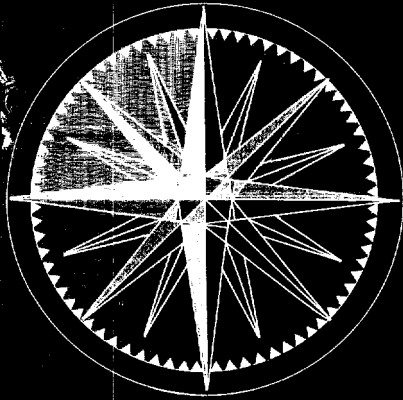


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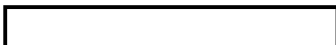
SPECIAL REPORT

OFFICE OF CURRENT INTELLIGENCE

FOREIGN POLICY PRESSURES ON FINLAND'S INTERNAL POLITICS

CENTRAL INTELLIGENCE AGENCY

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FOREIGN POLICY PRESSURES ON FINLAND'S INTERNAL POLITICS

Finland's strongly anti-Communist Social Democratic Party is trying to end the political isolation to which it has been relegated for four years by President Kekkonen and his dominant Agrarian Party. While there are numerous differences between the two parties, their overriding point of friction is the Agrarian allegation that the Social Democrats do not support the official policy of neutrality and friendship with Moscow. On these grounds the Agrarians have refused to accept the Social Democrats, Finland's other principal non-Communist party, in a government coalition. As a result the country's recent governments have been little more than presidentially appointed cabinets without any representation for democratic labor elements which, with the farmers, comprise the dominant economic interest groups in Finland. This has weakened parliamentary democracy and undermined Finland's ability to resist Soviet pressures. A change in the Social Democratic leadership expected to be approved at the party congress opening on 15 June may ease, but is not likely to resolve, this deadlock.

Social Democratic Leadership

A major development at the Social Democratic congress is expected to be the retirement of the veteran party chairman, Vaino Tanner. The 82-year-old Tanner has long been persona non grata with Moscow and is also the symbol of the political tug of war between the Social Democrats and the Agrarians.

Agrarian insistence that the Social Democrats purge their leadership of allegedly anti-Soviet individuals has merely served to exacerbate the already strained relations between the two parties. While many Social Democrats concede that Tanner's appointment at the 1957 congress was unwise and unnecessarily

provocative of the Soviet Union, they reject any idea of accepting Agrarian judgments on the qualifications of their leaders. It appears, however, that the Social Democrats will approach



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PAASIO

this congress in a more conciliatory mood on the leadership question if for no other reason than to try for a political comeback.

Tanner's successor is likely to be Rafael Paasio, a prominent Social Democrat who is regarded as a moderate on the all-important question of Soviet-Finnish relations. Another point in Paasio's favor is his lack of firm identification with either of the party's mutually antagonistic left- and right-wing factions. His selection, nonetheless, would indicate a consensus in favor of reconciliation with the dissident left-wing Social Democrats --the so-called Skogists--and support for an effort to attempt to improve relations with the Agrarians as a preliminary step toward eventually regaining representation in the cabinet.

Agrarian Strategy

The Agrarians, however, apparently are convinced they

have the Social Democrats on the defensive, and recent pronouncements by party leaders indicate that they have raised the price for readmittance into the government.

In what has come to be known as the "March Manifesto," the official Agrarian Party paper declared that there was no prospect of renewing a coalition between the two parties even if Paasio succeeds Tanner, since actual power would remain in the hands of such leaders as Vice Chairman Olavi Lindblom, Secretary Kaarlo Pitsinki, and Vaino Leskinen, an influential member of the party's executive committee. Like Tanner, all three have been bitterly attacked by Moscow, and the Agrarians are indicating that reconciliation between the two parties hinges on their withdrawal from positions of leadership.

The Social Democrats for their part are certain to reject such onerous terms. To accept them would reduce the party to a pliant tool of the Agrarians and merely serve to drive most of labor into the arms of the Communists.

The Soviet Shadow

The Agrarian - Social Democratic dispute has its origins in the December 1958 cabinet crisis in which Soviet political and economic pressure was instrumental in toppling Social Democratic Prime Minister Fagerholm's coalition government. The crisis was resolved only when President Kekkonen appointed an Agrarian minority government for which he obtained Khrushchev's

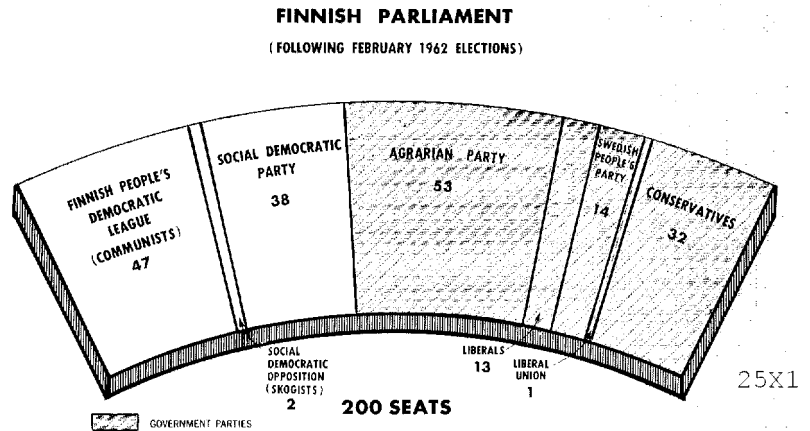
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personal approval during his visit to Leningrad in January 1959. Although Finnish leaders in the postwar years have always taken Moscow's likely reaction into account when drawing up cabinets, Kekkonen's direct solicitation of Khrushchev's approval on this occasion appears to have established a precedent which gives the Soviet Union a kind of veto power over the composition of Finnish governments.

With the resolution of the 1958 crisis, the campaign to isolate and discredit the Social Democrats' party and leadership began in earnest. The Agrarians, Skogists, and Communists in varying degrees have echoed Moscow's line that the Social Democrats are hostile to the Soviet Union, do not support Finland's basic foreign policies, and hence are unfit for cabinet responsibility.

The Soviet Union's desire to discredit, if not to destroy, the Social Democratic Party is clear, and is reflected in the basic strategy of the Finnish Communist Party (FCP). This strategy is aimed at weakening Social Democratic influence in labor as a prerequisite to gaining for the FCP the role of principal spokesman for labor, and thus representation in the government.

There is also a historical basis to Moscow's animosity toward the Social Democrats. In 1918 large numbers of radical Socialists and Communists fled to the USSR after failing in



their attempt to seize power in Finland. (Among them was Otto Kuusinen, the lone survivor of these emigrés and currently a member of the presidium of the Soviet party.) The FCP and Moscow have never forgiven the Social Democrats for frustrating this and more recent efforts of the Communists to gain power, and also for turning their backs on doctrinaire Marxism and identifying themselves with the moderate, reformist programs of the Scandinavian Social Democratic parties.

Kekkonen's Image

The motives behind Kekkonen's unrelenting attitude toward the Social Democrats are more obscure. His critics charge that he is using foreign policy issues such as the Social Democrats' alleged hostility to the Soviet Union merely to strengthen his own position as well as that of the Agrarian Party. They assert that by raising doubts about the Social Democrats'

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stand on basic foreign policy questions and encouraging the divisive activities of the Skogists, the Agrarians have sought to keep the Social Democrats in a permanent political limbo.

In addition, the critics claim the Agrarians have attempted to establish an image of Kekkonen as the indispensable leader who alone is able to maintain relations with the Soviet Union on a firm and practical footing. To underline this, they point to the crisis in Soviet-Finnish relations in late 1961 when Moscow invoked the 1948 Treaty of Friendship and Mutual Assistance and called for military consultations with Finland on grounds that West German military activity in the Baltic area presented a threat to the security of both countries. While Kekkonen subsequently was able to "persuade" Khrushchev to defer the consultations, it



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now is generally accepted that the episode was primarily a maneuver on Moscow's part to assure the re-election of Kekkonen in the presidential elections which followed shortly after.

Kekkonen's supporters, on the other hand, vigorously deny that he is using foreign policy issues for domestic political purposes. Noting that the Finnish constitution specifically delegates to the president responsibility for directing foreign relations, they argue that Kekkonen is acutely conscious of this responsibility and the overriding importance of maintaining a balance in Finland's relations with both East and West.

Kekkonen does, in fact, regard his principal task to be one of assuring that Finland's official policy of neutrality enjoys the "confidence" and "trust" of the major powers--above all the Soviet Union. His supporters maintain that since the Social Democratic Party's present leaders do not wholeheartedly support Finland's official policy of friendship and cooperation with the Soviet Union, any government in which that party is represented would not enjoy Moscow's confidence. Therefore, they say, it would be dangerous to attempt to form such a government since it would only invite another Soviet foray into Finland's internal affairs.

On the offensive, the Agrarians have exploited a

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recent interview Tanner gave to a Dutch newspaper in which he expressed the conviction the Soviet Union would not rest until it had absorbed Finland. In the Agrarian view, this was conclusive evidence of the Socialist leadership's unyielding hostility to the Soviet Union. To be sure, many of Kekkonen's supporters privately entertain doubts concerning Moscow's protestations of friendship and good will toward Finland, but it is one they keep to themselves.

Kekkonen's Position

It is Kekkonen's belief that the problem of regulating Finland's relations with the Soviet Union is of overriding importance and all other facets of foreign policy and domestic considerations must be subordinated to the maintenance of good relations with Moscow. He maintains that Finland's experiences in wars with the USSR in 1939-40 and again in 1941-44 proved the folly of looking to the outside world for effective assistance in moments of national crisis. Finland, therefore, has been forced to come to terms with the harsh reality of its postwar position as a virtually unarmed neutral controlling territory of great strategic importance to a powerful and suspicious Soviet Union. Finland's only hope for survival in these circumstances is to pursue what

is essentially a policy of passive neutrality, accommodating itself to the steady pressures exerted by Moscow which affect many areas of its national life, but maintaining inviolate its free institutions and way of life.

All of the non-Communist parties, including the Social Democrats, support this policy of accommodation--the so-called "Paasikivi line," named after Kekkonen's predecessor. However, many non-Communists take issue with Kekkonen's interpretation and implementation of it, which they feel have served to further circumscribe Finland's freedom of action in the conduct of its foreign relations and invited a growing measure of interference by Moscow in its internal affairs. They contend that he has given a lopsided interpretation to Finland's neutrality by placing greater emphasis on avoiding any actions which he anticipates might be viewed with disfavor by the Soviet Union than on pursuing a genuine middle-of-the-road course between the two power blocs.

They cite, for example, his intervention which enabled the Communist-sponsored World Youth Festival to be held in Helsinki last summer, despite its boycott by most Finnish youth organizations. More recently, his proposal for declaring the four northern countries a nuclear-free

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zone is hardly likely to be regarded as a welcome initiative at this time by the Scandinavian countries.

Of particular concern to many Finns is Kekkonen's refusal to recognize that in recent years Moscow has on several occasions actively interfered in Finnish affairs. They are convinced that Kekkonen's refusal to recognize this meddling for what it is only encourages Moscow to press its advantage and paves the way for more flagrant intervention in the future.

Soviet Opportunities

The continuing bitter struggle between the Agrarians and the Social Democrats has offered the USSR opportunities to extend its influence in Finland. Several months prior to the fall of the Fagerholm government, the long-developing split within the Social Democratic Party was finalized when the Skogists withdrew. Politically, the Skogists have only a small following and control only two of the seats in the 200-member parliament. It is a matter of speculation as the degree to which the Agrarian leadership has encouraged, if not actively abetted this division of the Social Democratic Party. At any rate, it is one of the more telling criticisms of President Kekkonen that during his tenure he has been a divisive rather than a unifying influence in Finnish political life.

Despite their small size, the very existence of the Skogists has weakened the Social Democrats politically. The Soviet Union and the FCP apparently are prepared to underwrite much of the Skogists' activities because of the key position they hold in the deeply divided trade union movement. Along with the split in the Social Democratic Party, a parallel division in the trade union movement occurred in early 1960 when the Skogists and the Communists cooperated to oust the regular Social Democrats from positions of leadership in the Central Confederation of Finnish Trade Unions (SAK). The Skogists, who since April 1962 have held two cabinet positions as "labor" representatives, continue to fill the top posts in the SAK.

This arrangement provides the Communists with a good cover

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for their operations; they have been hesitant about wielding their power too openly for fear of driving the remaining "neutral" unions in the SAK to the rival trade union organization founded in late 1960 by the regular Social Democrats. The new organization, the Federation of Trade Unions (SAJ), got off to a slow start, but now appears to be attracting an increasing number of the "neutral" unions which heretofore have elected to remain in the older trade union federation.

Future Prospects

The direction in which Finnish political life will

move in the days ahead--either toward reconciliation or further embitterment of relations between the Agrarians and the Social Democrats--will be determined largely by President Kekkonen. Recent pronouncements by Kekkonen and the Agrarian leadership, however, appear to leave little prospect of an early initiative from that side toward reconciliation. The only hope for an early break in the impasse would seem to lie with an increasingly impatient public opinion which, if sufficiently aroused, may compel both sides to yield out of consideration for Finland's national interests.

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