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STAFF MEMORANDUM NO. 76-55

SUBJECT: SOVIET-FINNISH RELATIONS—POST PORKKALA

1. Under the terms of the Soviet-Finnish agreement as publicly announced on 19 September the USSR relinquished its military base on Porkkala in exchange for a 20-year extension of the current Soviet-Finnish Mutual Assistance Pact. Recent reports from Finland indicate that other matters of concern to the Finns such as the return of prisoners, and return of Karelian territory and the Saimaa Canal were probably considered, and that future discussions on such matters might be forthcoming. However, present evidence indicates that no formal agreements were made other than those announced. The quid-pro-quo of the current agreement thus is:

Soviet "sale" of territory (legally Soviet until 1997) and a removal of Soviet troops from Finland within three months, in exchange for Finnish acceptance of a considerable extension (1975 instead of 1958) of the legal restriction and obligations imposed upon them by the Mutual Assistance Pact of 1948.*

The following short discussion is intended to point up some aspects of the negotiations, and to suggest probable Soviet motivations as well as the implications of this recent development upon strategically located Finland's ability to maintain its position of "delicate balance" between East and West.

* This pact stipulates that (1) Finland will not enter into any alliances or take part in any coalition directed against the USSR; (2) Finland will fight to repel any attack against Finland, or against the USSR through Finland by Germany, or by any country allied with Germany; and (3) the USSR and Finland shall confer in case it is established that the threat of an armed attack is present.

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2. In contrast with the intensive Finnish pre-settlement speculation, the terms of the announced agreement appear relatively limited and bland. Finnish "optimists" who envisaged for more sweeping Soviet "concessions" were clearly disappointed. On the other hand, the more extreme pessimism of a minority segment who feared intensive Soviet pressure to swing Finland closer to the USSR proved unjustified. The actual settlement appears to reflect a reasonable balancing of gains and losses for both sides. The nature of the circumstances surrounding the negotiations also suggest that much of the "real" negotiations leading to the accord had taken place before the arrival of Finnish President Paasikivi and his delegation in Moscow. Whereas the invitation came with apparent suddenness it was accepted immediately by Paasikivi, within 10 days of the invitation the Finnish delegation was in Moscow, and the negotiations were completed during a week-end. Moreover, reports of the Soviets negotiating posture reflect a pre-determined Soviet position and the settlement was accompanied by a considerable Soviet emphasis upon the prerogative of the Finnish president to determine foreign policy. Finally, subsequent official activity on the part of P.M. Kekkonen, who has "leaked" hints of possible further discussions and concessions, has added weight to this interpretation.

3. Soviet Motivations. In the postwar ^{period} Soviet policy toward Finland has been developed with an obvious studied attention to larger Soviet foreign policy objectives, and especially with an eye to Finland's Scandinavian neighbors. The nature and timing of the recent Soviet move indicate that external considerations were probably paramount in motivating the USSR to accept the sacrifice of military benefits--albeit of declining significance--which resulted from the location of sizeable military forces (5000 army troops, 1000 security troops, and 1 jet fighter regiment) just 12 miles from Helsinki. Besides being in line with the present Soviet effort to reduce world tensions and to "normalize" relations, especially with neighboring and "small" states, the more immediate gains contemplated by the USSR probably included:

- a. the strengthening of the USSR's diplomatic position in the coming Big Four foreign ministers' meeting when it is expected that the question of bases on "foreign" soil will play a major role;
- b. the strengthening of neutralist sentiments in Scandinavia by a demonstration of "reasonableness". Such a fortification of neutralist sentiment--signs of which have already appeared-- will probably strengthen the Soviet bargaining position in the forthcoming discussions between the USSR and the Norwegian and Swedish prime ministers and the Danish minister of agriculture, and generally weaken Norwegian, Danish, and Icelandic support for NATO while simultaneously reinforcing Sweden's non-alliance policy. (The removal of Soviet objection to Finnish membership in the

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Nordic Council, and probable Finnish accession to the Council, is further indication of Soviet effort to strengthen neutralist sentiment in the Scandinavian area.)

4. The USSR possibly also envisaged certain gains in its direct relations with Finland which could result from this demonstration of "reasonableness".

a. Soviet emphasis upon the need for developing Soviet-Finnish "mutual confidence" has been extremely evident since 1952. Over the long-haul, therefore, this Soviet step can be viewed as another indication of a continued Soviet effort to "woo" rather than pressure the Finns, and thus to accomplish by peaceful penetration what has proven so difficult for them to accomplish by hard-fisted methods in the past.

b. Short-term advantages were also possibly contemplated in that the recent settlement could influence next winter's presidential election in favor of Pres. Paasikivi or some candidate, (e.g. Kekkonen), who may be considered to have followed a so-called "Paasikivi line", of "friendship" with the USSR. However, if such had been a major Soviet consideration at this time it is likely that the USSR would have volunteered several additional concessions which while of lesser substantive value--e.g. return of prisoners, use of the Saimma Canal--would have had considerable emotional appeal. The absence of any concession on Karelia may be especially significant since it is unlikely that 84-year-old Paasikivi will run again, and the chances of the "Soviet second choice" P.M. Kekkonen--leader of the Agrarian Party--will probably be hurt since much of Kekkonen's support has come from the displaced Karelians, many of whom are undoubtedly disappointed over the outcome of the negotiations. However, the fact that the Soviets have not played other cards at this time, including some of little substantive value, suggests that more deals could be in the offing. If these cards are played prior to the elections in Jan. - Feb. such "concessions" could indicate increased Soviet effort to influence the Finnish internal political development.

5. Implications on Finland's Ability to Maintain Its "Delicate Balance". The concluding statements in the last staff memo on Finland (No. 8-55, Developments in Finland during 1954, 28 Feb. 1955) read: "...in no case does it appear likely that the Finns, under foreseeable internal and external

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conditions, would yield to demands which would seriously impair their national independence." This estimate was based essentially upon clearcut indications of a continued strengthening of internal economic-political conditions in Finland, and the demonstrated skill of the Finns for resisting Soviet threats and/or blandishments. With limited qualification, developments during 1955 have tended to reinforce the general validity of this estimate. Although the acceptance of a 20 year extension of the Mutual Assistance Pact suggests the possibility of an eventual erosion of deep-seated Finnish caution, a significant "dropping of the guard" does not appear imminent. Moreover, since the Finns generally agree that the terms of the Mutual Assistance Pact are in accord with the basic realities of their international position they do not consider it to be in conflict with their national interests. Reference to the agreement has, in fact, permitted the Finns to avoid taking steps under pressure from East, as well as West, which would have been compromising to their "neutral" posture.

6. In the same previous staff memo on Finland it was also noted that "...any clear effort by the USSR to achieve a disproportionate gain in negotiations with the Finns during the foreseeable future would indicate a significant alteration of Soviet policy toward Finland, and might indicate a basic revision of Soviet policy toward Europe." As noted above, the recent quid-pro-quo certainly does not indicate any such "disproportionate" gain. Moreover, in view of the trend toward increasing internal Finnish stability and the advantages that the USSR derives from its present relationship with Finland, e.g. trade and exploitation of Finland's role as a buffer zone and as a "show-case", a continuation of Soviet tolerance of Finnish independence and emphasis upon the carrot rather than the stick can probably be expected.

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