets than were most other Finnish parties, and the Social Democrats were also the main rivals of the Communists in the trade union movement and in competition for radical support generally. Soviet-SDP differences were further exacerbated in 1957, when an anti-Soviet SDP faction challenged the SDP leadership which had been moving towards a more pro-Soviet line. The opposition took over the party, and with Soviet backing the former leaders left to form their own party, the Social Democratic League of Workers and Small Farmers (TPSL).*

From 1948 to 1957 a so-called Red-Green coalition of the SDP and Agrarian (now Center) Party had cooperated

**The Soviets have continued to support the TPSL, often referred to as the Simonists after their current leader, Aarne Simonen, and have used its paper, Paivan Sanomat, to advance their own point of view.*

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in running the government, but this arrangement collapsed in 1957 because of friction between the two parties and because of the SDP split. In 1958 the SDP organized a five-party coalition headed by Karl Fagerholm. This coalition included the Conservative Party, also critical of the USSR, but did not include either the Communist-front SKDL or the TPSL. Moscow found this coalition unacceptable.

The Soviets and the Finnish Communists mounted a joint campaign to bring down the government. The FCP charged that the government could not convince the USSR that Finland's neutral policy would remain unchanged, and the Soviets reinforced the charge by withdrawing their ambassador from Helsinki and by attacking the government in their press. More importantly, they cut off crude oil deliveries and delayed trade agreements; Soviet-Finnish trade fell by 20 percent and was not to regain its 1957 level until 1962. In the face of this pressure, the Fagerholm government resigned in November 1958. Two weeks later, during a visit to the USSR by Kekkonen, Khrushchev confirmed Soviet anxiety and interference, stating that a "freeze" had occurred in Soviet-Finnish relations with the creation of the Fagerholm government, led as it was by the SDP, "known for its hatred of the USSR."

The Fagerholm episode convinced the Finns that they could not maintain a government which was unacceptable to the Soviets, and they have since chosen not to test the principle. This was the most important result of the incident. Another important, though more temporary, consequence was the exclusion from government participation of the parties at each end of the political spectrum -- the

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Conservatives on the right, the SDP and SKDL* on the left. This left primary responsibility for governing to the Center Party, the largest of the parties in between. With some variations, the Center Party managed to govern with essentially a single-party cabinet between 1958 and mid-1966.

B. The Soviet Effort to Apply "Unity of Action" to Finland

A year after Khrushchev's fall, however, and some seven years after the Finnish Social Democrats had been successfully ostracized by the USSR, the USSR began to give new emphasis to the previously dormant concept of Communist cooperation with European social democracy. In part, the Soviets were no doubt motivated by hope that an improvement of relations with the Social Democrats of Western Europe would revitalize some of the stagnating West European Communist parties and bring them closer to power through the front door of government participation. But more important was the Soviet hope that through this effort and other Soviet initiatives they could promote an erosion of resistance to Soviet policies in the many Western European countries where the Social Democrats were a major factor. Paradoxically, however, the desire to merchandize the Communist parties as enticing prospective partners of the Social Democrats appeared to necessitate Soviet encouragement of liberalization within some of the Communist parties themselves, and this

**SDP exclusion from government virtually assured SKDL exclusion as well, for none of the major parties would have participated with the SKDL without the balance of the SDP.*

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process the Soviets eventually found incompatible with the maintenance of their own influence over the Communist parties, and therefore intolerable. This dilemma was most vividly posed in Finland.

1. Finland as a European Test Case

Finland was uniquely qualified to serve as the example and test case for the tactic of unity of action. The first requirement, a large and responsive Communist Party, was met by the FCP.* A second desideratum, sufficient Soviet leverage within the broader political framework, was especially present in Finland. And a third factor, the willingness of the Social Democrats to cooperate, appeared to be attainable. By 1965 the Finnish Social Democratic Party had been out of power for seven years and was becoming anxious to return; the Soviets could therefore reasonably hope to strike a bargain, exchanging their approval for SDP participation in government for SDP willingness to participate with the Communists.

The Soviets undoubtedly hoped to achieve a number of goals through pursuit of "unity of action" in Finland. They wanted to bolster the uninspiring FCP in the eyes of Finnish voters as a respectable competitor of the SDP. They also hoped to further increase Soviet influence within Finland by installing a dependable and powerful agent within the governing coalition. And, probably most

*The FCP has almost 50,000 members and polls about 20 percent of the vote, ranking it with the Italian and French parties in terms of popular support. Its leadership had faithfully followed the CPSU line.

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importantly, they hoped to set a precedent which could be followed by Communist parties in other West European countries.



Aleksey Belyakov
First Deputy Chief,
CPSU International Department;
later Ambassador to Finland.

During 1965 the Soviets energetically laid the groundwork for Communist participation in government, propagandizing the FCP and negotiating with the SDP. The new line was carried to the Finnish Communists in early 1965 by Aleksey Belyakov, First Deputy Chief of the International Department of the CPSU Central Committee. He told the somewhat bewildered FCP leaders that in order to become more acceptable they must abandon some of their old, orthodox views. He said that it had been a mistake to prolong the concept of the dictatorship of the proletariat and the Stalinist interpretation of class warfare, stated that the time for the use of force was past in West Europe, and urged cooperation with social democracy. He also emphasized that a Communist party should be independent and must demonstrate its patriotism: in

other words, it must not appear to be under Moscow's direction. The Soviets were to come to regret their implied invitation to the FCP to stop taking orders from Moscow. They had undoubtedly intended that only the appearance of subservience vanish, not the reality; but they were to learn that independence is hard to regulate.

Belyakov's message (including a statement that the party was due for some new, young leadership) was received without enthusiasm by the old-guard, Stalinist FCP leaders.

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Belyakov did find a receptive audience among the younger, restive, more liberal officials. Seizing the initiative, this group managed to take over many of the party's leadership positions at the 14th Party Congress in early 1966 and, with Belyakov's support, pushed through a new party manifesto calling for a less dogmatic interpretation of Marxism-Leninism. This new look was to pave the way for participation in the government.

As the Soviets had hoped, the Social Democrats were ready to cooperate. The party leaders' decision to negotiate was based on the analysis that unless the SDP soon returned to government, it risked stagnation, and that without Soviet approval the party could not return to power. In mid-1965 Vaino Leskinen, a former leader of the anti-Soviet faction in the party, entered into discussions with Yu. Voronin, who had previously served as first secretary in the Soviet Embassy in Helsinki. According to Leskinen, however, the first talks made little progress, as Voronin simply deplored SDP hostility toward the USSR and Leskinen repeatedly pledged social democratic friendship with the USSR.

The slow movement in these initial talks may have resulted in part from Soviet ambivalence about "unity of action." Soviet hesitance was suggested by publication of two Pravda articles (in May and July 1965) critical of social democracy in general, and the SDP in particular. And, in the fall of 1965 Belyakov indicated that disagreement in Moscow might be causing delay: in response to a question from an FCP Politburo member about the apparent shift in the Soviet line, he said that "we have certain difficulties at home also," and "it sometimes happens that one is himself found in the minority."*

*Several statements made by Soviet First Secretary Brezhnev in the summer of 1965 suggested that at the outset he was not an enthusiastic backer of "unity of action";
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While internal Soviet disagreement may have been a factor, the delay may also have been caused by SDP dissension, as the new policy certainly marked a departure from the party's previous course. In December 1965 an agreement was nonetheless reached which reportedly provided for an end to mutual Soviet-SDP criticism and for an understanding that the USSR would not oppose SDP participation in the government after the March 1966 elections. Presumably Leskinen also agreed to accept Communist participation in the government.*

(footnote continued from page 21)
in discussions with FCP officials he criticized social democracy and cautioned the FCP against trying to rush into the government. Brezhnev was apparently not a vigorous opponent of the line either, for progress began to be made in the SDP/CPSU negotiations in December 1965, precisely the month that he took a major step in consolidating his own political position. At the CPSU Central Committee plenum held in that month, two Brezhnev rivals received set-backs: Aleksandr Shelepin was removed from the Council of Ministers, and the Party-State Control Committee, which he had headed, was abolished; and Nikolay Podgorny was promoted out of contention, to the position of Chairman of the Presidium of the Supreme Soviet.

**The Soviets apparently got further concessions from the SDP. In April 1966, after several months of unsuccessful attempts to form a government, Leskinen met with CPSU Secretary Boris Ponomarev. [redacted] Ponomarev presented three "conditions" to Leskinen, including SKDL inclusion in government, support for Kekkonen's bid for re-election in 1968, and the admission of previous foreign policy errors. Although Leskinen denied that any demands had been made by the Soviets, all three of these "conditions" were subsequently met by the SDP. The SKDL was included in the government formed in May 1966; the SDP*
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These negotiations and the resulting inclusion of both Social Democrats and Communists in government demonstrated the Soviet ability to maneuver within the Finnish system. Not having the power to force Communist participation in the government, they bargained for it, using the veto potential established in 1958 as both a club and a carrot to induce SDP cooperation. Furthermore, the conclusion of this arrangement with the SDP provided the Soviets with additional leverage within Finland; for in order to retain Soviet acceptance in the future, the SDP would make policy concessions in the Soviet interest.

2. Communists and Social Democrats Enter the Government

In addition to instructing the FCP and bargaining with the SDP in order to achieve their goal of Communist participation in government, the Soviets revealed their preference for a change from the single-party rule of the Center Party by their criticisms of that party in the months before the March 1966 parliamentary elections. For years the Soviets had followed a hands-off policy toward the Center Party, preferring to deal directly with the Finnish system through the Center Party and its main spokesman, Kekkonen. Now, in early 1966, as part of their effort to boost the FCP, Soviet officials expressed criticism of the Center Party, charging it with cooperation with the

*(footnote continued from page 22)
supported Kekkonen for re-election in 1968; and at its November 1966 congress the SDP adopted a "new foreign policy" line -- its "opening to the East" -- and various party leaders indulged in criticism of past SDP foreign policy attitudes.*

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Conservative Party, for not understanding the SKDL's line, and for being neutral on Vietnam.

The SDP was the victor in the parliamentary elections, emerging with 27 percent of the vote and a total of 55 seats in the 200-seat parliament.* For the first time since 1958, Kekkonen asked the SDP to form a government. While Soviet maneuverings had played a vital role in establishing this possibility, Kekkonen too had been laying the groundwork for Socialist inclusion in the government. He knew, of course, that the Soviets now favored this step, always an important consideration to him. But he had other reasons for desiring the change himself. He undoubtedly felt that Center Party government could not be continued indefinitely and that the exclusion of both the SDP and the Communist electoral front, the SKDL (together representing half the electorate) was neither realistic nor desirable. Finland was at this time in need of significant economic legislation to meet serious problems, and without broad support such legislation could not be passed. Conservative Party participation without Communist inclusion as well would not be acceptable to the Soviets, and the Conservatives would not serve with the Communists. Therefore a coalition including Social Democrats, Communists, and moderates recommended itself to Kekkonen as the best solution.

Forming a government did not prove simple, however, primarily because a faction of the Center Party, including

**All the other major parties lost seats. The Center, with 21 percent of the vote, lost four; the Communists, also with 21 percent of the vote, lost five; the Conservatives, with 14 percent, lost four.*

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Boris Ponomarev
CPSU Secretary in charge
of relations with non-Bloc parties.

its Chairman, was reluctant to participate.* Center Party participation was essential to provide respectability and stability to an otherwise socialist coalition, and negotiations dragged on for several months. The impasse was finally broken in late May 1966, when the Social Democrats capitulated to Center Party demands for a government program. The SDP's decision to give in may have resulted from Soviet pressure; in late April Leskinen had met with CPSU Secretary Ponomarev, who had probably urged haste in forming a government. On 27 May Kekkonen was able to announce formation of a coalition including the Center, Social Democrats, SKDL, and TPSL. Thus, somewhat ironically, following a setback at the polls in the March elections, the Communist front became a government participant.

**Some of the party leaders argued that the party would benefit from the luxury of being in the opposition for a time; some also felt that the party's image would be tarnished by its participation in a government which included Communists but not Conservatives. An inner-party struggle was very much involved in the debate; the pro-Kekkonen faction, which included Foreign Minister Karjalainen, believed that the Center Party's participation was essential for the country's stability. They also undoubtedly believed it would ensure Kekkonen's re-election in 1968. The other faction, headed by Party Chairman Virolainen, probably hoped to undermine Kekkonen by remaining outside the government and thus improve Virolainen's own presidential credentials.*

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Ele Alenius
SKDL Chairman,
became cabinet member in 1966.

This represented a victory for the Soviets and for their tactic of unity of action. Communist inclusion in the coalition gave Moscow spokesmen at the highest levels of Finnish government and provided a showcase of Communist respectability and ability to participate in a democratic government. However, in terms of actual power within the system, the Communist advance was not particularly significant, for FCP leaders were given only minor ministerial positions.* The ministries of defense and interior remained closed to them.

Furthermore, while the Soviets had got what they wanted, the cost in terms of FCP unity was high. The Stalinist old-guard had gone along with the new policy only because of Soviet dictates, and the initiative for pursuing the new line had been taken by the liberal faction. Forced from their former position of dominance, the Stalinists began to regroup in 1967 and to begin what was to be a long struggle to regain control of the party.

*Ele Alenius, the non-Communist Chairman of the SKDL, was named Second Finance Minister, and two Communist SKDL members were given the posts of Minister of Social Affairs and Minister of Transportation and Public Works.

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By the end of 1967 the FCP had become polarized into two factions which have remained irreconcilably opposed ever since. These factions differ on questions of theory, on tactics to be used in attaining power, and on the extent of allegiance owed the CPSU. As seen above, in order to gain respectability and influence, the liberals had discarded many orthodox Communist concepts and urged cooperation with other parties; they had entered the government coalition and supported government policies. The Stalinists remained opposed to discarding Leninist tenets such as the dictatorship of the proletariat and unenthusiastic about cooperation with the SDP and participation in a bourgeois government.

Through 1967 the Soviets continued to support the liberal wing of the FCP. However, several sources have indicated that the division within the FCP was paralleled by division within the Soviet embassy in Helsinki, with KGB embassy officers having a continuing sympathy for the old guard because of past associations and proven reliability. It seems logical that KGB and CPSU officials alike would be loath to abandon their loyal contacts in favor of relatively unknown and unproven figures. This schizophrenia within the embassy was continually reinforced by an ambivalent and fluctuating Soviet policy line which probably reflected high-level disagreement over how to proceed.

C. Czechoslovakia -- Trauma and Turning Point

The crisis of Czechoslovakia, culminating in the August 1968 invasion, resulted in a Soviet reappraisal and reordering of priorities with respect to the tactic of "unity of action." The Soviets saw a ruling Communist Party in an East European country adopt some of the concepts of openness and accommodation they had been urging on the FCP. In the latter instance the Party's flexibility

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and pursuit of its own path to Communism had been seen as a means of attaining power. But similar precepts, when adopted by the Czechs, had proved the first step toward the loss of absolute control by the Communists. Thus it could convincingly be argued by those opposed to "unity of action" with the Social Democrats that modifying the Party significantly in order to strengthen its position would in fact transform it into a new and unacceptable entity.

Furthermore, the Soviets had seen a flexible and reformist party in Czechoslovakia quickly grow unresponsive to Soviet demands. That this was also the case with their creation in Finland was demonstrated when the liberal-dominated FCP immediately "deplored" the Soviet invasion in terms more critical than those used by other Finnish parties, including the SDP. While the Finnish party leaders saw this simply as a demonstration of the independence and patriotism encouraged by Belyakov in 1965, the Soviets saw it as an intolerable presumption. The Soviets showed clearly their anger at the FCP condemnation and appreciation for the loyalty of the Stalinist faction, which had endorsed the Soviet invasion.*

**French Communist Roger Garaudy wrote that Brezhnev himself had said that parties that refused to go along with the Soviet intervention would be reduced to insignificant grouplets. Several days after the invasion TASS published a statement supporting the invasion which had been adopted by the Stalinist-controlled FCP Turku District Committee. Saarinen's indignant protest was to no avail. In September 1968, a CPSU delegation to Finland headed by Moscow Oblast First Secretary V.I. Konotop publicly defended the Soviet action and commended Stalinist district leaders as the true "Marxists-Leninists" in Finland. On 2 October Trud attacked FCP Vice-Chairman Salomaa for his criticism of the invasion; this was interpreted by*
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Another factor in the post-Czechoslovakia Soviet evaluation of Finland was the growing division within the FCP. Already divided, the FCP was so deeply and bitterly riven by the Czech episode that open split seemed imminent. The Soviets viewed such an eventuality as unacceptable, as a formal split in the party would virtually remove it as a powerful force in Finnish politics.* Thus in late 1968 and early 1969 the preservation of the FCP as a single entity came to be one of the central Soviet objectives within Finland.

The Soviet wish to preserve party unity, combined with their re-identification with the Stalinists as loyal and dependable comrades, led to a reordering of their priorities in Finland. Since 1965 they had subordinated

(footnote continued from page 28)
the liberals as an attack on all of them. There were also indications at this time that the Soviets were beginning to apply financial pressure to the liberal majority and were now funneling aid to the Uusimaa District organization headed by Stalinist Markus Kainulainen.

**The FCP would in fact lose much of its strength if it split, because the Finnish system of proportional representation favors large parties. For example, in 1970 the SKDL won 16.6 percent of the popular vote, but had 36 (18 percent) parliamentary seats; the SDP had 23.4 percent of the vote and 52 (25 percent) seats. In contrast, the Liberal Party had 6 percent of the vote and 8 (4 percent) seats and the Rural Party had 10.5 percent of the vote and only 18 (9 percent) seats. In addition, government subsidies to political parties are based on size. An FCP split would also seriously undermine Communist ability to make progress in the labor unions at the expense of the social democrats.*

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their basic preference for orthodoxy and allegiance within the FCP to the tactical advantages to be gained from a modernized Communist party cooperating with social democracy and participating in government. Now, gradually and with considerable fluctuation, they reversed this judgment.

Some of the fluctuation in the resulting Soviet line reflected the fact that, while they were shifting priorities, the Soviets nevertheless continued to prefer Communist participation in government. This ambivalence created problems because the Stalinist faction, which the Soviets now favored, opposed cooperation with bourgeois parties.* Some fluctuation also probably resulted from uncertainty over procedure; after all, the Soviets themselves had initiated and manipulated Communist participation in government and this had involved negotiations with the SDP and at least the tacit cooperation of Kekkonen. Their retreat from this policy entailed a risk of offending Kekkonen and endangering the SDP's "opening to the East."**

**The Soviets would continue to have considerable ambivalence concerning the FCP. As Belyakov told an FCP official in 1970, the CPSU had been concerned by evidence that the FCP seemed to be going its own way and wanted to keep the party in line. However, Moscow also wanted a strong party, which implied a certain amount of independence. Furthermore, he said, while the Stalinist faction was more loyal, the CPSU recognized that the FCP could not survive if led by the Stalinists because their policies were not acceptable to most Finnish Communists.*

***Prime Minister Koivisto, a Social Democrat, had in fact warned Kosygin in the fall of 1968 that Soviet support for the Stalinists might have bad effects on the general SDP attitude toward both government and non-government cooperation with the Communists.*

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1. Soviet Efforts to Restore FCP Unity

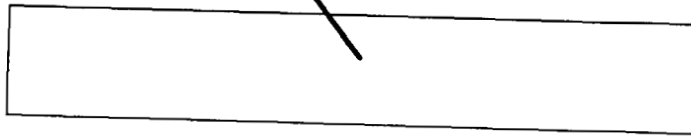


Arvid Pelshe
CPSU Politburo member,

tried to mediate at 1969 FCP Congress. ***Pelshe's speech at the FCP Congress revealed the Soviet shift in emphasis to a line favored by the Stalinists. While he praised the policy of government participation, he warned that the decisive condition for the successful struggle to socialism was the leadership of a unified working class party guided by the revolutionary theory of Marxism-Leninism. He said that enemies of Communism count on kindling revisionist sentiments among Communists knowing that this leads to "a rejection of the class struggle, to compromise, to a desire to make concessions to social*
(footnote continued on page 32)

As the FCP headed into its 15th Party Congress, scheduled for April 1969, a formalized split seemed increasingly probable. Soviet attempts to mediate proved ineffective, and the Stalinists walked out of the liberal-dominated Party congress. The apparent liberal success proved a Pyrrhic victory, however, for in spite of their displeasure with the walk-out,* the Soviets now increased their support for the Stalinist faction.**

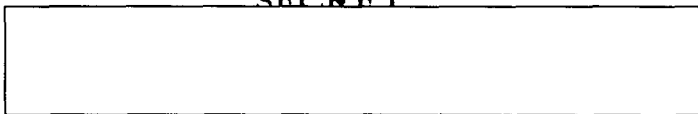
**The head of the CPSU delegation, Politburo member Pelshe, met several times with the Stalinists in an effort to persuade them to return to the congress, but was rebuffed.*



While using a combination of warnings and promises to keep the Stalinists from establishing a new party, the Soviets applied constant pressure on the liberals, gradually forcing them into greater and greater concessions. Moscow first took from them the one real tool they possessed to exercise control over the party -- the right of patronage. Immediately after the congress, Pelshe warned against the use of "persecution, administrative decisions, and dismissals." This was a clear warning to the liberals not to try to consolidate their control by removing Stalinists from party positions. Just as importantly, the Soviets now began withholding financial support from the FCP, throwing the party into its worst financial crisis since the end of the war. In short, the Soviets were now applying economic and political pressures on the FCP to thwart the will of the party majority regarding the makeup of the party leadership which were analogous to the pressures they had long applied against Finland as a whole to modify the will of the Finnish electorate regarding the makeup of the country's governments.

As the Finnish bourgeois leaders had frequently done, the FCP leaders now retreated before the various Soviet threats and sanctions. By the end of 1969, they had agreed to a reapportionment of the Party leadership along lines laid down by the Soviets, and these changes were subsequently confirmed at the extraordinary Party congress held in February 1970.

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reformism, and to the weakening of the ideological foundations of the Marxist-Leninist parties...."*



2. Soviet Disenchantment With "Unity of Action"

The preoccupation of the Soviets with preserving FCP unity and their resurrected affinity for the Stalinist faction led to declining Soviet concern about Communist participation in government as a means of bolstering the party. This change in the Soviet view was reinforced by the fact that the FCP had apparently not been strengthened as a result of the policy; on the contrary, it had been bitterly divided and had lost voter support.* In addition, Soviet influence within the government had not increased particularly as a result of Communist participation, partly because the Communists had been given only minor posts, and partly because direct access to Kekkonen continued to be more effective.

Soviet enthusiasm for "unity of action" was further dampened by recurring problems in dealings with the Social Democrats. These had begun soon after the new coalition took power in 1966. One of the aspects of the SDP's "opening to the East" desired by the Soviets had been an understanding that the Social Democrats would open party-to-party relations with the CPSU. In the fall of 1966,

*The FCP liberals argued that loss of popular support resulted not from the party's policy but from the Soviet invasion of Czechoslovakia.



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Rafael Paasio
SDP Chairman and
occasional prime minister,
found dealing with Soviets difficult.

Party leader Rafael Paasio visited the USSR in his capacity as prime minister. Before the trip SDP and CPSU representatives had reportedly agreed that bilateral party talks would be held during the visit. Paasio declined, however, to open such discussions during his visit; one source has said that Paasio felt the extension of Soviet influence into Finnish affairs had gone far enough and that he would take it no further.

Paasio's presumption annoyed both the Soviets and Kekkonen. One Soviet embassy officer reportedly told Leskinen that if Paasio's behavior was indicative of SDP thinking Moscow was not averse to sending the party into another period of isolation. Kekkonen is said to have told Paasio that he must resign because his attitude was harming Soviet-Finnish relations.* In the face of this pressure Paasio apologized to the Soviets and duly requested bilateral party discussions (finally held in May 1968). During 1968 the SDP took several additional steps

**In 1968 the SDP did replace Paasio as prime minister with another SDP leader, Mauno Koivisto; this was probably partially because of Paasio's unsatisfactory relations with the Soviets and partially because Paasio had not proved very effective in dealing with economic and other problems.*

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designed to appease the Soviets: in April its Executive Committee called for recognition of both Germanies by all European countries, a break with its former policy; and, following the invasion of Czechoslovakia, the SDP issued a less critical statement than that issued by the FCP.

Nevertheless, during 1969 Soviet-SDP relations again became somewhat strained. In the spring of that year, for example, the Soviets became involved in maneuverings surrounding the appointment of a new Director General of Finnish State Radio and Television. The incumbent, Eino Repo, had pursued what was generally considered to have been a very pro-Soviet policy line during his five-year term, and both the FCP and Soviets supported his retention in office. However, the SDP and Center Parties presented their own joint slate in opposition to Repo and their nominees were selected, much to FCP unhappiness. When the new Director General, Social Democrat Erkki Raatikainen, was asked by a US observer if he would continue the previous policy of the Radio-TV organization he was to head, he replied that he planned to be more moderate. Although pro-Soviet bias has reappeared in Finnish Radio and TV since then, the Soviets nevertheless undoubtedly felt aggrieved at this rejection of their wishes.

The Soviets were also unhappy with the SDP Congress held in June 1969. Party Secretary General Raatikainen had left his party post to take the job as Director-General of Radio and TV and, although he was replaced by another supporter of the party's new foreign policy, the faction of the SDP favoring appeasement of the USSR was weakened. Furthermore, Kaarlo Pitsinki, a member of the right wing of the party was elected chairman of the SDP Council. The Soviets considered all this an ominous tendency, a bad omen for "unity of action," and a symptom of a more general right-wing trend in Finland.

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3. The Soviets Undo the 1970 Finnish Election Results

The Soviet concern over an alleged Finnish right-wing trend was partly the result of their post-Czechoslovakia paranoia and partly a reflection of objective conditions in Finland. Most Finns had reacted negatively to the invasion of Czechoslovakia, and the subsequent increase in the strength of the conservative political parties and of the right wing of the SDP doubtless influenced this anti-Soviet revulsion. In February 1970, Kekkonen met with the Soviet leaders and warned them that the elections would show a conservative trend. He was right: when the ballots had been counted the Conservative and Rural Parties had won a major victory, and the previous socialist majority of 103-97 had given way to a non-socialist majority of 113-87. Whereas before the election the coalition had controlled 165 of the 200 seats, it now held only 135.*

Despite increasing Soviet disillusionment with the scant benefits obtained by Finnish Communist participation in the government, Moscow's concern over the conservative trend, confirmed by the elections, evoked a sustained Soviet campaign to keep the FCP in the governing coalition despite the Finnish electorate's move to the right. In their meetings with Kekkonen in February 1970, the Soviets said they found

**The SDP fell from 27 percent of the vote in 1966 to 24 percent in 1970; the Center fell from 21 percent to 18 percent and the SKDL from 27 percent to 17 percent. The TPSL lost all its parliamentary seats. The Conservatives increased their vote from 13 percent to 18 percent and the Rural Party garnered an incredible 10 percent of the vote, having pulled only 1 percent in 1966.*

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it incomprehensible that a government functioning as well as the present one should lose votes and indicated that they would view any significant changes in the next government with extreme disfavor. On his return home, Kekkonen commented to several Center Party leaders that "it would be unrealistic" to try to form a government significantly different from the present one -- regardless of what the electorate did in the forthcoming elections.

It took Kekkonen (with help from the Soviets) five months to nudge recalcitrant Finnish parties back into acceptance of another left-center coalition. The first problem was to overcome the reluctance of the Center Party to participate;* then, when the Center did acquiesce, it stipulated that the Rural Party of Veikko Vennamo must also be included. This was unacceptable to the Communists. The FCP flatly refused to participate in a government with Vennamo, whom it called a "chauvinistic and anti-Soviet petit-bourgeois politician."** And, in the first week of July, Soviet

**The Soviets applied pressure to the Center Party to try to bring it back into the coalition. Also, when Kekkonen finally appointed a caretaker government as a stopgap measure in June, the Soviets indicated that this was not a proper basis for Kekkonen's forthcoming visit to the USSR in July. This prompted Kekkonen and the Center to move toward cooperation.*

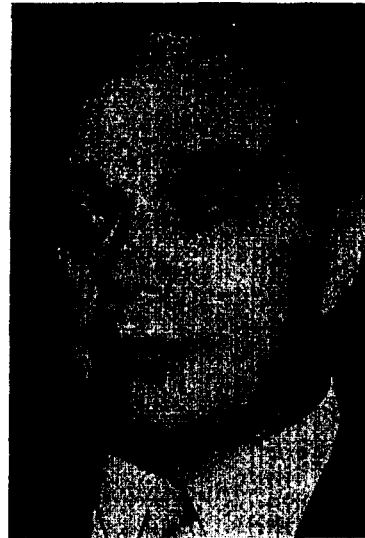
***In fact, Vennamo is one of the few Finnish politicians to have called for a re-examination of Finland's foreign policy course; his popularity rose sharply in the 1970 elections, probably reflecting the anti-Sovietism of the post-Czech atmosphere. However, his party has lost strength since then.*

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Johannes Virolainen
Finnish Center Party Chairman.



Veikko Vennamo
a political maverick,
has dared to question closeness
of Finnish ties to USSR.

Counselor Stepanov told Center Party Chairman Virolainen that the "inclusion of the Vennamo Party would be unacceptable to the Soviet government." The Center Party again capitulated and Virolainen explained that to have included Vennamo "would have constituted a strain on Finland's international relations." A left-center coalition of the same composition as before the elections was thus finally formed, in spite of the electorate's clear swing to the right.

This episode demonstrated the extent of Soviet ability to impose its will on the Finnish system through a combination of the use of a veto (against the Rural and Conservative Parties) and the threat of a "strain" on Finnish-Soviet

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relations. The majority controlled by the post-election government coalition thus created was significantly smaller than it had previously been, however, and this fact was to cause the coalition -- and the Soviets -- trouble in the months ahead.

4. Stalinists Precipitate Government Crisis

While this struggle was going on outside the FCP, the Soviet emphasis on party unity and the increasing sympathy Moscow showed the Stalinist faction within the FCP meanwhile had encouraged the Stalinists to take the initiative against the liberals. The Stalinists had previously indulged in sniping at the government of which the Communists were a part, but in 1969 and 1970 they steadily increased the number and vitriol of their attacks, dwelling particularly on those aspects of the government's stabilization program designed to hold the line on wage increases. They hoped thereby to gain radical support, making the liberal Communist faction bear the responsibility for keeping the government coalition intact by supporting unpopular policies.

The gradual reordering of Soviet priorities which had occurred after Czechoslovakia (from emphasis on Communist participation in government to emphasis on an orthodox, loyal, and unified FCP) was reflected in their willingness to tolerate such Stalinist attacks on the government and to indulge in occasional similar criticisms themselves. As early as October 1968 Belyakov told a group of Finnish Communists that while the FCP's government policy had been basically correct, the party should become more critical of the wage stabilization program; he implied that many Stalinist criticisms were timely and worthy of consideration. In addition, the Soviet press picked up the Stalinist attacks and replayed them.

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This was clearly an unfortunate development for the liberal majority in the FCP, which had emerged as the dominant force in the party precisely because of the Soviet drive for unity of action and Communist participation in government. The liberals considered government participation their main achievement and did not wish to lose it. At the same time they did not feel they could afford to let the Stalinists walk off with radical worker support. In this dilemma, they tried to work both sides of the street, remaining in the government but attacking it at the same time. During 1970 they joined the Stalinists in engineering a number of wildcat strikes designed to undermine government efforts to hold the line on wage increases.

In the fall of 1970, after the left-center coalition had been renewed, the liberals found themselves trapped on the issue of a civil servants bill involving right-to-strike and collective-bargaining questions. The liberals had criticized the bill, as had the Stalinists, but they felt they must not permit the government to fall because of it and must support it when it came to a vote.* Moreover, they had been led to believe that the Soviets agreed with this.** In the final

**Somewhat ironically, despite its severe election losses, the SKDL's ability to bring down the government was greater than it had been before; the coalition now had only a 35-seat majority in parliament and the Communists had 36 seats.*

***FCP Chairman Saarinen reported that Belyakov, named Ambassador to Finland in June 1970, had told him that the government must not be allowed to collapse on account of this bill.*

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vote in parliament, however, in an unprecedented action, the Stalinist parliamentary contingent (12 deputies) broke with party discipline and voted against the bill.

While the negative Stalinist votes were not enough to defeat the bill, the liberal faction was demoralized by this incident. They felt that the Soviets had helped back them into a corner by encouraging Stalinist criticism of the bill while telling the Party to vote for it. The liberals had done what they were told, but the Stalinists had defied Party discipline and had bolstered their image as the true champion of the working class. Furthermore, the Stalinists received no Soviet censure for their action. On the contrary, shortly thereafter, Saarinen was criticized by the CPSU for having condemned the Stalinist vote.*

The vote on the civil servants bill and the Soviet reaction marked a turning point for the FCP liberals, who now resolved that they could not afford any further usurpation by the Stalinists of the role of radical defenders of the workers. They decided that further vacillation on their part could only strengthen the Stalinists and that henceforth they would have to maintain a hard line on questions of wage controls, bringing down the government if necessary. Somewhat ironically, it would be the Stalinists who would be forced to back down on the next occasion, not the liberals.

**To add insult to injury, hard-line Soviet embassy counselor Fedorov subsequently criticized the liberals for their handling of the situation and said that while the Stalinists may have been wrong "formally," they may have been right "from a class standpoint."*

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D. The Soviet Dilemma of December 1970

The Soviets had meanwhile been pursuing two conflicting policies during 1969 and 1970. On the one hand, they had been instrumental in manipulating events in Finland in 1970 so that a coalition government including the Communists could again be formed. As far as Kekkonen and other Finnish political leaders were concerned, it was the Soviet wish that the Communists remain in government and that the coalition as constituted continue in power. Kekkonen had himself been deeply involved in creating this situation.

On the other hand, during 1969 and 1970 the Soviets had also supported and voiced criticism of the government which undermined the coalition and could easily have resulted in Communist withdrawal from government. This line was apparent in Soviet articles echoing Finnish Stalinist attacks on the government's economic stabilization program and voicing approval for Communist-backed wildcat strikes aimed at combatting wage controls. This campaign reached its peak in a November 1970 Novoye Vremya article by Pravda's Helsinki correspondent, Yuriy Yakhontov, considered by many Finns to be the sharpest Soviet attack in recent years on Finnish society in general. Voicing concern at the conservative gains in the March 1970 elections, Yakhontov charged a swing to the right was taking place in Finnish politics and claimed to see a resurgence of revanchism and anti-Soviet sentiment in Finland. This article caused considerable dismay in Finland, where it was viewed as evidence of Soviet support for the Stalinist faction in the FCP and as an attempt to undermine the government.

The conflicting Soviet lines met head-on in December 1970. The catalyst was a wage and price control program which was proposed by Kekkonen on 4 December. The issue of such controls, particularly the level of wage increases,

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had been bitterly contested and posed a serious threat both to the stabilization program and the coalition. Kekkonen's personal involvement in such an economic-political imbroglio was unprecedented. He undoubtedly hoped that it would serve to unite the warring parties, particularly the Communists, whose support he considered vital to preservation of government and economic stability alike. However, the immediate Communist reaction was negative, the liberals having decided that they could not afford a repetition of the October 1970 civil servants bill fiasco.

1. The Belyakov Saga

By December 1970 the Finns, particularly Kekkonen and Premier Karjalainen, were angry with both the Soviets and the FCP and concerned about the policies both were pursuing. Kekkonen expressed his feelings at a Soviet embassy reception on 6 December, when he commented to Soviet Counselor Farafonov that the Communists "are against me." His statement was based on a melange of impressions and information, some of it factual, such as Soviet press articles critical of the government, and some of it unclear.

Much of the somewhat ambiguous information centered around the figure of Aleksey Belyakov, former First Deputy Chief of the CPSU International Department. To the surprise of many, Belyakov had been named to replace Kovalev as Soviet Ambassador to Finland in June 1970.* He had arrived in the

**The reasons for Belyakov's appointment are somewhat obscure. He was not a logical candidate, both because he was a party figure and because his former position would seem to have carried more political clout than his new one. In one conversation he himself indicated that he had been in political*
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midst of negotiations over government formation and had immediately antagonized Kekkonen by peremptorily summoning him to the Soviet embassy.* The story of Belyakov's brief tenure as ambassador contains many elements of heavy-handed political intrigue and revolves around the central Finnish political issues of the period, including the government crisis over economic stabilization.

In mid-November 1970 [redacted]

[redacted] report on Belyakov for Kekkonen and other Finnish leaders, based on information provided by [redacted] the FCP and apparently reflecting some of the views of the liberal Communists. It charged Belyakov with interfering in internal FCP affairs to give the party (and/or its Stalinist faction) detailed directives on how to deal with key parliamentary issues, as well as with collective bargaining negotiations. The clear implication of these charges was that Belyakov's counsel was hostile to the government, and that it was reflected in the case of the civil

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trouble and had taken this post in order to avoid getting something worse. He implied that he had personal and political differences with Brezhnev and had been afraid of being transferred to a minor post somewhere; he felt Finland would be out of the line of fire. He also said that the main job in Helsinki would be to put the FCP in order.

**Belyakov reportedly summoned a Finnish businessman to the embassy where, in Belyakov's presence, another Soviet embassy official read a list of Soviet stipulations with respect to formation of a coalition, including inclusion of the Communists and assurances that the stabilization program would be continued. He then told the Finn to convey this information to Kekkonen and Karjalainen and bid them come to the embassy.*

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servants' bill in October, when the FCP Stalinists voted against the coalition. The report also charged that Belyakov and the FCP had agreed to conduct a campaign emphasizing the rise of Finnish right-wing attitudes. The publication of Yakhontov's Novoye Vremya article in November lent credence to the accuracy of this insinuation that Belyakov was directing the FCP to undermine the coalition.* Belyakov's reputation in Kekkonen's eyes subsequently received a further blow with a never-substantiated rumor that he had attended a 5 December meeting of the FCP Central Committee at which the FCP voted to oppose Kekkonen's wage increase proposal.

There is little evidence to support the allegations that Belyakov had directed the FCP to oppose the coalition. The Soviets themselves, however, were subsequently to imply that there was some truth to them.** Indeed Belyakov's

**There is no reason, however, to suppose that Belyakov was behind the Yakhontov article. In fact, he subsequently (in January) deplored it. In late November Soviet embassy officer Akulov told a Conservative Party leader that the man behind the article was the new embassy counselor, V.N. Vladimirov. He said that Vladimirov had access to Moscow over Belyakov's head and had a grudge against the Conservative Party which had called him a spy during a previous tour. Vladimirov's actual job within the embassy is in some question. He may have been a senior KGB officer in the embassy, possibly the resident. In any event Vladimirov acted in a very senior capacity during this period and accompanied Belyakov almost everywhere.*

***In an early March 1971 meeting with Conservative Party leaders, Soviet Counselor Vladimirov discussed the rumor that Belyakov had attended FCP meetings and given the party instructions on what attitude to take toward economic stabilization plans and how to handle labor issues. He said that the rumor had derived from Belyakov's previous function as a party official and the fact that he had moved in party circles before his*
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behavior made the allegations believable. As a former CPSU official he had been accustomed to functioning as the bearer of directives to Communist Parties and had never had to acquire diplomatic finesse. He had started his tenure by antagonizing Kekkonen and he had committed various other diplomatic gaffes in the course of his six-month stay.* In any event, the Finns apparently believed the [redacted] report and Kekkonen seems to have used it to gain support for his 4 December wage/price proposal.**

(footnote continued from page 45)
appointment. Thus he had gravitated into the company of Communists which had led to the above rumor. In January 1971 Belyakov himself told a group of Finns that he had made a number of mistakes during the first part of his tour, saying that they had stemmed from his not knowing Finland or the Finns well enough.

**In early October 1970, for example, he hosted a dinner for senior Finnish military officials and managed to insult the Finns by arriving late and behaving in a rude and insulting manner.*

***Both Paivio Hetemaki, Chairman of the Employers Federation, and Nilo Hamalainen, Chairman of the trade union federation, in their respective briefings to the Conservative and Social Democratic Parties, urged their groups to support the Kekkonen 4 December proposal and said that they had information that Belyakov had personally told the FCP how to conduct wage negotiations. It is likely that these men got their information at a 26 November meeting at the presidential palace at which Kekkonen got the prior agreement of the top labor organizations for his proposal of 4 December.*

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Kekkonen also expressed his displeasure directly to Belyakov. Sometime in the second week of December 1970, he summoned the ambassador to a meeting and expressed concern over the tenor of Soviet press articles, saying that these constituted interference with his policy of left-center cooperation. He expressed the hope that this sort of thing would not continue. Kekkonen's remarks were clearly directed at Belyakov's personal conduct as well as at the Soviet articles and, according to the source of this report, Belyakov was upset. This confrontation resulted in the hurried and secret trip of Soviet First Deputy Foreign Minister Kuznetsov to Finland on 15 December.

The secrecy in which Kuznetsov's visit was shrouded contributed to numerous rumors. However, it seems clear that the main purpose was to soothe Kekkonen's ruffled feelings and to retreat from the harsh, anti-government position the Soviets had been supporting in late 1970. That this was the case is supported by a number of subsequent developments, including an immediate attempt to make Belyakov the scapegoat for the deterioration in relations between the two countries. For example, in February 1971, during an unofficial visit to Moscow, Kekkonen complained about Belyakov, and Brezhnev replied that Belyakov had not been acting according to the wishes of the CPSU and that "the Embassy of the Soviet Union has not been part of the Soviet Union." Various Soviet embassy officers made disparaging remarks about Belyakov in early 1971, the gist of which was that he had handled everything abominably.* Belyakov did not return to Finland

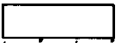
**The critical remarks made about Belyakov by his fellow embassy officers in early 1971 suggested to many observers that Belyakov, long considered a supporter of the liberal faction of the FCP, was being undermined by embassy elements, specifically the KGB, who favored the Stalinists. This*
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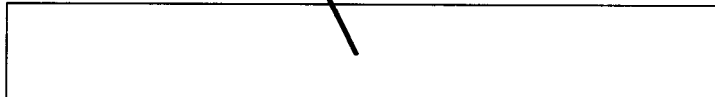


after accompanying Kekkonen to Moscow in February, and the Finns were subsequently told that he had had a heart attack; in April 1971 he was "assigned to other duties."*

Even more persuasive support for the argument that Kuznetsov's visit was aimed at pacifying Kekkonen and retreating from the hard-line attitude reflected in the Yakhontov article was the subsequent moderation of the Soviet line. For the time being, the Soviets halted their charges of revanchism and anti-Sovietism and stopped their criticisms of the economic stabilization program. Of most practical importance was the pressure the Soviets now, for the first time, applied to the Stalinists regarding the government. For,

(footnote continued from page 47)
argument is not persuasive for several reasons. First, the criticisms of Belyakov were made after the December crisis; Belyakov was finished by that time and it was not this campaign of negative remarks which had brought him down. (There is, of course, always the possibility that the  report which ruined Belyakov was the product of Soviet intriguing, but there is no evidence to support this thesis.) In addition, the fall of Belyakov was accompanied, not by an immediate strengthening of the Stalinist position, but by a momentary moderation of Soviet policy toward Finland in general. This is not to suggest that Belyakov had been the chief proponent of a hard line, but that he did become the scapegoat for the failure of this line. The critical remarks made about him reflected an attempt to isolate Belyakov as the lone pursuer of a line which had proved a failure.

**When informed of Belyakov's alleged heart attack, Kekkonen questioned whether this was a medical or a political illness. Belyakov was succeeded by V.F. Maltsev, then Ambassador to Sweden. Maltsev arrived in Finland in June 1971.*



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in an amusing switch, it was the Stalinists who urged the FCP not to cause a government collapse over the Kekkonen wage/price proposal of early December. Thus a government collapse was for the moment averted and Kekkonen's prestige, which he considered threatened by the possible rejection of his proposal, survived intact.

This episode provides a revealing insight into the complex mix of Fenno-Soviet relations. Most examples discussed earlier tend to highlight the ability of the Soviets to work their will with the Finns. The crisis of December 1970 demonstrated that there are limits to Finnish tolerance of Soviet crude interference and that the Soviets have no desire to risk putting their whole arrangement in jeopardy. In late 1970 Kekkonen finally stood up to the USSR because of the intolerable conflicting pressures it was placing on him, and the Soviets retreated.

2. The Communist Withdrawal from the Government and its Aftermath

Despite this Soviet retreat, the collapse of the Finnish government coalition, narrowly averted in December, was not averted in March 1971, when both Communist factions finally voted against a government price-control program. The Soviets had this time made only a mild suggestion that the Party show "maximum flexibility" in order to avert a crisis, and the Stalinists had refused to compromise. The low-key reaction of both Kekkonen and the Soviets to the Communist withdrawal from the coalition suggests in fact that both had been reconciled to it in advance. The subject may even have been discussed during Kekkonen's February 1971 visit to Moscow.

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Following the December 1970 crisis and the eventual Communist withdrawal from government, the Soviets kept a low profile in Finland for several months.* The FCP liberals' hope that this signified a change in line toward the FCP proved unwarranted, however. A July 1971 lecture to FCP representatives by Pravda ideologist S. Kovalev demonstrated the about-face in the Soviet line toward the FCP that had occurred since 1965, when Belyakov had arrived in Helsinki with his "unity of action" instructions. Belyakov had encouraged the FCP to abandon such orthodox concepts as the vanguard role of the proletariat, the dictatorship of the proletariat, the Stalinist interpretation of class warfare, and the need for the use of force. In contrast, Kovalev rejected the emergence of what he termed "reformist theories;" he criticized those who say that the working class need not exercise hegemony over the revolution and that the concept of dictatorship of the proletariat is obsolete. He said that "all forms of struggle" must still be adopted, an obvious reference to the FCP's rejection of the use of force to gain power.

Nor had the lull in Soviet activity in early 1971 after the clash with Kekkonen signified a real or permanent change in the Soviet line with respect to Finland. In the fall of 1971, on the eve of the January 1972 parliamentary elections, the Soviets published a number of articles again attacking the government's "pernicious" wage policy, charging a right-wing upsurge in Finland, and calling for a reversal of this conservative trend at the polls.

*The new ambassador, Viktor Maltsev, did not arrive in Helsinki until June 1971.

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In fact, the Finnish elections in January 1972 did not bear out these Soviet fears of a further swing to the right; instead, there was a slight shift to the left.* However, despite Kekkonen's personal intervention, it proved impossible to put together a broadly-based coalition once more. Kekkonen had particularly hoped to bring the FCP back into the government, preferring that they share responsibility for the difficult decisions which had to be made.



Mikhail Suslov
CPSU Politburo member,
supported Stalinist line.

While many FCP liberals indeed wished to return, the Party's leadership insisted that such a step be unanimous, and the Stalinists refused to cooperate. The Soviets seemed now to have accepted Stalinist arguments, for in January, Soviet Politburo member Suslov commented that perhaps the Communist gains in the elections had been the result of non-participation in the government; Suslov also expressed approval of the position that an FCP decision to participate should be unanimous. This position constituted Soviet de facto support for the Stalinist position, for if the liberals wished to enter the government while the Stalinists opposed it, a unanimous decision to participate was clearly impossible.

**The non-socialist majority in parliament slipped from 24 to 16. With 55 seats the SDP was by far the largest party in parliament; the SKDL was second with 37, then the Center Party with 35 and the Conservatives with 34. The Rural Party of Veikko Vennamo kept its 18 seats although its percentage of the vote was reduced. Also of some significance was the fact that the Stalinists now only had about 10-11 of the Communist seats whereas before they had had 12-13.*

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The apparent Soviet attitude toward the FCP and government participation at this time was summed up by Soviet press attache Albert Akulov in a January 1972 conversation with a Finnish Conservative. Akulov said that the Soviets were now more interested in the growth of Communism in Finland than in Communist participation in government. He said that whereas in 1966 the CPSU had regarded FCP participation in government as a major objective because it wanted to demonstrate how Communism could be advanced in this manner, this had now been done. Furthermore, he argued that developments such as improved Soviet relations with France and West Germany were helping to ease problems the parties of those countries had found restrictive in 1966. He apparently meant that these parties could now function and grow in strength without resorting to the internal liberalization and external compromise involved in "unity of action."

Against this background, by the conclusion of the 16th FCP Congress in late March 1972 the liberal FCP faction was demoralized. It had again capitulated to Stalinist demands for increased representation in the central party organs, and the trend suggested a progressive whittling away of liberal strength until the Stalinists eventually regained control of the Party.

However, at this point a new element surfaced within the FCP. Before the Party Congress a group of dissident district FCP leaders had agreed that if Saarinen continued to make concessions to the Stalinists after the congress, they would transfer the battle to the Party's electoral front, the SKDL. This possibility represented a serious threat to the FCP.* While the SKDL had been a completely subservient

**By mid-May the dissident liberals had given teeth to their threat of abandoning the FCP; the SKDL decided to ignore an FCP Politburo decision to oppose a government pension-reform proposal; this opposition might well have toppled the two-*
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organization since its inception, it did have a complete party organization of its own and could conceivably take with it a large proportion of Communist popular support. Whether it could survive without Soviet approval and financial support was open to debate, but the unity and strength of the FCP were as threatened by the possibility of a dissident liberal withdrawal as they had been by that of a Stalinist withdrawal.

A slight shift in the Soviet line in early May 1972 may have been in part a reaction to this threat from the liberal flank. For the first time in months the Soviets voiced support for a liberal FCP position, urging the Party to modify its criticisms of the Social Democrats on the eve of their Party Congress and to increase its contacts with that party's left wing.* This was only a modest step back toward the unity of action which the liberal faction desired, but, if pursued, it could lead eventually to renewed FCP/SDP cooperation.

(footnote continued from page 52)
month old SDP government. While the FCP managed to retrieve the situation, reversing its position and voting to support the proposal, the Party and the Soviets had been put on notice that this group of liberals would not tolerate further erosion of the liberal position within the FCP.

**An FCP offer to increase cooperation on common policy programs was rejected by the SDP at its Congress in June 1972, but it did not exclude the possibility of common participation in a coalition. Other aspects of the congress were satisfactory from the Communist point of view. Kaarlo Pitsinki, an opponent of cooperation with the Communists, was ousted as chairman of the party's council, and the center-left leadership of the party was reconfirmed.*

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3. The Soviets Renew Their Bet on Kekkonen

While the Communists might return to the coalition at some point, it seems unlikely that the Soviets would count on such participation in the future as a primary means of advancing their own interests. Instead, they probably will rely on the time-tested techniques of manipulation and pressure to work their will and once again will give particular attention to their relations with the Finnish President. In early 1972, they appeared to be doing just that. Although Kekkonen has repeatedly stated that he absolutely will not run for re-election in 1974, he began hedging his position following his return from Moscow in late February 1972. At that time he told a colleague that the Soviet leadership strongly favored his continuing as President and that Brezhnev had told him that the possibility of his retiring should be "completely ruled out" at this time. Soviet officials have supported this high-level petition with numerous private statements of strong support for Kekkonen's retention.

While Kekkonen might stick to his refusal to "run" for another term, it appeared likely that some means would be found (possibly an extension of this term), to assure his continuation in office. Thus, barring death or physical deterioration (he is 71), Kekkonen stands a good chance of remaining the Finnish president through the 1970's. This is clearly the Soviet wish. The contradictory lines ensuing from Soviet support for "unity of action" had threatened their relationship with Kekkonen in late 1970; in 1972, support for Kekkonen was the dominant Soviet theme.

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III. THE SOVIETS AND FINNISH FOREIGN POLICY

A. The Peculiar Nature of Finnish Neutrality

The Finns had hoped to return to neutrality after World War II, but they were far from that status in the first postwar years and seemed unlikely to attain it. The Soviets had enormous leverage within Finland as a result of the terms of the armistice and peace treaties, as well as by their possession of a naval base at Porkkala, only 10 miles from Helsinki. As President Paasikivi himself admitted in 1948, the lease of this base to the Soviets, as well as the Soviet right of free transit through Finnish territory to and from Porkkala, handicapped Finnish independence and "lent Finnish neutrality a color of its own which did not quite suit the handbooks of international law." And, as discussed above, it was Paasikivi who formulated the basic policy that Finland must seek both neutrality and a "special relationship" with the Soviet Union.

While the signing of the Finnish-Soviet Friendship Treaty of 1948 was viewed by many as clear-cut evidence that Finland was firmly in the Soviet camp, the Finns have consistently maintained that this was not so. They argue that despite its name,* the treaty is not a treaty of mutual

**"Agreement of Friendship, Cooperation, and Mutual Assistance Between the Republic of Finland and the Union of Soviet Socialist Republics."*

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assistance and that it commits Finland only to the defense of its own territory.* Paasikivi claimed that the treaty's preamble laid the groundwork for future neutrality by stating that the treaty had been drafted, "taking into account Finland's desire to stay outside the conflict of interest between the great powers."

1. The Soviet Withdrawal from Porkkala

During the late 1940s and early 1950s the Finns made no attempt to explicitly proclaim their neutrality. The Cold War atmosphere rendered any such attempt inadvisable. In 1955 their opportunity came: in the summer of that year the Soviets proposed that in return for extension of the Finnish-Soviet Friendship Treaty (not due to expire until 1958) for another twenty years, they would return the Porkkala peninsula to the Finns. The reasons for the Soviet offer were probably varied. Moscow undoubtedly wanted to act while Paasikivi, whose term was to expire in 1956, was still in office. Looked at in the broader context of Europe, the return of Porkkala along with the signing of a peace treaty with Austria in 1955 were aspects of Khrushchev's new post-Stalin look during the Geneva-spirit interlude in East-West relations. The return of the base made it possible for the Soviets to assert that they had no military bases outside their own territory and thus

**Furthermore, the Finns argue that Soviet assistance would be forthcoming only in the event of an actual military attack on Finland -- in other words, only when her neutrality had already been violated. And, if the USSR became involved in a war not touching Finnish territory, Finland is only committed to refrain from joining an alliance against the Soviets -- in other words, to maintain her neutrality.*

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to press for liquidation of all Western bases in foreign countries. Furthermore, the return of Porkkala was not costly for the Soviets, as it had long since lost its usefulness to them.*

The Finns accepted Khrushchev's offer immediately. The departure of Soviet forces from Porkkala was seen by the Finns as a vindication of Paasikivi's thesis that Soviet policy towards Finland was governed by defensive concerns, and that prudent appeasement of Soviet security interests was the best way to secure Finnish independence. The elimination of the base also opened the way to international recognition of Finnish neutrality. The Finns had recognized that so long as they did not have control of all of their own territory, they could not reasonably expect others to respect their neutrality in the event of war. Furthermore, the Soviet military presence had posed a constant threat to Finnish independence. With the departure of Soviet forces, Finnish neutrality gained credibility. In fact, at the 20th CPSU Congress in 1956, shortly after the departure of the Soviet troops from Porkkala, the Soviets for the first time in an official statement referred to Finland as "neutral."

**In fact, the base had been virtually useless in World War II. Once the Germans had taken the southern shore of the Gulf of Finland, the Soviets had abandoned their base in the gulf.*

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2. The 1961 Soviet Challenge to Finnish Neutrality

In the late 1950s and early 1960s Paasikivi's successor, Urho Kekkonen, tried to gain wider acceptance of Finnish neutrality, traveling to various Western countries and collecting statements of acknowledgement of this neutrality. In late 1961, while he was in the United States and shortly after he had met with President Kennedy, this newly emerging neutral status was challenged by the Soviet Union: on 30 October 1961 the Finnish Ambassador in Moscow was handed a note from the Soviet government, proposing "consultations, in accordance with the Finnish-Soviet Treaty... on measures for the defense of the borders of the two countries against the threat of armed aggression on the part of West Germany and the states allied with it." The note claimed that West Germany had become a danger to peace in Europe and that it was naive to assume that German ambitions could be kept under control within NATO. The Soviet action caused alarm in Finland and throughout the West and was seen as a pretext for putting pressure on Finland.

The Soviets probably had more than one objective. First, their action must again be seen in the context of the general international situation. A series of Soviet threats had culminated in 1961 in an ultimatum that unless an all-German treaty were signed by the end of the year the Soviets would conclude a separate peace treaty with Germany. Both sides had engaged in military build-ups, and the building of the Berlin Wall in August 1961 sharply exacerbated tension. In preparing the demarche to Finland, the Soviets may have hoped that their note would impress the West with the seriousness

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with which they viewed the Berlin situation.* In addition, and probably at least equally important, the USSR was probably concerned by Kekkonen's visit to the United States, fearing that the advancement of Finnish relations with the West would endanger the "special relationship" between Moscow and Helsinki. Soviet trust in Finnish intentions had been further undermined meanwhile by the Honka coalition challenge to Kekkonen's leadership. (See p. 12)

Whatever its motivation, the Soviet October 1961 note presented a serious challenge to Finland's embryonic neutrality. But Kekkonen, adopting the Paasikivi mentality, chose to see the note not as an aggressive threat to Finland but as a reflection of Soviet insecurity resulting from the crisis between the Soviet Union and the West. His aim was to reassure the Soviets that the Finns could be trusted without agreeing to the Soviet proposal for military talks. Acceptance of the proposal would have implied agreement with the Soviet thesis that the West Germans were preparing aggression, completely compromising Finnish claims to neutrality. It would also have destroyed the Finnish assertion that both sides had to agree to mutual consultations and would have made it apparent that the Soviets could force such consultations whenever they wished.

**By the time the note was handed to the Finns, however, Khrushchev had already begun to back away from his ultimatum. In a 27 October speech he stated that if the West showed a readiness to solve the German problem, he would not insist on signing a treaty by the end of the year. Khrushchev should have known that as he retreated the situation would be defused and, therefore, the note to the Finns would gain him little in terms of the East-West confrontation.*

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On the other hand, outright rejection of the note would have resulted in a confrontation -- which Kekkonen wished to avoid. Hence, the Finns simply did not answer the note. Instead, Finnish Foreign Minister Karjalainen visited Moscow



Ahti Karjalainen
Finnish foreign minister in 1961;
subsequently again foreign minister
and prime minister.

and spoke with Soviet Foreign Minister Gromyko, who told him that the Soviets had to insure the safety of their frontiers and that, while they had confidence in Finland's foreign policy, they could not fail to notice that a political grouping (the Honka Front) was challenging this policy. He said that the USSR simply had to be sure that nothing would disrupt the friendly relations between Finland and the USSR.

On 23 November 1961 Kekkonen met with Khrushchev in Novosibirsk. Late that night a telegram arrived from Helsinki announcing that Honka had given up his candidacy. While Finnish spokesman Jakobson later claimed that Khrushchev and Kekkonen had already reached agreement, Honka's action must have gone a long way toward appeasing the Soviets. In the statement issued by the two men on 25 November, Khrushchev agreed to put off military consultations and indicated that he trusted Kekkonen's desire to continue Finland's neutrality; he expressed the wish that Finland watch developments in Northern Europe and the Baltic area and, if necessary, let the Soviet government know what steps it thought should be taken.

The so-called Novosibirsk statement had several implications for the Finns. In his officially authorized history of Finnish post-war foreign policy, UN Ambassador Max Jakobson stated that the episode supported Paasikivi's argument that both

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parties to the 1948 treaty had to recognize the existence of a threat of aggression before consultations could take place. He said that previously this interpretation had been neither accepted nor challenged by the Soviets, but that this episode confirmed it. He then went even further, stating that a Soviet claim that a threat existed had failed to trigger consultations, and that the Novosibirsk statement in fact suggested that it was up to Finland to take any such initiative--thus further strengthening Finland's claim to neutrality.*

On the other side of the coin, this episode had somber implications, for the note had forced Kekkonen's opponent for the presidency to withdraw. Soviet ability to apply leverage to the Finnish internal political scene had been clearly employed, and Finland's peculiar brand of neutrality had been preserved at a cost.

3. Kekkonen's Proposals Favoring Soviet Interests

Since those events, the concept of neutrality has been further modified and molded by the Finns to fit their view of their circumstances. In the interest of convincing the Soviets that no threat to the USSR will come via Finland, the Finns have at times made proposals on the Soviet behalf which raise serious questions about the credibility of their claims to neutrality.

**Jakobson's interpretation was not appreciated by the Soviets. A Novosti article in late 1969 challenged his assertion that the initiative for consultations under the treaty would be left to Finland, calling this "one-sided" and "not corresponding to the letter or spirit" of the 1948 treaty. (See p. 64 for further discussion of this book.)*

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Kekkonen's 1963 proposal for a nuclear-free zone in northern Europe falls into this category. On that occasion Kekkonen suggested that the four Scandinavian countries formally bind themselves not to manufacture nuclear weapons, not to introduce nuclear weapons or delivery systems into their armed forces, and not to permit the placing of such weapons on their territory. None of the other three countries was consulted in advance, and all were opposed. They saw the proposal as running counter to their concept of a "balance" in the North,* as its aim was to have them renounce voluntarily any capability to establish a nuclear defense against possible Soviet moves.

Kekkonen's subsequent suggestion that the Finnish-Norwegian border be neutralized was similarly favorable to Soviet interests, as it implied a pull-back of forces by a NATO country with no corresponding Soviet move. [REDACTED] in 1968 Kekkonen gave his reasons for suggesting this, explaining that he hoped to remove any justification, such as the presence of NATO bases and troops along

**The concept of a Scandinavian balance involves the view that any action by one side, such as a Soviet advance into Finland, would cause a counteraction by the other, such as a reversal of Norwegian and Danish policy of not allowing foreign troops on their soil in peacetime. This balance is of great importance to the Scandinavian countries. Since the war, for example, the Swedes have felt that an independent Finland acted as a military buffer to them, and that at the same time their policy of non-alignment while maintaining a strong defense force was a major factor in deterring any Soviet adventure in the Baltic -- and thus in preserving Finnish independence. The Norwegians also see Finnish independence as a protection for their own vulnerable, poorly-defended northern borders.*

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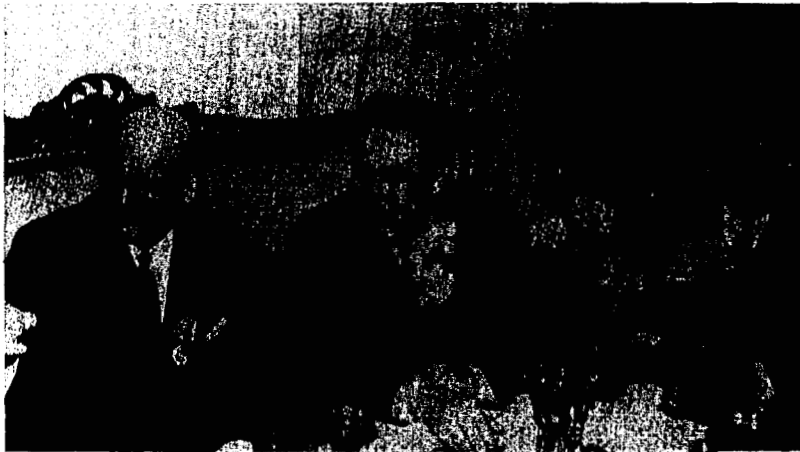
the border, for the Soviets ever sending troops to North Finland. He said that he did not like having NATO maneuvers going on in northeast Norway while the Soviets maintained a quarter million armed men and hundreds of aircraft on their own northwest frontier.* Kekkonen maintained that if the Finnish-Norwegian border were neutral, all Finland's borders would be neutral, as "the remainder" were shared with Sweden. He meant, in fact, all his non-Soviet borders, suggesting a somewhat skewed approach to neutrality.

In early 1965 Kekkonen criticized the multilateral-nuclear-force concept then being discussed in the West. In view of the concern of the Soviets over this proposal, it is likely that during Kekkonen's visit to Moscow in early 1965 they strongly suggested that he express opposition to the plan. Kekkonen, feeling insecure in his dealings with the new Soviet leadership in power since October 1964, may have felt that some gesture was necessary to demonstrate Finnish friendship and reliability. Kekkonen justified his criticism of the Western concept by saying that the Warsaw Pact countries would take countermeasures if such a force came into being, thus endangering the peace in Northern Europe. He argued that his criticism did not contradict Finland's neutrality because peace in Europe was a precondition for the maintenance of Finnish neutrality. Despite his disclaimers, the Finnish position on this issue was

**These maneuvers have continued to evoke reaction from the Soviets. In early 1970, for example, the Soviets commented on several occasions to the Finns that NATO maneuvers caused disquiet in the USSR and that Kekkonen's proposal for a neutral Scandinavia (of which neutralized Finnish-Norwegian borders was an integral part) was "more realistic and current than ever before." In early 1971, during a visit to Finland, Soviet Defense Minister Grechko termed NATO exercises a great cause of tension in Scandinavia.*

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Kekkonen with new Soviet leaders in Moscow--February 1965.

clearly a departure from Finland's professed policy of not commenting on issues of controversy between East and West, and it further compromised Finland's claim to neutrality.

4. Conflicting Fenno-Soviet Views of Finland's Status

Despite these obvious limitations, the Finns made increasingly frequent claims to a neutral status during the 1960s, repeating the assertion that Finland wished to stay outside the conflicts of interest between the great powers. Late in 1968 UN Ambassador Max Jakobson's Finnish Neutrality was published. The book had been commissioned by the government and was intended to be the authoritative study of Finnish foreign policy since the war. The draft had been examined by both Kekkonen and Foreign Minister Karjalainen. As noted above, in the book Jakobson advanced the argument that the Novosibirsk statement of 1961 had implied that the initiative for consultations between the two countries in the event of a threat of war rested with Finland.

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A year later a Novosti article attacked this analysis as "one-sided" and "not corresponding to the letter or spirit" of the 1948 treaty. The Finnish press in turn expressed concern over what they termed a lack of official Soviet references to Finnish neutrality. Responding to this debate, President Kekkonen, in a speech in November 1969, conceded that either party to the 1948 treaty had the right to suggest consultations provided the other agreed that the threat of an attack existed.* However, he maintained that in practice it was certainly in Finland's interest especially from the viewpoint of maintaining its neutrality, to keep the initiative for consultations in its own hands.

In a conversation with a US Embassy officer in November 1969, Albert Akulov, Soviet press attache in Finland, said that too much had been made of Soviet criticism of the Jakobson book: he denied that the Soviets did not refer to Finland as neutral and pointed out that Gromyko had applied the term in a speech in the UN the previous month. He insisted, however, that Finnish neutrality is different from that of other nations, as the 1948 treaty with the USSR specifically calls upon Finland to join the USSR in resisting an attack (through Finnish territory) on the USSR from Germany or a state allied with Germany.

**This certainly seems to be the proper interpretation of the treaty's second article, which reads:*

The High Contracting Parties shall confer with each other if it is established that the threat of an armed attack as described in Article 1 is present.

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The debate and Akulov's analysis highlights the difference of emphasis between Soviet and Finnish interpretations of Finland's status. The Finns prefer to emphasize that they are neutral, while acknowledging that they have a special relationship with the USSR. The Soviets prefer to stress the special nature of Finnish-Soviet relations and underplay Finland's neutrality. For example, during the negotiations over renewal of the Finnish-Soviet treaty in 1970, the Soviets reportedly submitted a new draft preamble; they had removed the portion stating that the Finns desire to remain outside conflicts of interest between the great powers and had substituted language emphasizing the special nature of relations between the two countries. In the face of Kekkonen's strong resistance, the Soviets withdrew their revised text.*

Soviet difficulty in accepting the evasive nuances of the Finnish policy was revealed in a January 1971 conversation between Ambassador Belyakov and a group of Finnish Conservatives. Belyakov alleged that Finland was not really neutral, arguing that Finland and the USSR share too many common interests for this to be true. The Finns disagreed, explaining the terms of the treaty to him. Belyakov then asked about a November 1970 speech by Kekkonen in which he had said that Finland could not be neutral in questions of peace and war. The Soviet Ambassador apparently was professing to believe that Kekkonen meant that Finland supported the USSR against the West. The Finns explained that this meant only that Finland was always on the side of peace. It is clear that the Finns were resisting Soviet pressure to identify the side of peace.

During Prime Minister Karjalainen's visit to Moscow in April 1971, this issue was raised again. The Soviets were said to be insistent on emphasizing that Finland could not be

*See p.86 for further discussion.

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neutral on questions of war and peace, and Kosygin's speech reflects the Soviet interpretation of this statement -- that since Finland must be on the side of peace and, since the socialist countries are on the side of peace, Finland must be on their side. As seen below, Karjalainen's emphasis was quite different:

KOSYGIN

We know that on issues of war and peace Finland does not consider itself neutral; it stands for peace and opposes war.... In the acute struggle taking place on our planet between the forces of peace and war, there can be no indifferent people. Not one peace-loving state can remain indifferent to the aggressive policy of imperialism. Peace on earth can be defended and preserved only by dealing a firm rebuff to the aggressive forces....

KARJALAINEN

....Our foreign policy is at the same time a policy of neutrality. It signifies above all Finland's desire to remain apart from the contradictions between the great powers and its active aspiration to consolidate peace.... In questions of war and peace Finland is really not neutral but always comes out in favor of peace and against war, as the head of our state has clearly expressed.

This contrast in interpretations of Finland's status has caused the Soviets to make recurring efforts to evoke concrete demonstrations of Finnish fidelity, as in the Soviet 1961 bid for consultations. On the Finnish side, it results in a felt need both to provide reassurance to the Soviets and to press for greater independence. In the early 1970's, for example, the Finns were actively engaged in foreign policies designed to promote both of these conflicting goals. The selection of their nominee, Max Jakobson, to the position of UN Secretary General certainly would have

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enhanced their neutral and independent image; it was blocked, significantly, by the Soviets.* On the other hand, the Finns' September 1971 initiative on recognition of two German states** was certainly designed to demonstrate their loyalty to the Soviets (and thus once again tended to undermine their claims to neutrality). Finally, their initiative on a Conference on European Security and Cooperation (actually made in 1969) was designed to serve both purposes. While many saw Finland in the role of Soviet errand boy, the Finns saw an opportunity to act as broker between East and West, and thus bolster their neutral image.***

Finland's neutrality obviously does not meet any conventional strict definition of the term. It is not a static concept to the Finns, but a living policy which they are

**The Soviet rejection of Jakobson's candidacy may have been based on several factors, including Moscow's assessment of Jakobson personally. There were a number of reports during 1971 that Jakobson's Jewish background rendered him unacceptable to the Soviets' Arab clients and this may have been a factor. More important, some Soviet elements (specifically the KGB) apparently did not consider his views acceptable: Soviet Counselor Vladimirov, a KGB official, stated in May 1971 that Jakobson was "totally America's man." In this connection the Soviets may have felt that Jakobson's book on Finnish foreign policy revealed a more independent turn of mind than they wanted. In sum, rejection of his candidacy probably resulted in the final analysis from both a negative evaluation of Jakobson personally and from reluctance to give impetus to the Finnish effort to foster its neutral status.*

***For discussion of this, see p. 88 ff.*

****For discussion of this, see p.94 ff.*

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continually adapting to their perceived national interests and opportunities. The policy is constricted by their felt need to maintain a special relationship with the Soviets without a corresponding balance on the other side. The Finns are therefore engaged in a continual effort to test the limits of Soviet tolerance within which they can advance their independence.

B. The Soviet Impact on Finnish Economics

1. The Soviet Veto of Finnish Marshall Plan Participation

Because the Soviets view with near-paranoia any move which they think might constitute a turn toward the West by Finland, they are intrinsically distrustful of Finland's participation in any cooperative economic efforts with the West. Fearing that these might evolve into political ties, the USSR has opposed Finland's joining its Nordic neighbors or other Western nations in economic unions and associations. In the first postwar years, struggling to secure its relations with the USSR, Finland strictly avoided such ties. In 1948, the Finns bowed to a Soviet threat by rejecting an invitation to participate in the Marshall Plan,* explaining that they did not wish to take part in any undertaking which

**In an official demarche in 1948, the USSR indicated that it would regard Finland's joining the Marshall Plan as a hostile act. This was one of the most blatant instances of Soviet interference in Finnish affairs.*

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had become a subject of controversy between the great powers. The cost of this rejection was high. Not only did Finland lose hundreds of millions of dollars in aid, but it was excluded from West European economic cooperation.*

With the birth of the European Economic Community (EC) in 1957 and, more importantly for Finland, the European Free Trade Area (EFTA) in 1959, Helsinki faced a serious dilemma. Finland's economy is dependent on exports, and West Europe constitutes her major market.** Finland's forest

**In his book Finnish Neutrality, Finland's UN Ambassador, Max Jakobson, argues that at this time Finland was still in a very tenuous position with respect to the USSR. He hypothesizes that had Finland decided to join the Marshall Plan, it might have shared the fate of Czechoslovakia. He cites the fact that the Czechs first accepted the US invitation, then withdrew their acceptance, and suggests that their initial acceptance may have fostered Soviet mistrust and been one factor leading to Soviet overthrow of the Czech government six months later.*

This argument in justification of Finnish appeasement of the Soviet Union over the Marshall Plan ignores the fact that even without the provocation for coup plotting which acceptance of the Marshall Plan would allegedly have entailed, the Finnish Communist Party, with certain Soviet approval, had nevertheless made massive preparations to begin just such a coup attempt in Finland in early 1948. (See pages 5 ff.) If one 1948 coup plot succeeded in Prague while another was defeated in Helsinki, this does not suggest special forbearance at the time toward Finland by Stalin. Rather, the different results in the two countries would appear to have been caused by the different strengths of the two Communist Parties and of the anti-Communist oppositions in Czechoslovakia and Finland.

***In 1960 34 percent of Finland's total exports went to EFTA nations, and 28 percent to EC members. The comparable figures for 1970 were 43 percent and 23 percent.*

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industry (paper and pulp) accounts for over 50 percent of its total exports, and both its largest customer for these products (Great Britain) and its main competitors (Sweden, Norway, and Austria) were included in EFTA. Finnish exports faced a severe handicap if they continued subject to British customs duties while competitive products could enter Britain free of duty.

2. The Finns Contrive EFTA Association

Finland's difficult dual objective with respect to the EFTA was to acquire the economic benefits of membership without incurring Soviet wrath. This involved overcoming the basic Soviet hostility -- on political grounds -- to Finnish association with any such organization. Aside from this general Soviet objection, the most important practical economic obstacle became Finland's most-favored-nation (MFN) agreement with the Soviet Union. The EFTA members could not countenance granting trade with the USSR equally favorable status with intra-EFTA trade, as this would violate the principle of exclusivity essential to a free-trade area.* The Soviets refused to tolerate abrogation of the Finnish MFN agreement, and the Finns, unlike other states, would not take the step of denying the universal validity of the agreement.**

**The General Agreement on Trade and Tariffs (GATT) recognizes the special status of free trade areas with respect to application of the MFN principle, but the Soviet Union is not a party to GATT and refused to recognize it.*

***Other EFTA members also had MFN agreements with the USSR, but, despite Soviet objections, these states argued that these agreements were superseded by the EFTA accords so far as intra-EFTA trade was concerned.*

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Faced with a seemingly irreconcilable dilemma, Kekkonen stepped in personally to give his guarantee that joining EFTA would in no way alter Finnish-USSR relations. He caught Khrushchev at a good moment, when the latter visited Helsinki in September 1960, and in return for bowing to the essence of Soviet wishes on the MFN question Kekkonen won an important political concession -- permission to negotiate with EFTA. In the communique following the meeting the Soviet government

expressed its understanding of Finland's desire to maintain her capacity to compete in the Western market and agreed to discuss with the Finnish government ways and means of maintaining and developing Finnish-Soviet trade in the event that Finland were to conclude a separate commercial agreement with the EFTA.

Two months later Kekkonen and Khrushchev met again and signed a tariff agreement to take effect if Finland reached agreement with the EFTA: Finland agreed to reduce duties on goods imported from the Soviet Union at the same rate as on those from the EFTA. The agreement thus in fact preserved the MFN relationship with the USSR while avoiding explicit reference to it.

While this was still not satisfactory to the EFTA nations, they decided that they could work around it rather than risk driving Finland closer to the USSR. They finally devised a unique arrangement: instead of joining EFTA, Finland signed a treaty with the seven EFTA members in 1961, creating a separate free-trade area; in practice, this gave Finland all the advantages of membership in EFTA.

Finland's handling of this delicate problem had been adept, but Helsinki had also been fortunate. The Soviet agreement to tolerate Finland's association with EFTA seems to have been based partly on the Soviet victory on the MFN

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question, but primarily on the good relations existing between Kekkonen and Khrushchev; Kekkonen had been able to convince the Soviet leader that Finland was to be trusted and that Finland needed to maintain its competitive position in West Europe. Finland was equally fortunate in that the members of EFTA were willing in effect to yield on Finnish-Soviet MFN status and to bend in accepting some unique arrangements for Helsinki's association in the organization, consistent with Finland's special relationship with the USSR.

3. The Soviets Veto NORDEC

Finland's association with the EFTA and the resulting lowering of customs barriers led to a great increase in trade with EFTA members and particularly with the other Scandinavian countries.* The latter felt it would be to their advantage to insure that such barriers remained down, as well as to work for further economic coordination.** In 1968 the four Nordic countries set up a committee to work out plans for closer economic cooperation within Scandinavia, including the establishment of a Scandinavian customs union, with external tariffs to be harmonized with those of the EC.

**Finland's exports to her Scandinavian neighbors jumped from 9 percent of her total in 1960 to 23 percent in 1970.*

***Since the war the Scandinavian nations have cooperated in a number of economic areas and by pooling resources have aided their industrial development. At the so-called "Kennedy Round" tariff-cutting sessions, ending in 1967, the Scandinavians were represented by a single negotiating unit, which gave them more weight when dealing with the U.S. and EC. They wished to continue this cooperation and expand it if possible.*

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Mauno Koivisto
Finnish Prime Minister
and NORDEC backer.

During most of 1969 the Soviet attitude toward creation of such a customs union (NORDEC) appeared to be ambivalent, and the Finns seemed to feel that the Soviets, if not enthusiastic, were at least not violently opposed. In early 1969 Prime Minister Mauno Koivisto showed SKDL Chairman Ele Alenius a memorandum from the Soviet government to the Finnish leaders which stated that Finnish participation in NORDEC might have positive aspects, because the neutral Swedes and Finns would have greater weight in the organization than the NATO-allied Norwegians and Danes. In the spring of 1969, Kekkonen assured Kosygin that Finland would never seek membership in the EC,* and Kosygin in return assured him that the Soviets had not yet made up their minds about NORDEC.

However, by the fall of 1969, when Finnish Foreign Minister Karjalainen visited Moscow, Soviet opposition to NORDEC had crystallized; at that time Kosygin stated that the Soviets lacked confidence in NORDEC and held reservations about the intentions of Prime Minister Koivisto. Soviet leaders expressed fear that NORDEC would serve as a channel for EC membership, despite Karjalainen's reassurances that this would not occur. CPSU Secretary Ponomarev repeated this line in a meeting with a Center

**In response to questioning, Kekkonen explained subsequently that he had meant "full membership" and had certainly not ruled out some sort of special relationship with the community.*

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Party delegation in February 1970. He charged that Koivisto and the SDP favored the ultimate cooperation of Finland with the Common Market, and he expressed concern that NORDEC would serve the NATO goal of building a bridge via Denmark and Norway with the rest of Scandinavia.

By early February 1970 the Soviets reportedly were also applying pressure on Finnish Communist leaders to actively oppose NORDEC. Until then, the FCP had consistently criticized NORDEC, as they had previously attacked EFTA, but had nevertheless tacitly gone along with Finnish government policy as a member of the government coalition. In January 1970, the Finnish cabinet, with the concurrence of its Communist ministers, had declared its intent to conclude the NORDEC agreement. However, in mid-February, undoubtedly as a result of Soviet pressure, the Communist ministers reversed their stand and expressed firm opposition to the agreement.*

The coup de grace was given NORDEC during a Kekkonen "unofficial hunting trip" to the Soviet Union in late February 1970. Kekkonen undoubtedly hoped that personal diplomacy would prove as effective as in 1960 with Khrushchev and the question of EFTA, but this time he was disappointed. Although he subsequently denied publicly that NORDEC had even been discussed in his meetings with the three top Soviet leaders, he [redacted] revealed that the Soviets had flatly told him that Finland could not join NORDEC at this time. He also commented that this had been "the most unlucky trip I have ever made to the USSR." He

*One of the Soviet messages to the FCP conveyed a threat of Soviet economic reprisals should Finland participate in NORDEC. The gist of this warning was that the uneven trade balance by which Finland exported finished goods to the USSR and imported raw materials might have to be re-examined.

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was said to be very depressed by his inability to convince the Soviets that NORDEC would not result in Finland's becoming tied to the West.

The Finns were not prepared to pursue NORDEC in the face of Soviet opposition. On 24 March 1970 the Finnish government publicly announced that it would not sign the NORDEC treaty until the intentions of other Scandinavian countries toward the European Communities became more clear.

The main import of the Soviet veto of NORDEC was its relevance to Finnish attempts to reach an agreement with the EC. While the Soviet action was certainly not an encouraging sign, NORDEC itself was not considered essential by Kekkonen. The Soviet veto had been embarrassing to the Finns, particularly to Prime Minister Koivisto, who had been the outspoken protagonist of the policy, but it would not have any crucially significant impact on the Finnish economy. The Finns could therefore afford to capitulate on NORDEC; the EC was a far more significant matter. Thus, it remained to be seen whether the Soviets would try, and if so, whether they would be able to prevent a Finnish arrangement with the EC, which the Finns did consider vital to their economic health.

4. European Communities -- the Finnish Dilemma

Soviet hostility to the EC has been deep-seated. The Soviets for years have feared an economically-strong, politically-united West Europe in league with the United States. They see long-term military, political, and economic implications, all inimical to their own interests. Finnish ties to the EC pose an additional problem for the Soviets. They undoubtedly fear that such ties would lead to a strengthening of Finland's political and economic ties with the West and a corresponding weakening of the

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Soviet economic leverage over Finland which is so important to enforcing Finland's "special relationship" with the USSR. The Soviets have been concerned by the decline in their percentage of the Finnish market since Finland's association with the European Free Trade Association began in 1961, and they undoubtedly expect that this trend would accelerate should Finland conclude an agreement with the EC.

For the Finns, so long as British entry into the EC was barred by the French, the problem was not urgent. However, as the barriers to British entry were lowered, the Finnish problem became more acute. Norway and Denmark planned to follow Britain into the EC; Austria and Sweden applied for a special free-trade arrangement; and the other EFTA non-applicants also sought special agreements. Thus, as in 1959 with the formation of EFTA, the Finns were once again confronted with the prospect of exclusion from a large market comprising their main customers and competitors. Their task was twofold -- to negotiate an acceptable arrangement with the EC and then to sell that arrangement to the Soviets.

In an April 1970 speech, Kekkonen asserted that Finland would have to negotiate a satisfactory trade arrangement with the EC. That same month the Finns requested negotiations with the EC to establish "commercial arrangements." They accompanied the request with assurances that their basic concern was to minimize damage to their trade resulting from enlargement of the EC and they disclaimed any desire for either membership in or formal association with the EC. Concrete talks began in November 1970, and in July 1971 the EC agreed in principle

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to the desirability of negotiating industrial free-trade-area arrangements with those EFTA nations not applying for membership in the EC.*

Finnish negotiations with the EC proved difficult. The Finns considered the community's February 1972 offer with respect to reduction of customs barriers on forestry products too harsh** and they feared that reciprocal lower duties on imports from the community might endanger such domestically-oriented products as shoes and textiles, thus creating even more unemployment.*** A second round of talks in April 1972 produced some softening of positions, and, as of July 1972, an agreement has been reached which provides for gradual reduction of customs barriers on Finnish paper exports and also protects a list of "sensitive" Finnish

*Austria, Finland, Iceland, Portugal, Sweden, and Switzerland.

**About 70 percent of Finland's forestry exports go to the members of the enlarged communist. Finland's economic council has calculated that forest-industry exports would grow at 0.5 per year without free access to the EC and ninetimes as much with it.

***The Finnish problem is compounded internally by a high rate of inflation and unemployment and by a general economic slow-down which occurred in 1971.

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industries. The Finns are said to be satisfied with the arrangement.*

The question of a Finnish-EC accord has been further complicated by the internal Finnish political situation. Following the January 1972 elections Kekkonen had hoped to put together a majority coalition, including the SKDL (the Communist electoral front). Consistent with their previous positions in opposition to Finnish arrangements with the EFTA and NORDEC, the Finnish Communists opposed any arrangement with the EC. They had been members of the coalition which took action to begin discussions with the EC in 1970, however, and their ultimate position was certainly dependent on the Soviet attitude. Kekkonen very much wanted their participation to help pass difficult economic legislation, as well as the enabling legislation for the EC, but in part because of the internal Finnish Communist divisions discussed earlier, Kekkonen failed to put together a strong coalition containing the Communists. The formation of a minority SDP government in February 1972 boded no good for Finland's EC prospects, since a minority government was in no position to force difficult legislation and negotiations. In addition, Soviet distrust of

**One encouraging recent development in the drive for a Finnish arrangement with the EC was the inclusion of the Finnish trade union organization in the new European Confederation of Free Trade Unions, formed in June 1971. The organization is composed of 16 International Confederation of Free Trade Union affiliates from EC members and candidates, plus Austria, Sweden, Finland, and Switzerland. Its primary objective is to increase labor's influence within the EC. The willingness of the Finnish labor organization to move in this direction reveals strong basic support within Finland for EC ties.*

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SDP intentions had been a factor in their opposition to NORDEC and certainly would not soften their basic hostility to a Finnish arrangement with the European Communities.

In July 1972 the minority SDP government decided to resign rather than accept responsibility for signing the recently concluded agreement with EC.* The Finns may well have feared that Soviet distrust of the SDP (expressed on several occasions by Soviet officials in the spring of 1972) increased the chances of Soviet rejection of the agreement. In any case, the Finns felt that such an important step should be taken by a majority coalition government. Thus, the Finnish-EC agreement was initialed as scheduled in mid-July, but its signing was postponed until after formation of a new coalition government -- probably in the fall of 1972.

C. Finnish Efforts to Buy Soviet EC Blessings

1. Finnish Economic Concessions

The Finns have tried to convince the Soviets that a Finnish arrangement with the EC would not prejudice Finland's special relationship with the USSR, both by demonstrating their loyalty to the relationship itself and by making various economic concessions designed to counter Moscow's concern over the decline in the Soviet share of the Finnish

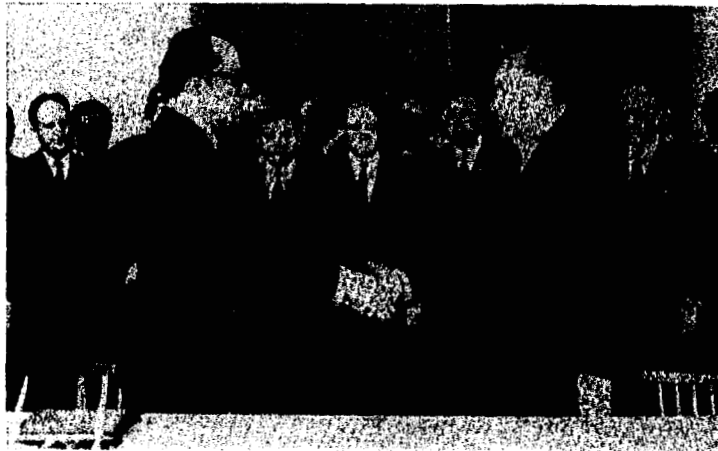
*In his letter of resignation to Kekkonen, Prime Minister Paasio stated that only a majority government could recommend approval of an EC arrangement. Other factors were probably also involved, particularly the minority government's inability to cope with a variety of economic problems.

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market which had occurred since Finland's agreement with the EFTA in 1961.* The Soviets undoubtedly fear the erosion of their economic leverage over Finland should this trend be accelerated as a result of a Finnish arrangement with the EC.

In the spring of 1970, Kekkonen commented that he was convinced that Finland could overcome Soviet objections to Finnish association with the European Communities by making certain bilateral trade concessions to the Soviets. A year later, a Finnish foreign ministry official confirmed this approach, stating that a Finnish-EC agreement would be acceptable to the Soviets, and that the signing of four Finnish-Soviet economic agreements in April 1971 should satisfy Moscow's requirements.



Kosygin and Finnish Prime Minister Karjalainen at signing of April 1971 economic agreements.

**Finland's exports to the EFTA nations had jumped from 34 to 43 percent of her total exports between 1960 and 1970. Both its exports to the EC countries and the Soviets had declined somewhat in the same period. But the Soviets had reason to anticipate a relative increase in Finnish trade with the West should the Finns reach agreement with an expanded EC.*

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The signing of the April 1971 agreements culminated a series of economic concessions made by the Finns beginning in 1969.* Of particular interest in the economic treaty signed at this time** was an article stipulating that the sides would "continue to grant each other all kinds of advantages..." and would "not resort to discrimination in trade and economic relations." A Finnish official subsequently stated that as in the 1960 negotiations over EFTA, the Soviets had again voiced concern that the "most-favored" nature of their trade with Finland would suffer in the event of a Finnish arrangement with the EC. The clause cited in the 1971 treaty had apparently been designed to reassure the USSR that an EC agreement would not endanger Finnish-Soviet economic relations. Some Finns, in fact, reportedly went so far as to equate Soviet approval of this protective clause with acceptance of a Finnish arrangement with the European Communities.

**The earlier ones included a decision to purchase electric locomotives from the USSR, despite the economic desirability of building these in Finland, and a decision to have the Soviets construct a nuclear-power plant in Finland even though other bids had been lower. The Soviets reportedly had exerted other pressures to get these concessions, including a threat to withhold supplies of the necessary enriched uranium fuel unless they were given the order to construct the nuclear power plant.*

***Other protocols signed at this time govern the supply of Soviet natural gas to Finland, the construction of a second Soviet-designed nuclear power plant, and Finnish participation in a forestry complex in Soviet Karelia.*

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2. Finnish Flirtation with CEMA

Meanwhile, during Karjalainen's visit to Moscow to sign the treaty in April 1971, the subject of Finland's negotiating an arrangement with Moscow's East European economic organization, the Council of Mutual Economic Assistance (CEMA) was raised.* When he returned to Helsinki, Karjalainen said that a committee of experts would study the possibilities of cooperating with CEMA, particularly with respect to the CEMA investment bank. On 7 February 1972 Pentti Uusivirta, head of Finland's delegation negotiating with the EC in Brussels, led a four-man group to Moscow to explore possibilities for working out a cooperative-economic arrangement with CEMA. And, in July 1972, upon reaching agreement with the EC, the Finns announced that they were forming a 10-man group to begin trade talks with CEMA in the fall.

There are several conceivable reasons for Finland's cultivation of this possibility. The Finns may have hoped to pressure the EC into making further concessions by suggesting that otherwise Finland would be forced to turn East; the timing of Uusivirta's trip suggests this as it came immediately after the EC made its February 1972 proposal; termed unacceptable by Kekkonen. Still another, more important objective, was to disarm internal critics of the EC by showing that the government was pursuing all conceivable alternatives.** Both the FCP and a new citizens committee,

**It is not clear from the reporting who raised the subject.*

***In fact, following his return from Moscow, Uusivirta told some US Embassy officials [redacted] that one purpose of his trip had been to blunt domestic leftist criticism.*

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formed to seek alternatives to an EC arrangement, were demanding that this be done, and Kekkonen had indicated to FCP officials in January that all avenues would be pursued. And finally, the Finns probably hoped to reassure the Soviets of their fidelity by showing them that they wanted to improve trade relations with the East as well as the West.

However, the Finnish flirtation with CEMA was definitely not a serious attempt to substitute association with CEMA for association with the European Communities. The economic facts simply do not justify such an alternative. Although Finland, unlike other Scandinavian countries, is considerably dependent economically on the USSR (which accounts for over 12 percent of its total trade), the Soviets offer Finland a market for products of heavy industry, not the forestry industry.* Upon his return to Helsinki in February 1972, Uusivirta said that the possible areas of Finnish collaboration with CEMA were standardization, exchange of statistics, research, and cooperation with CEMA

**Several of Finland's major industries (shipbuilding and engineering) are dependent on the Soviet market; some 50 percent of the exports from these industries go to the USSR. This grew out of the post-war reparations arrangement which required Finland to develop these industries. Even though the indemnity has long since been paid off, these industries remain dependent on the Soviet market. Furthermore, trade with the USSR has important advantages for Finland, which exports highly-processed goods and imports mainly raw materials (particularly crude oil). The Finns therefore have a great interest in maintaining the existing trade balance -- which also renders them vulnerable to economic pressure from the USSR. There is some evidence that the Soviets conveyed an implied threat to re-evaluate the balance of trade between the two countries if the Finns proceeded with their plans to join NORDEC in 1970.*

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banks. Clearly, these limited items are not alternatives to a free-trade arrangement with the EC.

3. The Second Renewal of the Finnish-Soviet Treaty

Another concession the Finns hoped to use as bait for the Soviets concerned the Fenno-Soviet Friendship Treaty, originally signed in 1948 and intended to have a ten-year duration. As seen above, this treaty was renewed ahead of time in 1955, for 20 years, at Khrushchev's initiative. In exchange for their agreement at that time, the Finns got the return of the Porkkala Peninsula, a significant event for them. Thus, in early 1970, when Brezhnev again proposed early renewal of the treaty, which was now not due to expire until 1975, the Finns were again ready to bargain.

As in 1955, the Soviets probably had several motivations. Kekkonen's term of office would end in 1974, and he had stated that he would not run again; thus, the Soviets again wished to renew the treaty while a known quantity was President. Also as in 1955, Moscow was again embarked on a new European peace offensive, and the Soviets probably wished to put their affairs in this area of Europe in order before they moved forward. In particular, they wanted to renew the treaty, directed against the possibility of a German attack, before they proceeded with negotiations with West Germany, scheduled for August 1970.

Having concluded that they could exploit the Soviet desire to renew the treaty, the Finns apparently decided that the most important concession they could obtain would be Soviet approval of their freedom to negotiate with the

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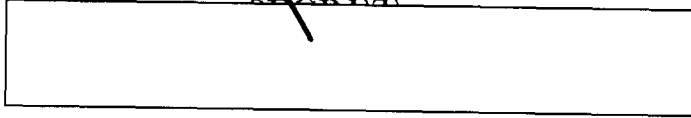
[redacted] the European Communities.* [redacted] the Soviets at first were not willing to make any explicit concessions to the Finns, but did finally make two: acceptance of Finnish emphasis on the word "neutrality" to describe Finnish foreign policy; and acceptance of Finland's desire to seek its own best avenues for foreign trade.** The second concession was interpreted by Kekkonen as tacit Soviet consent to Finland's intention to make an arrangement with the EC. He reportedly considered this trip his greatest victory in the history of his dealings with the Soviets.

**The Finns had also wanted to make some alterations in the treaty itself to make it conform to the current situation. They wished to delete a clause describing Germany as a potential enemy and they wanted to clarify Finland's truly neutral position. The Soviets rejected the proposed new draft treaty and submitted their own new draft preamble; this emphasized Finland's special relations with the USSR and barely mentioned Finland's neutrality. Kekkonen reportedly informed the Soviets that he found the preamble offensive but that if the Soviets insisted he would sign it. However, he said that he would be forced to resign as a result and would have to explain his reasons for doing so. The Soviets withdrew their draft preamble, the Finns withdrew their draft treaty, and the treaty was signed in its original form. This was probably the Soviet intention from the start.*

***The Finns also promised at this time that they would buy natural gas and a second power plant from the Soviets. These agreements were included in the protocols signed in April 1971. The apparent agreement reached in July 1970 may have been reflected in the Finnish official's statement in the spring of 1971 that with the signing of the April 1971 agreements, Finland had satisfied Moscow's requirements.*

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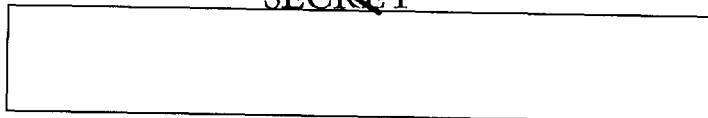
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Kekkonen with Podgorny and Kosygin at signing of Friendship Treaty in July 1970.

The Finns felt Soviet approval of their EC negotiations was further sanctified by the protective clause in the April 1971 economic treaty which had been designed to reassure the Soviets that their trade relations with the Finns would not suffer in the event of a Finnish agreement with the EC. A Finnish official told several FCP representatives in June 1971 that in view of Soviet acceptance of this clause, the question of an EC-Finnish agreement was settled from the Soviet viewpoint.

Kekkonen was clearly anxious to avoid rocking the boat. Upon his return from Moscow in July 1970, he publicly warned the Finnish people that they were not free to criticize the Soviet Union. He cited Soviet displeasure with Finnish criticism of the decisions to purchase locomotives and a nuclear power plant from the USSR, and reminded his audience of the period of the "night frosts" in 1958, when



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the Soviet Union had used economic pressure to bring down the government. Kekkonen was well aware that although he felt he had tacit Soviet approval of an EC agreement, the situation could easily change.

4. The German Bugbear and the Finnish 1971 Initiative

Another area where the Finns felt they could trade off a concession to the USSR concerned the German question, which lies at the heart of both the Soviet and Finnish concepts of Finland's strategic importance. The Soviet-Finnish treaty of 1948 is directed against Germany (or any state allied with Germany), and the Finns subscribe to Paasikivi's thesis that the Soviets have a legitimate interest in insuring that Finland is not used in another attack against them. Because the Finns feel they have a vital interest in convincing the Soviets that this will not happen, they also have a strong interest in seeing the German situation stabilized.

Following the war, Finland consistently pursued a policy of non-recognition of either German state, citing the terms of the 1947 treaty which bound Finland to recognize the Germany recognized by all the former allied powers.* The Finns have argued that to recognize the West German government alone would be to accept the Western claim that the FRG alone is the sole legitimate German state, while to recognize two German states would be to accept the Soviet

**In fact, in 1959 the Finns praised the Soviets for their good intentions in proposing that the Finns join them in calling for a German peace conference, but said they could support only a course agreed to by all former Allied Powers.*

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contention that there are two separate sovereign states. While recognizing neither state, the Finns maintained trade missions with both, thus reconciling their need to refrain from taking sides with their need to maintain useful relations with the FRG, one of their major trading partners.

In the fall of 1971 the Finns abandoned this policy. On 10 September the Finnish government sent memoranda to the East and West German governments, calling for a complete arrangement of relations between Finland and the two German states and proposing that talks be held to this end. The Finns expressed the desire for agreement on the establishment of diplomatic relations between their country and the governments of both German states as well as recognition of Finland's policy of neutrality and a renunciation of the use or threat of force. The government also proposed that complete legal and economic findings be made on the plundering carried out by German forces in 1944-45 and that reparations be made.

The Finnish initiative was received without enthusiasm by the West Germans, who continue to oppose the premature recognition of East Germany and prefer to handle their Ostpolitik themselves. While the general proposal was undoubtedly pleasing to the East Germans, presumably neither German state would agree to tie the establishment of diplomatic relations with an agreement on reparations.

In July 1972 the Finns renewed their effort to establish diplomatic ties with the two Germanies, apparently in the belief that the West Germans would not react strongly. They abandoned their so-called "package deal" which had tied a reparations agreement, renunciation of force statement, and endorsement of Finnish neutrality to the establishment of diplomatic relations; they nevertheless still urged that negotiations on these other questions be conducted simultaneously with negotiations to establish diplomatic ties.

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The East Germans were enthusiastic and moved to open discussions immediately. The West Germans did not react with the equanimity the Finns apparently had anticipated, but instead indicated that should the Finns pursue their policy, the question of Helsinki as a site for CSCE multi-lateral talks would be "very much in doubt." Bonn chose to apply such pressure in the expectation that the Finns would not recognize East Germany alone, as this would seriously undermine their claims to neutrality.* In late July the Finns were said to be concerned with the momentum their policy had achieved and were trying to slow things down, thus seeming to confirm the West German prediction.

The original Finnish decision (reportedly a Kekkonen-dictated move) was probably motivated by a variety of factors, including increased internal support for recognition of both Germanies,** as well as the changing international situation -- specifically the quadripartite agreement

**At its congress in early June, the Finnish Social Democratic Party had rejected a resolution to start bilateral talks with East Germany alone. This apparently suggested to Bonn that West German pressure would prove effective.*

***In 1968 the Social Democratic Party, one of the firmest supporters of the post-war Finnish policy of non-recognition of either Germany, traded its stand for tacit Soviet approval of the SDP. In the spring of that year the SDP Executive Council passed a resolution which changed its previous adherence to government policy to one of support of recognition of both Germanies by all European states; a joint statement to this effect was issued by the CPSU and SDP during an SDP delegation visit to the USSR in May 1968. This did not signal an immediate government shift, however, as the SDP refused to support any active initiative on this question for some time.*

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on Berlin and the Soviet-West German rapprochement. The Finns probably hoped that the stabilization of the German situation and a Finnish agreement with both German states, calling for mutual renunciation of the use of force, might eventually convince the Soviets that their cause for concern had been greatly alleviated and thus might advance Finnish claims to neutrality.

But the primary purpose of the proposal must have been to reassure the Soviets of the special nature of the Finnish-Soviet relationship and to balance Helsinki's drive for an arrangement with the EC. In his explanatory speech of 11 September 1971, Kekkonen dwelt at considerable length on the European Communities, stating that EC developments had reached an important state, that the Finns were involved, and that "it is up to us to look after our own interests." His tone was defensive and his protestations of the limits of Finnish intentions reveal the importance and difficulty of the issue:

The Finnish Government is determined to manage its relations toward the European Economic Community strictly on the basis of its policy of neutrality. The question of commercial cooperation with the EEC is of such magnitude that it is entirely understandable if differing viewpoints are voiced.... We have never considered and do not intend to consider membership or association with EEC. In this respect all criticism is pointless... On the other hand, we will consider various alternatives for determining our relations with the Common Market, just as we will examine possibilities for mutually advantageous cooperation with the CEMA Investment Bank. The Finnish

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Government's aim is simply to reach trade-political solutions securing the continuance of our economic prosperity and international competitive position. Without a doubt this constitutes one of the most central and demanding tasks of our foreign policy.

Kekkonen closed by stating that the foundation of Finnish policy is its "trusted neutrality" (trusted by the Soviets) and by warning against any action which could injure the good-neighborly relations between Finland and the Soviet Union. Clearly, Kekkonen was still trying to convince the Soviets that a Finnish arrangement with the European Communities would in no way compromise the Fenno-Soviet relationship. The follow-up Finnish initiative of July 1972, coinciding with the final push toward conclusion of a Finnish-EC industrial free-trade agreement, lends support to this thesis of a quid pro quo.

5. The Question of Soviet Approval

As seen above, on various occasions in the late 1970's the Finns felt that they had received tacit Soviet approval to proceed with their negotiations with the EC. Again in late February 1972, upon his return from a visit to Moscow, Kekkonen expressed optimism about Moscow's approval of any non-political agreement Helsinki might make with the EC. He said that he had expressed his intentions to the Soviet leaders while in Moscow and that they had not objected; on the contrary, Brezhnev had expressed the Soviet reaction in positive terms. Kekkonen therefore felt that he had Moscow's go-ahead to proceed without further consultations with the Soviets. Also, in late July 1972, the Soviet Embassy First Secretary in Helsinki

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told a Finnish Conservative that the Soviets had no objection to the type of economic association the Finns are considering establishing with the EC.

However, as the Finns learned in the course of their NORDEC imbroglio, Soviet silence and hints of approval are not the equivalent of final acceptance.* The Finns have tended to be optimistic about the ultimate Soviet attitude because they have to be. They have meanwhile not relaxed their efforts to insure approval: for example, even though Kekkonen returned from his July 1970 visit to Moscow with the feeling that the Soviets had approved a Finnish-EC agreement, he went back to Moscow in February 1972 with the winning of this approval the first item on his agenda; and this presumably would be his main goal during his August 1972 visit to the USSR.

The Soviets have probably not yet made a final decision on the matter, and this decision will undoubtedly depend in large part on their reading of the agreement and the general European situation at the time. Their public position (and that of the FCP) has remained negative. In November 1971 Pravda carried a number of articles quoting Finnish "democratic forces" to the effect that a free-trade agreement or other association with the European Communities would threaten Finland's peace-loving policy. And in December New Times accused "big business" of initiating dangerous moves to bring Finland into the Common Market. However, the Finns could find encouragement in the signs of glacial Soviet movement towards recognition

*Thus, in contradiction to the above private statement, Pravda published an article on 27 July 1972 stating that if countries pursuing a traditional policy of neutrality were to sign an agreement with the EC, there would be increasing danger that they would be dragged into the "aggressive" NATO policy.

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of the EC's existence; Brezhnev indicated in a March 1972 speech that the USSR was at last preparing for the eventual necessity of dealing with the EC.* Regardless of the varied Soviet reasons for this shift, the Finns could hope that the move would eventually soften the Soviet attitude towards a Finnish-EC agreement.

D. The Finnish Role Regarding the CSCE

1. The Soviet Desire for a European Conference

Another area in which Feñno-Soviet relations have become intertwined with major Soviet negotiations with the West concerns the concept of an all-European conference to discuss security matters which has been advanced by the USSR for a number of years. The Soviets expect that such a conference would put a final stamp of approval on the major gains made by the USSR in Europe as a result of World War II, winning formal Western recognition of postwar borders and the existence of two German states. Beyond this the Soviets have also viewed the conference as a device for

**This trend toward possible Communist acceptance of the EC was further advanced by signs that the French Communist Party, a consistent opponent of any type of accommodation to the EC, was also modifying its position. The French Communists praised Brezhnev's March speech and, more importantly, in reaching agreement with the French Socialists, have recently accepted the Socialist position that France should remain an EC member.*

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accelerating US disengagement from West Europe* and retarding the development of the European Communities.

The concept of a conference to discuss measures for collective security in Europe was first endorsed by the Warsaw Pact nations in 1965. The campaign for such a conference was handicapped, however, by the fact that with strictly Communist backing, the proposal lacked respectability. A non-Bloc "neutral" proponent was desirable -- and Finland was an obvious candidate. In a November 1966 speech, delivered during the visit to Moscow of Finnish Prime Minister Paasio, Kosygin implied that Finnish participation in the quest for such a conference would be appreciated. He first elaborated on the common interests of Finland and the Soviet Union in advancing the security of Europe and termed the Warsaw Pact proposal for convening an all-European conference a realistic program for achieving this. Then, turning directly to Paasio, he said

We know you have stated that the small countries, as well as the great powers, can do much for peace if they act on principles that promote peace. We share your conviction. We feel that cooperation for peace and security in Europe with governments that soberly

**Although they now have reluctantly accepted participation by the United States and Canada in the conference, they have indicated many times that they would prefer a strictly European conference. Indeed, as recently as the spring of 1971, V. Maltsev, then Soviet Ambassador to Sweden and now to Finland, was still maintaining that he did not think the US and Canada should participate in such a conference.*

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appraise the international situation and are willing to work for a lasting peace will yield results. A joint search for ways to insure European security and world peace will cement still more the friendly, good-neighborly relations now existing between the Soviet Union and Finland.

The topic of a conference was reportedly discussed on various occasions and at various levels by Finns and Soviets in the next several years, but there is no evidence that the Soviets applied direct pressure on the Finns to take any action. On the contrary, several high-level Finnish officials have denied that the Soviets even encouraged Kekkonen to take specific action. However, the Finns certainly knew that the Soviets would respond enthusiastically to any such initiative.*

**In fact, of course, the Soviets did respond enthusiastically to the Finnish 1969 initiative. In an immediate reaction, Viktor Glazunov stated on Moscow Radio that the memorandum was a direct response to the Warsaw Pact countries' appeal of mid-March 1969 and said that the issue involved the dissolution of military alliances, the amending of the arms race, the renunciation of the use of force, and the settlement of all disputes through negotiation. It also meant the recognition of European realities (i.e. the existence of two Germanies and the acceptance of existing borders) and peaceful cooperation between all European countries. With these things in mind, he said, the Finnish government was calling for a conference and is willing to organize such a conference and provide its location. This is an indication, Glazunov said, of how a neutral country can take an active line toward strengthening peace and security.*

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2. The Finnish Initiative of May 1969

In May 1969 the Finnish government sent a memorandum to the governments of all European countries, plus the United States and Canada, stating that Finland was ready to act as the host for a European security conference if that was considered appropriate and that it would also be willing to host any preparatory meetings for such a conference.

The Finnish initiative must be viewed in the context of the overriding Finnish objective of arriving at a meaningful agreement with the European Communities without damaging relations with the Soviets. By responding to the Soviet wishes and picking up the ball on the conference, the Finns demonstrated their friendship to the Soviets. At the same time, because the Soviets wanted a neutral champion for their conference, the Finns may have hoped to enhance their claims to neutrality in Soviet eyes.* Kekkonen may also have reasoned that the Soviets would hesitate to openly veto a Finnish-EC arrangement while a neutral Finland was central to the CSCE scheme and while Moscow was advancing a major peace offensive.

**In March 1971, during talks with a Czech official, Finnish Ambassador Enckell, the roving ambassador to promote a CSCE, said that Finland wanted to increase its part in generating interest in a CSCE by becoming "actively neutral" but that this active neutrality must be acceptable to all prospective participants.*

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3. The Finnish Stake in Procrastination

What further steps, if any, the Finns would take to promote a CSCE thereafter became a chronic question, with the Soviets pushing for rapid movement and the Finns going more slowly than the Soviets wished. The slow Finnish progress was largely a result of Western foot-dragging. But certainly the Finns themselves had more to gain from prolonged negotiations in which they played a central role than from actual convocation of a CSCE. For once a conference had been held, the Finns would lose much of their bargaining position with the Soviets. The Finns themselves were therefore in no particular hurry, although they had to keep enough momentum in their initiative to satisfy the Soviets that they were doing the job.

After meeting with Kosygin in July 1969, Kekkonen indicated that it had been clear from the talks that Finland could not rest on its laurels, but must "do more" regarding the CSCE. In February 1970 the Finns took another step, appointing Ralph Enckell a roving ambassador with the task of coordinating preparations for a conference. Enckell was appointed in time for Kekkonen's February visit to Moscow, and Kekkonen was therefore able to report that the Finns were energetically pursuing their initiative. The Soviets reportedly expressed their satisfaction.* However, with over 30 countries involved in

**During Kekkonen's visit the Soviets reportedly suggested that an "initial group" of three representatives from different countries be formed for the purpose of collecting proposals for a date for the conference, determining points of difference and agreement, and submitting follow-up proposals. The Finns are said to have agreed, but to date no such "initial group" has been formed.*

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the conference arrangements, the roving-ambassador technique was not likely to result in speedy convocation of a CSCE.*

Probably under pressure from the Soviets to proceed, the Finns took still another step in November 1970, but once again their proposal accomplished little in immediate practical terms. In an aide memoire addressed to the countries concerned, the Finns proposed convocation in Helsinki of consultations between representatives of all interested states on the question of preparing for a CSCE. The aide memoire left studiously ambiguous, however, what sort of consultations (bilateral or multilateral) were envisaged, and it subsequently appeared that the Finns intended to continue with bilateral discussions.

However, the Soviets and East Europeans picked up the aide memoire and used it as the basis for calling for multilateral consultations aimed at speedily convoking a conference. When Kekkonen visited the Soviet Union in February 1971, the CSCE was again a major topic of conversation and differences reportedly arose, specifically over timing, with the Soviets pushing for a conference "as soon as possible" and Kekkonen holding out for a slower timetable.

**In fact, until 1972 the Finns had come up with a lot of sound but little of substance. In the summer of 1970 a Finnish Committee for Promoting European Security (STETE) was formed, and many prominent Finns joined. It accomplished little and was reminiscent of the establishment of the Finnish-Soviet Friendship Society in Finland after the war. Everyone flocked to join the society when it was formed, including most high government officials. The result was that the organization was completely compromised as an instrument of Soviet policy within Finland.*

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In a press conference in Helsinki following this trip, Kekkonen indicated that the Finns were not receptive to recent East European proposals that a preparatory conference be held with those interested attending. In response to a question about the possibility of holding multilateral talks in Helsinki preliminary to a conference even if all invited states did not participate, Kekkonen said quite frankly that

*My view at this time is that such a meeting should not be arranged. We ought absolutely to strive to make possible participation by all countries mentioned in the Finnish memorandum.**

The Soviets may well have been annoyed by Kekkonen's attitude. A March 1971 TASS broadcast noted that the stage of transition to multilateral preparatory work for a CSCE should not be dragged out, an apparent direct slap at Kekkonen who had recommended delay. Such a personal reproof to Kekkonen by the Soviets was highly unusual. Also, in March 1971, Soviet Ambassador Dobrynin told a US official that the Soviets wanted the speediest possible convocation of a CSCE. He said that preparations could be accelerated on the basis of the Finnish proposal for holding preparatory meetings of all interested states in Helsinki. In fact,

**At this time Kekkonen also said that he and the Soviet leaders had discussed the question of European economic integration, but he refused to discuss the substance of the talks, saying only that the Soviet leaders have well-known "suspicions of international economic blocs." The implication was that the Soviets had not yet given their blessing to a Finnish arrangement with the EC.*

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as seen above, the Finns had not made this proposal and Kekkonen had publicly indicated that he did not think such meetings were desirable.

In late March the Finns repeated their view that there was no need to hurry; at that time Ambassador Enckell told several Czech officials that the first step should be bilateral discussions at the chief-of-mission level in Helsinki to be followed by multilateral talks. And in the summer of 1971* Risto Hyvarinen, then Chief of the Finnish Foreign Ministry's Political Office and a confidant of Kekkonen, confirmed the Finnish lack of urgency. He promised that in accordance with NATO conditions, no further initiatives on a CSCE would be taken until after some kind of Berlin settlement were reached. Once such an accord were reached, Finland would propose "systematic" bilateral talks between Finnish foreign ministry officials and heads of missions in Helsinki. Then would come multilateral discussions and finally a CSCE itself.

4. The Soviets Express Dissatisfaction

In the fall of 1971 the Soviets clearly expressed their displeasure with the slow rate of CSCE developments. In early September A.G. Khrabskov (a KGB officer and former First Secretary in Helsinki) told a Finnish Center Party representative that Finland's role in promoting a CSCE was now crucial. Both he and another CPSU official repeatedly emphasized that the USSR expected Finland to

*A report at this time that Finland was preparing to make another CSCE initiative seems to have been unfounded.

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find new, constructive ways to further promote the holding of a CSCE and that this planning must not be permitted to lose momentum. During this period several Soviet embassy officers in Helsinki indicated impatience with what Moscow regarded as the casual manner in which the Finns were preparing for a CSCE.*

In early 1972 Soviet impatience revealed itself in several concrete forms. In mid-January, Pravda published a suggestion that Vienna might be an alternative CSCE site.

*As of December 1971, [REDACTED] Finnish preparations for the CSCE were going ahead, but in very low gear. Three coordinators -- Aimo Pajunen and Matti Cawen in the foreign office and Alec Aalto in the Finnish State Radio and TV organization had been named and were meeting regularly. Their immediate aim was to arrange a meeting of foreign ministers accredited to Helsinki; their preparations were reportedly to be kept out of the limelight, on orders from Kekkonen. This contrasted with the reported Soviet preparations for a CSCE. [REDACTED]

[REDACTED] was briefed on the extent of this committee's activities; he termed "fantastic" the apparatus which the Soviets had established to advance their efforts for unofficial meetings on European security and cooperation. He said that the committee had large staffs, each staff devoted to one functional aspect of these efforts. For example, one staff might be devoted to science and technology, another to journalists, another to trade unions, and so on. He was told that the Soviets would send many delegations to West European parties, trade unions, and other organizations to persuade them to participate in these efforts.

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This possibility was again raised in January by a Soviet official visiting Helsinki, who commented that the progress made to date on a CSCE had not been satisfactory and that while the Soviet Union had always favored Helsinki as a conference site, a number of other locations were also acceptable. While the Soviets may have been laying the groundwork for a possible change in the conference site because of Western complaints that Helsinki was not logistically equipped to handle such a conference, the hint was probably designed primarily to spur the Finns to greater activity.

The Finns, always sensitive to Soviet nuances and anxious to retain their central role in CSCE preparations, reacted immediately to the threat of abandonment of Helsinki as a conference site. Helsingin Sanomat questioned whether the Pravda article, along with Soviet failure to support Jakobson for the UN job, meant that the Soviet view of Finland's "neutral" foreign policy had changed. More importantly, the Finns now publicly endorsed the Soviet timetable for a CSCE. The joint communique issued after Kekkonen's February 1972 visit to the USSR called for multilateral preparatory meetings as soon as possible with all interested parties participating and for convocation of a CSCE in 1972. This was the first public Finnish endorsement of the position enunciated by the Soviets for over a year -- and previously contradicted by Kekkonen -- on the urgency of the multilateral preparatory talks.

In spite of the new formal Finnish support for rapid movement toward a CSCE, the Finns privately indicated that they still did not have any great sense of urgency concerning speedy convocation of the conference. After his return from Moscow, Kekkonen told [] that he knew a 1972 conference was impossible, but that the Soviets had been insistent and the issue was not sufficiently important to the Finns to warrant objecting.

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Following the May 1972 US-Soviet summit, more definite progress in CSCE planning was made. The Finns stepped up their bilateral consultations and, in late July, proposed that multilateral preparations begin in Helsinki on 22 November 1972. By the summer of 1972 Helsinki had become the accepted site for the preparatory meetings, if not for the conference itself, and it seemed almost certain that the talks would get underway there in November.

5. Finnish Hopes and the Finnish Dilemma

The original Finnish reluctance to rush CSCE proceedings was undoubtedly based largely on their realistic assessment of the actual prospects for a speedy convocation of CSCE and a desire not to antagonize the West by pushing the Soviet timetable too hard and too obviously.* However, the Finns had amply demonstrated that they would risk antagonizing the West and would even sacrifice their coveted image of neutrality if they felt it would win them large enough dividends with the Soviets. Their initiative on recognition of two Germanies is a case in point; at a time when they were trying to establish and extend their neutrality, this initiative represented a clear step back and certainly compromised their image in Western eyes. But the Finns must have felt that by making this gesture towards the East (and by impressing

*A similar concern for the Western view of Finland was seen in Kekkonen's reported statement to the Soviets in early 1972 that, although the Soviets had told him in October 1971 that they could not accept Jakobson as UN Secretary General, he had continued to back the candidacy in order to show the West that Finland does not take orders from the USSR.

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the Soviets with the declining threat from Germany) they could soothe Soviet objections to a Finnish arrangement with the European Communities.

Similarly, Finnish reluctance to press forward on the CSCE initiative too rapidly was probably also related to the Finns' desire to conclude an agreement with the European Communities without drawing a Soviet veto. The question of timing was important to this effort. The Finns probably hoped to minimize the chances of a Soviet veto by reaching such an agreement while they were still playing an important role in a CSCE* and while the Soviets, in order to obtain a conference, were still trying to impress the West with their conciliatory posture.

In the spring and summer of 1972, several elements of Finnish policy appeared to be coalescing. Negotiations with the EC were satisfactorily concluded and the agreement reached needed only a Finnish signature. As if in a final thrust to buy Soviet acceptance of this agreement, Finland undertook a new German initiative in July 1972. And it seemed likely that Finland would have settled the EC question before multilateral talks for a CSCE got underway in November.

Some of these Finnish policies had appeared contradictory. In their efforts to appease the Soviets (with the German initiative) in order to facilitate an arrangement

**Their central role would be seriously threatened by moving the conference site from Helsinki; this was one reason they reacted so quickly to the threat. In addition, the Finns have a strong interest in hosting the conference in order to bolster their own international prestige and possibly to demonstrate that they can serve a useful function as intermediary between East and West; their credibility as potential intermediary was also undermined by their German initiative.*

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with the EC, the Finns had risked antagonizing the West, particularly the US and West Germany, thereby undermining their long-sought-after neutral status and possibly damaging their potential political role in the CSCE. But the Finnish risk appeared to have paid off. While it was still possible that Helsinki would be vetoed by the West as the site for the CSCE itself, the Finns had retained their central role in CSCE preparations at least through 1972, by which time their relationship with the EC will presumably be settled.

The Finnish attempt to balance seemingly contradictory policies has been an integral part of Finnish policy since the war. While some recent Finnish policies (specifically the German initiatives) have borne a distinctly Eastern flavor, these mark a continuation of the postwar Finnish emphasis on the "special relationship" with the USSR. What has been new in recent Finnish moves is the hesitant pursuit of a more "active" neutrality through such efforts as the nomination of a Finnish candidate, independently of Soviet wishes, for the post of UN Secretary General. Any complete abandonment by the Finns of their "special relationship" with the Soviets is unlikely for the foreseeable future, but the Finns doubtless will continue their quiet, consistent efforts to extend their neutral image and the limits of their independence.

The establishment of ties with the European Communities would mark a significant step in this direction for the Finns. Somewhat ironically, the Soviets themselves have contributed to the Finns' ability to expand their independence in this manner. For the Soviet peace offensive, confirmed in Soviet pressure at the Summit for a CSCE, and aimed at weakening West European ties to the United States, has created a reluctance on the part of the Soviets to risk damaging a benevolent Soviet image, and thus may be creating an atmosphere in which the Finns can at the moment increase their own degree of independence without drawing major Soviet reprisals.

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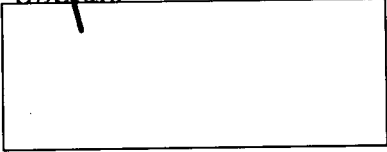
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Certainly one long-run objective of the Soviets is to foster relationships with other West European nations similar to that which they have with Finland, in other words to "Finlandize" Europe. While they probably do not realistically expect to duplicate the Finnish model elsewhere, the Soviet leaders most certainly hope to contribute to the gradual extension of analagous relationships by encouraging the erosion of a balancing military force in West Europe and by creating stronger economic ties between the USSR and West European states. The Finnish experience has demonstrated that, once the tools of leverage have been established, no matter how remote the possibility of their use, a state of mind tends to be created which becomes as important as the weapons of leverage themselves. Since the war the Finns have accepted extensive Soviet interference in their national destiny as a fact of life. Doubtless the Soviets would ideally like to see something approaching this in Western Europe.

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