State Dept. review completed
Britam-Berlin: In assessing current British opinion on the Berlin situation, the US Embassy in London reports that the current mood is one of relief that the US is engaged in exploratory talks with the Soviet Union. The view is widely held that de facto recognition of East Germany is the price the USSR seeks for a Berlin settlement and that the West can and should pay this price. Resolutions to this effect were enthusiastically accepted at the recent annual conferences of the Labor and Liberal parties, and similar views are likely to be expressed at the Conservative party conference this week.

USSR-Finland: The USSR is trying to influence the Finnish presidential election, scheduled for 15 January 1962, in an effort to ensure the re-election of President Kekkonen. The recent good-will tour of Soviet President Brezhnev, in which he lauded Kekkonen for maintaining good relations with the USSR, has strengthened Kekkonen's position, as have the continuing negotiations on the offer by Moscow to lease its portion of the Saimaa Canal connecting the Finnish lake system with the Gulf of Finland. As early as last March the Soviets indicated their dislike of Kekkonen's leading rival, Olavi Honka, the candidate...