

15 January 1953

COMMENT ON ORAL CONTRIBUTIONS TO NIE-45-Finland

1. The Finns have repeatedly re-affirmed their intention to remain outside the present "cold war" conflict. Finland's "neutrality", however, is necessarily qualified by its proximity to the USSR, and the Mutual Defense Pact which exists between the two countries.

2. It should be emphasized that the Finns are aware of the risks entailed in permitting an important part of their industrial capacity to remain dependent on Soviet orders. They are confident, however, that with Social Democratic control of the trade union federation they can successfully cope with any kind of Soviet-inspired economic pressure. The Finns hope eventually to be able to reduce production costs which would enable them to compete on the world market.

3. It should be noted that Finland is only capable of producing a limited number of tankers of 5,000 gross tons or less.

In reference to the last line of page 4 and the first two lines of page five, it is not at all clear what the phrase "above pressures" refers to. It is suggested that this sentence be re-written as follows: "It is unlikely that Finnish-Soviet trade will exceed much more than 25 percent of Finland's total foreign trade. However, such an extent of trade could..."

3. The rank-and-file as opposed to some Party leaders of the two major parties, the Social Democratic and the Agrarian, remain opposed to Communist participation in the government.

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b. Finland:

(1) We feel para 2 is slightly out of date, and would suggest the following changes:

(a) Delete 3rd & 4th sentences and replace by:

"Trade with the Soviet Union has grown very appreciably. The trade agreement concluded in 1950 and the prices fixed in 1951 have tended to promote this growth. Further, the supplementary agreement concluded in September 1952 enabled, inter alia, such products of the woodworking industry to be disposed of to the Soviet Union as could not be sold elsewhere. Grain, sugar, steel, oils, etc., are obtained in exchange. As trade relations have also been established with China, the share of eastern trade is likely to increase."