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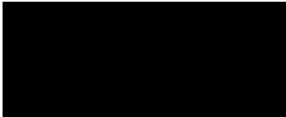
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| COUNTRY | Finland |
| SUBJECT | Economic Situation in Finland |

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1. The governmental reorganization in connection with the crisis in Nov and the favorable position of Sakari Tuomioja create expectations of political and economic changes in the course of the next six months which will make Finland a kind of satellite of the Soviet Union.

2. Finland's economy in fact has been tied to the Soviet Union up to now by the burden of reparations, but could thank the reparations work for a high state of employment. From now on a decrease in production must be reckoned with, and the resulting unemployment will add to the symptoms of crisis.

3. Offers are made to the Finns from the Soviet side, on one hand to commence reducing the fixed contingents of goods, and on the other hand offering boundary rectifications in Finland's favor.

4. To replace the reduced influx into Finland of dollars and pounds that will result from a comprehensive trade agreement with the Soviet Union, Moscow offers payment in gold. In this way the Finns will keep a certain maneuverability with respect to the West, while at the same time they will be tied closely to the Soviet economic system.

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