

TO: DEPT. OF INTERNATIONAL AFFAIRS

FR: CHIEF REPRESENTATIVE, FINLAND

1st June 1991

1.0. Introduction

1.1. The purpose of the following report is to highlight rapidly evolving changes in Finnish policy re South Africa with a view to formulating a co-ordinated response in line with our own foreign policy objectives.

1.2. It must be said at the outset that the question does not only revolve around the aspect of sanctions, but involves a variety of issues that impact on our standing and work in the Nordic countries, now and in the future.

1.3. The report is also meant to inform our other Nordic Missions so that we may collectively assess our strength in this region and thus chart a course forward.

2.0. Political Landscape in Finland today

2.1. The March general election brought about very dramatic political changes in Finland. For the first time in 25 years Finland has a governing coalition with no left-wing forces. The new Centre-Right government is moving quickly to reverse social gains achieved in the past. Their daily talk is of privatisation, freezing of wages, and cut backs in social security. The budget for overseas development assistance has been reduced by 20% this year compared to 1990. NGOs supporting projects abroad (we are benefitting from several of these) are accordingly cutting back on personnel and activities as 75% of their funds come from the state.

2.2. Compounding problems further is the severe downturn in the Finnish economy, the most pronounced since the second world war. There is a palpable malaise in the air feeding growing feelings of uncertainty amongst the people and increasing space for rightwing rhetoric. The new Minister for Overseas Development, who hails from the very right wing Christian Party, has publicly assailed the the Social Democrats, guardians of foreign policy and aid in the previous coalition, for squandering Finnish resources on unspecified "foreign political groupst.

2.4. The new Foreign Minister, from the Centre Party, is one of the most outspoken advocates for the lifting of sanctions.

2.3. The new parliament has a clear centre-right majority and unlikely to moderate government policy. Our capacity to use parliament, as in the past, is now greatly reduced.

3.0. Current thinking in Finnish foreign policy re South Africa

3.1. In several recent discussions with the Political Department of the Foreign Ministry as well as political contacts with their ear to the ground, the following points emerge clearly:

3.2. Finland sees the ANC as only one of the political players in South Africa and wishes to interact with all the others (NP, Inkatha, PAC, DP etc). This point of view is also growing in the non-governmental sector and repeatedly expressed.

3.3. ANC cannot be the only source of information about South Africa and should not solely dictate what the international community's role should be. Finland is being accused by Inkatha and other forces in South Africa of aiding only the ANC. The ANC, say these forces, is delaying negotiations and using outside powers to impose its agenda. Musa Mnyeni of Inkatha visited Finland recently and had a meeting with the Foreign Ministry where he raised these issues.

3.4. The Finnish government feels the time has come for Finland and the other Nordic countries to change policy and get involved with all parties to promote the "democratisation process". The policy of isolation is no longer justified and should be replaced by inducements to further change. "Positive signs" must be given to the S.A. Govt. to encourage it towards more reforms.

3.5. Economic development is a prerequisite for democratisation and should not wait until there is a new constitution. The South African economy should be assisted now through foreign trade and investments.

. 3.6. Finland is resentful of what its calls Swedish heavy handedness in trying to dictate common Nordic policy by insisting sanctions should be maintained and only lifted in consultation with the ANC. Finland feels the time has come to act in its own interests and no longer feels bound by the Common Nordic Program against Apartheid.

3.7. Finland is also disturbed by accusations that it is stabbing the liberation movement in the back and threats that in the post-apartheid era it will be denied good political and economic relations. Such "threats" are purported to have been made by unnamed ANC spokesmen. Also, according to Foreign Ministry officials, promises have been made to the Swedes of lucrative government contracts in the future! The Chief Representative here proclaims his innocence and pleads with other ANC spokespersons, if such be the case, to moderate their tone.

3.8. These developments in Finnish policy have not simply come about with the advent of the new government. The policy basis and future actions were laid out quietly by the previous government, the present one merely keen to speed matters up. We are unlikely to get much support from the Social Democrats because they, as already indicated, occupied the Foreign Ministry in the previous administration.

4.0. Sanctions

4.1. Finland has already lifted visa restrictions on South Africans.

4.2. It has announced that it will be raising its representation in Pretoria from the current legation level to the status of an embassy. The name of the new ambassador has still to be announced.

4.3. A consultant from the Ministry of Foreign Trade is in South Africa for three months to assess prospects for trade and investment.

4.4. A delegation of Finnish businessmen is due in South Africa soon on a similar mission.

4.5. A South African trade delegation will be visiting Helsinki in June. (With the previous restrictive visa regulations such visits were not allowed).

4.6. We are 'a' rm t achiner is alread in lace
to lift the trade embargo gnce de Klerk reveals the sg-cgllgg
"pillars of agartheid": the Land Acts, GrouQ Areas Act, etc. The
government does not need the apprgval of parliament as the Act
e st t vi '0 can e i ted b decr e. We can
gxpext this move sometime in June. "Your July national conferengg
is too late for us" according to a senior official in the Foreign
Ministry's Political erartment. The issue of political prisoners
is worrying them and may stay their hand.

4.7. After the trade sanctions have been lifted they will move to lift investment restrictions when the All Party Conference is convened. This point will also see significant changes in Finland's relationship with the ANC as the APC is, according to wisdom holding sway here, the formal signal to deal with all parties impartially. Financial support for the office here is likely to go. They have already indicated in our agreement with Finnida signed in Johannesburg in April that they would like a review with us on this question at the end of August.

5.1. The Office in Helsinki is currently lobbying all political parties, parliamentary groups, the trade unions, the church and various NGOs to put forward the case that Finland should not break ranks with the other Nordic countries and that mere repeal of apartheid legislation cannot be reason enough to lift the trade embargo. We are focussing heavily on the issue of political prisoners and the fact that agreements regarding these are not being implemented according to the letter and spirit.

5.3. Other Nordic countries can be requested at government and non-governmental levels to persuade the Finns not to act precipitously. This should be handled cautiously so as not to antagonise them - they are extremely sensitive to dominance from outside, particularly by Sweden.

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5.5. Should we propose a visit to South Africa, similar to the visit of the Norwegian Deputy Foreign Minister to discuss the matter and enlighten them more deeply on our perspectives and the actual situation inside the country?

5.7. Convene our own conference for Nordic businessmen so as to better acquaint them with our priorities and economic perspectives.

5.9. Preserving the Nordic consensus against apartheid should
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