

The United States and Finland:
An Enduring Relationship
1919–1989



As the 61st United States Secretary of State, in a line stretching back to Thomas Jefferson in 1789, I am pleased and honored by the opportunity to greet the readers of this special historical study.

The seventy-year history of Finnish-American diplomatic relations is a tribute to the skilled statesmen from both countries who, in good times and bad, strove first and foremost to serve the interests of their nations. These 70 years encompassed much of the turbulent history of the twentieth century. We owe our excellent bilateral relations largely to the efforts of seven decades of American and Finnish diplomats, some well known and some nearly forgotten by history. The diplomatic history of the Republic of Finland and of the United States of America reminds us of the values we share, the democratic traditions we honor, and the dedication to a just and peaceful world which we cherish.

I invite you to read this work prepared for the American Embassy in Helsinki by the Department of State's Office of the Historian in the hope that by understanding our past, we may better prepare for our future.

Sincerely,

James A. Baker III

PREFACE

The Office of the Historian prepared this historical study at the request of the U.S. Embassy in Helsinki. The Study is based upon Department of State records and secondary sources.

Nancy L. Golden of the Operations Staff Division researched and wrote this study under the direction of David S. Patterson, Chief of the Division. Blair Mitchell, a student intern from Brigham Young University, provided research assistance.

William Z. Slany
The Historian
Office of the Historian
Department of State

CONTENTS

Summary	20
I Historical Setting	21
Establishment of U.S. Posts	21
Events Leading to Independence	21
Finland at Independence	22
Finnish Civil War	22
II Beginnings of the U.S.-Finnish Relationship, 1919–1920	24
Finnish Foreign Policy Following World War I	24
Establishment of U.S.-Finnish Diplomatic Relations	24
U.S. De Jure Recognition of Finland	25
Finland's Relations with Soviet Russia..	26
III Strengthening of U.S.-Finnish Relations, 1920–1930	26
Finland's "War Debt" and Other Early Agreements	26
IV The Winter War, 1939–1940	29
Prelude to the Winter War	29
The Winter War	29
The United States and the Winter War.	30
The Peace Interval	31
V Deterioration of the U.S.-Finnish Relationship, 1941–1944	32
Alignment on Opposite Sides in World War II	32
Severance of U.S.-Finnish Relations	33

VI Rebuilding of U.S.-Finnish Ties, 1945–1980	34
Resumption of U.S.-Finnish Diplomatic Relations	34
Finnish Postwar Foreign Policy	34
U.S. Postwar Policy Toward Finland	35
VII The United States and Finland in the 1980's	37
Strengthening of U.S.-Finnish Friendship	37
Notes	39
Appendices	77
1. U.S. Posts in Finland	78
2. U.S. Chiefs of Mission in Finland	79
3. Lansing Memorandum, February 27, 1918, and Attached Address	83
4. Nuorteva's Letter to Lansing, March 9, 1918	89
5. Mannerheim's Letter of Introduction, June 20, 1919	91
6. Representatives of Finland to the United States	92
7. Department of State Instructions to Magruder, March 12 and 13, 1920	94
8. U.S.-Finnish Treaties and Agreements in Force	97
9. 1934 Treaty of Friendship, Commerce, and Consular Rights	101
10. Map of Finland	107
11. Visits by U.S. Presidents to Finland	108
12. 1952 Fulbright Educational Agreement	109
13. Visits by Finnish Presidents and Prime Ministers to the United States	124
14. Visits by U.S. Secretaries of State to Finland	126
15. Speech by President Reagan at Finlandia Hall	127

SUMMARY

The United States and Finland have enjoyed seven decades of close and cordial relations. Upon gaining independence from Russia in late 1917, Finland actively sought diplomatic recognition from the United States, but the Wilson administration, concerned about Finland's political instability and ties with Germany, refrained from granting Finland diplomatic recognition until May 7, 1919. During 1918–1920, the United States exported grain and foodstuffs to Finland to help alleviate food shortages.

In the 1920's, the two nations put their relations on a firm and friendly basis. They entered into several agreements regarding debt funding, extradition, customs matters, tonnage dues, visa fees, and arbitration and conciliation. During the Great Depression of the 1930's, Finland was the only nation to continue to pay off its World War debts it owed the United States. Friendly relations expanded in that decade, as both nations signed additional accords which expanded economic and commercial ties.

Following the Soviet Union's attack on Finland in November 1939, the Roosevelt administration, constrained by isolationist sentiment, extended only limited financial aid to Finland during the ensuing "Winter War". The United States exerted diplomatic and moral pressure, however, to try to persuade the Soviets to moderate their demands in the Soviet-Finnish treaty ending the war in March 1940.

Relations between the United States and Finland reached their lowest point when they aligned on opposite sides during World War II. The United States severed diplomatic relations with Finland in June 1944 but did not declare war. After Finland signed an armistice with America's allies in September 1944 and expelled Germans from its territory, the United States appointed a U.S. representative to Finland. In March 1945, the two nations re-established diplomatic relations.

After World War II, renewed stability and increasing cooperation marked U.S.-Finnish ties. Finland pursued a strict policy of neutrality. The United States, acutely aware of Finland's precarious geographical position, supported Finland's neutrality and promoted policies that would not provoke Soviet reprisals. It also endorsed Finland's independence and democratic institutions. U.S.-Finnish relations focused on economic assistance and expansion of trade.

During the past three decades, the relationship has broadened to include numerous official high-level visits and several health, science, and transportation agreements. Finland encouraged East-West contacts and in the 1970's hosted the first Strategic Arms Limitation Talks and the Conference on Security and Cooperation in Europe. Although the United States remains unsupportive of Finland's desire for a Nordic nuclear weapons free zone, both nations share similar perspectives on almost all issues, including other arms control questions.

I HISTORICAL SETTING

Establishment of U.S. Posts

The United States first established consular representation in much of the area that later was to comprise the state of Finland when Reynold Frenckall was appointed U.S. Consul to Helsingfors (Helsinki) on August 31, 1850. On March 7, 1863, John Sparrow was appointed Consular Agent to Viborg (Viipuri). The office at Viborg was closed in 1907, reopened in 1919, and closed again on April 3, 1922. The United States also briefly maintained a consular agent in Åbo (Turku) from May 16, 1890, to December 31, 1907. U.S. consuls continued to serve in Helsingfors until May 24, 1919, when Thornwell Haynes was appointed Commissioner to the recently created nation of Finland, with rank of Minister Plenipotentiary, pending the establishment of a Legation.¹

Events Leading to Independence

Before its independence in 1917, Finland was part of Sweden and, then, for more than a century, an autonomous Grand Duchy of Tsarist Russia. A Christian crusade led by King Eric and the Roman Catholic Bishop, Henry of Uppsala, resulted in the establishment of Swedish rule in the 1150's. After the Napoleonic Wars, Finland was ceded by Sweden to Russia, becoming a Russian grand duchy in 1809 under the rule of Tsar Alexander I. In his March 15, 1809 Act of Assurance, Alexander I proclaimed that the previous Finnish institutions such as religion and Swedish constitutional law and its rights and customs would remain in force.

In the 1890's, Tsar Nicholas II, bowing to pressure from Russian proponents of pan-Slavism, initiated steps to end Finland's autonomous status. Russia increased its oppression over Finland, and by 1917 ended separate citizenship and other rights, including political activity. The February 1917 Revolution in Russia ended the tsarist empire and Finland regained its rights and autonomy.

Finland at Independence

Propelled by the Bolshevik revolution into making Finland's break with Russia, Conservative Finnish leader Pehr Evind Svinhufvud declared independence before Parliament on December 4, 1917. On the same day Svinhufvud asked the U.S. Consul at Helsingfors, Thornwell Haynes, for U.S. recognition of Finland as an independent state. He also informed Haynes that he would like to send a Finnish delegation to visit the United States to discuss the food scarcity and threat of massive starvation in Finland. The new Finnish Government also wanted international pressure to force the withdrawal of Russian troops.

Haynes forwarded the request to the Department of State, which, on December 8, 1917, responded that the Finnish Premier's request was "under consideration."² Secretary of State Robert Lansing subsequently advised the Consul at Helsingfors as well as the Ambassador to Russia, David R. Francis, that the United States did not object to a Finnish deputation, but was not prepared to take a position on recognition because of the political upheaval and uncertain conditions following the Bolshevik revolution in Russia.³

By mid-January 1918, Germany, Norway, Sweden, Denmark, and France recognized the independence of Finland. The Finnish political situation became uncertain, however, when civil war broke out in Finland in late January 1918, and a fight for power between the Red Guards, supported by the Social Democrats, and White Guards, ensued.

Finnish Civil War

The Social Democrats soon split, with some joining the Red Guards, who established their own arsenal and treasury. With firm backing from the Russian Bolshevik leaders, who wanted Finland to be a Socialist republic that would support their new government, the Red Guards fought against the paramilitary Protective Corps. In late January 1918, the Red Guards seized the Helsingfors railroad station and began a takeover of the city and the nation. They soon controlled the more urban-industrial areas in south Finland. The White Guards controlled the rural northern part of Finland and eventually received the backing of Germany.⁴

On February 12, 1918, the U.S. Minister in Sweden, Ira Nelson Morris, advised the Secretary of State that the United States should not grant recognition to independent Finland. Morris feared the Red Guards, who held Helsingfors and the important

industrial cities of Tammerfors, Viborg, and Åbo would claim that this action would constitute recognition of its own government.⁵ Meanwhile, Drs. Julio N. Reuter and Kaarlo Benedict Ignatius arrived in Washington and on February 27 presented their credentials to the Secretary of State, asking for recognition of the Svinhufvud government. Replying in an unofficial and personal manner, the Secretary informed them that, owing to the confusion and disorder in Finland, the United States could only recognize the government as de facto, and hoped the civil war would soon end. Once a stable government was established, the Secretary said the President would be willing to discuss recognition.⁶

The Red Guards, the provisional revolutionary government, also petitioned the United States for recognition. A representative of this government, Santeri Nuorteva, requested food supplies to relieve the massive food shortage and starvation in Finland. The Secretary's response was noncommittal, saying only that "the situation in Finland has been and is receiving the careful consideration of the Department."⁷

The White Guards regained power in late April 1918, and the civil war ended on May 15, 1918. On May 18, Parliament selected Premier Pehr Evind Svinhufvud as Chief Executive until a permanent government was established. Svinhufvud continued to maintain close ties with Germany. Fearing Finland's complete control by Germany, the United States declined to recognize Finland's independence. On May 11, 1918, Secretary of State Lansing presented President Wilson with Drs. Reuter and Ignatius' address requesting recognition of their government. The President responded to the Secretary on May 20: "Do you not think that the proper reply to this address is that we shall be willing to recognize the republic of Finland only when she shows that she is not controlled by Germany, as she now seems to be?"⁸ Finnish ties with Germany also precluded the United States from granting Finland food assistance.

U.S.-Finnish strained relations continued after Germany's Frederick Carl of Hesse was elected King of Finland on October 9, 1918. He had not assumed the crown, however, when Germany signed the armistice on November 11, 1918, ending World War I. The United States, although not granting recognition, notified the U.S. Consul in Helsingfors on November 22, 1918, that it would provide Finland with food assistance, commencing with an initial shipment of 5,000 tons.⁹ Svinhufvud, who was closely tied to the monarchist movement, was discredited and resigned in December. The legislature subsequently chose as Chief Executive General Carl Gustaf Mannerheim, who entered into duty on December 12. By December 16, Germany had fully withdrawn its troops. On July 17, 1919, a new constitution, which provided for a President and a unicameral Parliament, was adopted. The new Parliament elected Kaarlo J. Ståhlberg President on July 25.

II BEGINNINGS OF THE U.S.-FINNISH RELATIONSHIP, 1919–1920

Finnish Foreign Policy Following World War I

Finland's post-World War I foreign policy consisted mainly of defending its independence as a nation. It pursued a policy of peaceful relations with all nations, and neutrality and noninvolvement in conflicts between or with other states. Finland also scrupulously observed its international commitments, such as debt repayment.¹⁰

Establishment of U.S.-Finnish Diplomatic Relations

At a meeting of the Council of Ministers attended by representatives of the United States, United Kingdom, France, and Japan in Paris on May 3, 1919, the United States and the United Kingdom agreed to recognize the de facto Government of Finland. On May 7, 1919, Secretary of State Lansing cabled to Finnish Foreign Minister Rudolf Holsti the following message: "Excellency: I have the honor to inform Your Excellency that the United States has recognized the independence of Finland and the Government, of which Your Excellency is a member, as the de facto Government of Finland."¹¹

In his reply, the Foreign Minister thanked Secretary Lansing for this recognition and added:

*"Your Excellency's letter will remain for ever one of the surest shields of Finland's independence and a noble guide to her of the lofty ideals which have been the fundamental source of the democratic freedom of the United States themselves."*¹²

On May 24, 1919, Consul Thornwell Haynes was appointed Commissioner of the United States to Finland with the rank of Minister Plenipotentiary to act until a Legation was established, which required congressional approval, and an accredited Minister arrived in Helsingfors.

The first Finnish representative to the United States, Armas Herman Saastamoinen, presented his credentials to President Wilson on August 21, 1919.¹³ Saastamoinen's remarks upon tendering his letter of credence focused on the warm ties between Finland and the United States:

"We are not only thankful to the United States for the recognition of our independence, but we are deeply grateful to this country for the magnificent aid we have received in the form of foodstuffs. I can say that we were saved from direct starvation by the timely assistance of the United States, and we will never forget this."

Mr. President. Although the official connections between Finland and the United States are very young, the intercourse between these two countries is in fact very old. The first Finns came to this country over two hundred years ago...

Mr. President. I beg to assure you that my country wishes to establish and maintain the friendliest and most cordial relations with the United States and that no effort will be spared to win the confidence and sympathy for your country.”¹⁴

President Wilson replied to the Finnish Minister’s remarks:

“The Government of the United States in recognizing Finland as a de facto independent government was prompted by sympathies for a cause similar to that which caused our own declaration of independence in 1776.

... I gladly pledge to you my earnest cooperation in all that tends to advance the valued friendly relations and happy intercourse between the United States and Finland.

Mr. Minister may your stay in this Capital be fruitful in results and pleasant in the experience you will have with the officers of this Government who will be assiduous in their efforts to strengthen the relations so recently established.”¹⁵

U.S. De Jure Recognition of Finland

Throughout the latter half of 1919, Finnish officials repeatedly asked U.S. officials to accord Finland de jure recognition as a government. On December 20, 1919, the Finnish Minister addressed a note to Secretary Lansing detailing several reasons why Finland should be given de jure recognition. Secretary Lansing, in his reply of January 12, 1920, advised Minister Saastamoinen that “as complete diplomatic relations have been established, the Government of the United States desires to have a Legation at Helsingfors at the earliest practicable date.” The Secretary further stated he had directed Alexander Magruder to proceed to Helsingfors and to present his credentials as Chargé d’Affaires ad interim. This action constituted U.S. de jure recognition of Finland. On March 6, 1920, the U.S. Congress authorized the establishment of a Legation in Finland. The U.S. Minister in Sweden, Ira Nelson Morris, was requested to report to Helsingfors to act as Chargé d’Affaires pro tempore, pending the arrival of the Minister.¹⁶ Alexander Magruder presented his letter of credence on March 20, 1920, and remained as Chargé d’Affaires ad interim until October 8, 1921, when Charles L. Kagey was commissioned Minister Plenipotentiary to Finland.¹⁷

Finland's Relations With Soviet Russia

Although the Soviets had not officially been at war with Finland during Finland's civil war, their aid had been of significant benefit to the Red Guards. Moreover, Finland's independence and the civil war created questions about boundaries, territorial cessions, and a host of other economic and financial matters involving the two nations. On October 14, 1920, Finland and Soviet Russia signed a Treaty of Peace at Dorpat, Estonia. The terms of the treaty provided for Russia ceding to Finland the Petsamo area, resolution of economic and financial problems, the demilitarization of Petsamo and several Finnish islands in the Gulf of Finland and elsewhere, and the right of free transit to Petrograd. The Soviets, in a separate declaration, proclaimed East Karelia as an autonomous area of Soviet Russia.¹⁸

III STRENGTHENING OF U.S.-FINNISH RELATIONS, 1920–1939

Finland's "War Debt" and Other Early Agreements

U.S.-Finnish contacts steadily expanded following World War I. To help alleviate the acute food shortage in Finland, the United States from 1918 to 1920 exported 170,000 metric tons of grain and foodstuffs to Finland. Finland paid for the food relief with \$16 million from its own resources and borrowed nearly \$8.3 million from the U.S. Government.

Beginning in 1920, the United States and Finland forged strong ties in several ways. On May 1, 1923, both nations entered into a debt funding agreement. The terms required Finland to pay its debt of \$9 million with interest of 3 percent for the first 10 years and 3 1/2 percent thereafter, over a 62-year period. Although technically Finland's obligation was for relief purposes, Americans referred to all loans during the World War as "war debts".¹⁹

The United States and Finland cooperated in other areas as well. Seeking to "promote the cause of justice," representatives of the United States and Finland signed an Extradition Treaty in Helsingfors on August 1, 1924. The treaty was later supplemented and amended on May 17, 1934.²⁰

On May 2, 1925, the United States and Finland signed a modus vivendi on mutual unconditional most-favored-nation status in customs matters. The agreement pro-

vided for both nations to accord each other favorable treatment in such matters as import and export duties, light, harbor, port, and tonnage dues and other commerce-related fees, as well as on the transit, warehousing, and treatment of commercial travelers' samples.²¹ The United States and Finland exchanged notes on December 21, 1925, regarding tonnage dues and other charges. Each nation agreed not to impose "tonnage duties, light, harbor, or port dues, or other charges" on the other's vessel while they were in each other's ports.²²

On October 22, 1925, the United States and Finland exchanged notes that permitted the waiver of visa fees for certain classes of nonimmigrants crossing each other's borders. This agreement was later superseded by a visa agreement on December 14, 1955.²³

On June 7, 1928, the United States and Finland signed an arbitration treaty. Each nation appointed an arbitrator who would discuss, with the goal of settling, all matters that could not be settled through other diplomatic channels.²⁴ A conciliation treaty was signed the same day, for purposes of strengthening "the bonds of amity" between the United States and Finland, and "to advance the cause of general peace."²⁵

In the early 1930's, worldwide depression caused the United States to review the debts owed by World War I debtor nations. On May 23, 1932, the United States and Finland entered into an agreement modifying the 1923 debt funding agreement. The new agreement, which was similar to ones the United States entered into with 15 other debtor nations, provided for a one-year moratorium, beginning July 1, 1931. The agreement provided for the postponed payments to be repaid over the next 10 years, in semiannual installments, at an interest rate of 4 percent. When the first semiannual payment was due on December 15, 1932, Finland earned the distinction of being the only debtor nation to pay in full.²⁶

Ties between the United States and Finland grew stronger during the 1930's. The desire of President Franklin Delano Roosevelt to forge more amicable relations with Finland sometimes conflicted with the nationalistic and isolationist biases of the U.S. Congress. The debt question revealed the executive-legislative differences. Roosevelt praised Finland's attitude toward paying its obligations to the United States and, as a gesture of his appreciation, informed Minister Åström that he would like to reduce the 3 1/2 percent interest rate to a very nominal amount, thereby enabling Finland to apply its payments to the principal owed.²⁷ The following month, Roosevelt offered the Finns a rescheduled debt repayment plan. If they agreed to pay off their debt of \$5,854,903 over the next 30 years, the United States would not require Finland to pay any interest on this debt. (The United States also offered interest rates of one percent and 1 1/2 percent for repayment in 40 and 50 years, respectively.) The Finnish Government responded affirmatively to the President's 30-year, no interest offer. The

United States, however, did not follow through on this repayment plan because Congress took a decidedly negative view toward debt rescheduling. By the end of 1934, all debtor nations except Finland had “suspended” debt payments to the United States.²⁸

Finland also endorsed a number of U.S. bilateral and multilateral proposals regarding disarmament, international peace, and international commercial measures that removed trade restrictions.²⁹ These cordial ties allowed both sides to sign a Treaty of Friendship, Commerce, and Consular Rights on February 13, 1934, which broadened the coverage of the 1925 most-favored-nation and tonnage agreements.

The 1934 treaty firmly and permanently established the machinery for the development of close U.S.-Finnish economic and commercial relations. The United States was keenly interested in negotiating this treaty because in September 1933 Finland and the United Kingdom had entered into a trade agreement that had the effect of undercutting U.S. trade with Finland. The provisions of the U.S.-Finnish treaty accorded reciprocal unconditional most-favored-nation status in commercial matters. Equal treatment was provided for shipping, and other provisions dealt with the right of entry, travel, and residence. The treaty also extended the diplomatic rights, duties, privileges, and immunities to consular officers.³⁰

On May 18, 1936, the Presidents of the United States and Finland signed a Reciprocal Trade Agreement in Washington. The treaty provided the United States with excellent tariff concessions on numerous agricultural products. In return, Finland was granted tariff concessions on granite, cheese, sulphate wrapping paper, cream separators, birch plywood, and spools of thread.³¹ The Reciprocal Trade Treaty did not affect the rights and obligations of the friendship and commerce treaty.

IV THE WINTER WAR, 1939–1940

Prelude to the Winter War

In the period between the two World Wars, Finland made remarkable political, social, and economic strides, and its democratic institutions continued to strengthen. Although the United States and Finland enjoyed cordial relations, Finland's relations with the Soviet Union were marked by occasional friction. Between 1921 and 1923, the issue of East Karelia's self-determination caused Finland and the Soviet Union to be at odds. Repressive Soviet acts in Karelia resulted in several thousand Finns rising up against the Soviet Union. The Finnish Government did not officially support the Finns and, following Russian counterattacks, the fighting ended in February 1922. The Karelia problem aside, by 1925 the Finns and Soviets entered into numerous treaties and conventions on trade, commerce, pilot services, telegraph, postal and mail services, railroad traffic, fishing rights, and the use of coastal and other waters in the Gulf of Finland, Lake Ladoga, and the Neva River. The Karelia problem, however, resurfaced in 1939.³²

The Winter War

Throughout the 1920's and 1930's, Finland believed its interests in foreign affairs could best be pursued through a policy of neutrality. Finland sought "friendship toward all and alliances with none." Adolf Hitler's aggressive actions in Europe in the mid-1930's caused widespread Finnish concern, but Finland, along with the other Nordic nations, declared a strict policy of neutrality in 1936.

Although Finland had entered into pacts providing for protection of its territorial security and integrity, such as the League of Nations and the January 21, 1932, Non-aggression Treaty with the Soviet Union, it found its sovereignty threatened in 1939. The secret Nazi-Soviet nonaggression pact of August 1939 assigned Finland to the Soviet sphere of influence. Finland's inclusion in the Soviet sphere became clear gradually to Finnish leaders after Germany began to alter its relationship with Finland and the Soviet Union made extensive demands regarding territorial cessions and lease arrangements. Finland nonetheless tried to maintain its neutrality, and following Germany's invasion of Poland on September 1, 1939, it and its Nordic neighbors immediately issued statements declaring their neutrality. Subsequently, Finland rejected Soviet demands for cessions of territory in the Gulf of Finland and along the

Soviet-Finnish border. In October, President Roosevelt appealed to the Soviet Union to respect Finland's independence and territorial borders. American and Scandinavian efforts to provide diplomatic intercession in the crisis were accepted by Finland, but rejected by the Soviets. What came to be known as the Winter War commenced on November 29 when the Soviet Government renounced its nonaggression pact with Finland and sent its forces across the Finnish border in Petsamo. The following day, the Soviets launched an aerial bombardment of Helsinki and other cities.

The United States and the Winter War

The U.S. Government, guided by isolationist sentiment and strict adherence to the Neutrality Acts which prohibited shipment of U.S. armaments to belligerents, responded guardedly to Finland's plight. Moreover, the United States was inhibited by its overriding concern for any actions that might induce the Soviet Union to form an alliance with Nazi Germany. In response to Finnish pleas for assistance, the United States repeatedly expressed sympathy for the Finnish cause and extended limited financial assistance. On December 1, 1939, President Roosevelt issued a statement deploring the Soviet's "dreadful rape of Finland." Roosevelt also appealed to both nations, asking them not to bombard "civilian populations or unfortified cities." The following day, the President issued a "moral" embargo, urging U.S. airplane manufacturers not to sell their products to belligerent nations harming or killing civilians. This policy was broadened on December 20 to include an embargo against the delivery of technical information regarding the production of high quality aviation gasoline.

The United States also proceeded cautiously when Finnish Minister Hjalmar Procopé and Prime Minister Risto Ryti requested American aid in early December. After rejecting Minister Procopé's request for a \$60 million loan or credit through the Reconstruction Finance Corporation, the United States, on December 11, granted Finland a \$10 million credit in the Export-Import Bank for agricultural products. The United States also assisted Finland regarding its semiannual debt payment. Although the United States did not bow to public pressure to defer the December 15 Finnish installment of \$243,693, it did put the payment in a Treasury Department suspense account and did not apply the payment to Finland's war debt account until July 1940, after the conclusion of the Russo-Finnish war.

On January 16, 1940, in letters to the U.S. Congress, President Roosevelt urged Congress to increase assistance to Finland via the Export-Import Bank. He felt non-

lethal assistance to Finland was appropriate and legal under U.S. neutrality laws. After Finland's request to use the already \$10 million loan to buy armaments was denied, Congress approved a bill in February that had the effect of increasing the Export-Import loan by another \$20 million, but still prohibited its use for "implements of war." Finnish Foreign Minister Väinö Tanner responded bitterly that Finland could not depend upon the United States for substantial assistance.³³

The United States undertook diplomatic efforts to help bring the Winter War to an end. On February 1, 1940, the U.S. Ambassador in Moscow, Laurence Adolf Steinhardt, exchanged views with Soviet Foreign Minister Molotov, and in early March the United States became active in peace negotiations between the Finns and Russians. Tanner asked the United States to urge the Soviet Union not to make excessive demands so that a negotiated peace could be made quickly. Soon thereafter, the United States counseled the Soviets to offer generous terms to Finland.

On March 12, 1940, Finland and the Soviet Union signed a treaty of peace. The terms of the treaty were very severe for Finland. It agreed to cede to the Soviet Union the entire Karelian Isthmus, several islands in the Gulf of Finland, and a vast expanse of territory in the north, and signed a 30-year lease of Hanko. Although the terms of the settlement were severe, the fate of Finland could have been worse, as the Soviet Union's initial goal of the Winter War was to dismantle Finland and introduce a Communist regime. The Soviet Union agreed in the treaty to withdraw its troops from the Petsamo area, and both nations agreed to build a railway between Kandalaksha and Kemijärvi. Prime Minister Ryti and Foreign Minister Tanner later acknowledged that U.S. diplomatic efforts were the only moderating influence on the Soviets.

The Peace Interval

Following the Winter War, Finland sought economic assistance from the United States. Finland also wanted to use the unexpended portion of its Export-Import Bank loan to buy American armaments. On June 14, 1940, the United States, still desiring to avoid entanglement in the European war, refused this request and offered instead a one-year moratorium on Finland's war debt. On October 30, the American Red Cross sent Finland a shipment of supplies valued at \$1 million. Finland was also eligible for a portion of the \$50 million the American Red Cross made available to war refugees. In June 1941, the U.S. Congress granted Finland an additional moratorium of two years on its war debt, and established a new debt schedule requiring payments due in 1941 and 1942 to be made over a 20-year period beginning in 1945.

V DETERIORATION OF THE U.S.-FINNISH RELATIONSHIP, 1941–1944

Alignment on Opposite Sides in World War II

When Germany attacked the Soviet Union on June 22, 1941, Finland became a cobelligerent on the side of Germany, and on November 25, 1941, became a signatory to the Anti-Comintern Pact. The United Kingdom and the British Commonwealth declared war on Finland on December 7, 1941, coincidentally on the same day that Japan attacked Pearl Harbor. With the United States now actively involved in World War II against both Japan and Germany, U.S. policy toward Finland became complicated. Finland was aligned with a country against which the United States was at war. Moreover, it was also at war with America's allies, the Soviet Union and the United Kingdom. Nevertheless, the Roosevelt administration did not immediately sever diplomatic relations with Finland. In the first months of U.S. involvement in the war, it decided that the maintenance of diplomatic ties counteracted German pressure exerted on Finland, and that the majority of Finnish people and some Finnish officials still wanted to maintain diplomatic relations. The United States also believed that continued Finnish contacts might have a moderating influence on the Soviet Union, which held a military advantage over Finland. The United States followed a course of repeatedly asking Finland to withdraw from the war, or at least to evacuate territories it occupied beyond the frontiers established in 1940.

As U.S. cooperation with the Soviet Union became closer, however, U.S.-Finnish relations gradually eroded. On January 3, 1942, the United States placed travel restrictions on Finnish personnel in the United States. This action was in response to Finland's travel restrictions imposed on U.S. Legation personnel in Finland beginning in July 1941. On July 15, 1942, the United States informed Finland that it was closing the consular section of the U.S. Legation in Helsinki, and requested that Finland close all its consular offices in the United States by August 1. By December 1942, the U.S. Minister had left Helsinki, and U.S. representation was reduced to one official.³⁴

Severance of U.S.-Finnish Relations

Throughout the remainder of 1943, the United States sought Finnish withdrawal from the war. On June 16, 1944, Finnish Minister Procopé and three Finnish counselors were declared *persona non grata* and expelled from the United States for “activities inimical to the interests of the United States.”³⁵ The United States severed diplomatic relations with Finland on June 30, 1944, following the establishment of a Finnish military pact with Germany. American interests and assets were entrusted to the Swiss Legation on July 3, and the U.S. Legation’s affairs were fully terminated the following day.³⁶

On August 1, President Ryti resigned, and the new President, Carl Gustaf Mannerheim, no longer considered Finland bound to Germany. Mannerheim undertook negotiations to bring about an armistice.

On September 19, 1944, the armistice was signed in Moscow by the Soviet Union and the United Kingdom on behalf of the nations at war with Finland. The United States, which had not declared war on Finland, was not a party. The armistice restored many of the territorial stipulations of the March 12, 1940, Finnish-Soviet treaty. It also provided for the cession of Petsamo and the retrocession of Hanko to Finland in return for a 50-year lease of the Porkkala Peninsula, and the demilitarization of the Åland Islands. Finland also agreed to pay \$300 million in war reparations to the Soviet Union in the form of commodities over a six-year period. An Allied Conference Commission assumed responsibility for the implementation of the armistice.³⁷

At the Potsdam Conference in July 1945, President Truman, British Prime Minister Churchill, and Soviet Generalissimo Stalin agreed on a procedure for the preparation of treaties of peace with the former enemy nations. A Council of Foreign Ministers representing the United States, Britain, the Soviet Union, France, and China were charged with drawing up draft treaties with Italy, Bulgaria, Hungary, Rumania, and Finland and with proposing necessary territorial settlements. A Peace Conference was held in Paris between July and October 1946 to work out the final details of the five treaties which were signed by the United Nations and the defeated countries, including Finland, in Paris on February 10, 1947. The United States did not participate in the drafting or signing of the Finnish Peace Treaty because the two countries had not been formally at war with each other. The treaty, which closely followed the terms of the February 19, 1944 armistice, limited the size of Finland’s armed forces and banned such weapons as missiles and torpedoes.

VI REBUILDING OF U.S.-FINNISH TIES, 1945–1980

Resumption of U.S.-Finnish Diplomatic Relations

The withdrawal of Finland from the war in 1944 prompted the United States to begin to move towards renewed relations with Finland. On December 8, 1944, President Roosevelt appointed Maxwell M. Hamilton as U.S. Representative in Finland with the personal rank of Minister, to represent U.S. interests in Finland, in a fashion similar to the U.S. representatives to Rumania and Bulgaria. His appointment did not constitute formal re-establishment of diplomatic relations.³⁸

The United States, after concluding that the March 1945 Finnish parliamentary elections “were freely conducted and expressed through secret ballot the democratic wishes of the Finnish people,” announced its intention to re-establish relations with Finland on August 31.³⁹ Maxwell Hamilton was appointed Minister on September 25, 1945, and presented his credentials on March 26, 1946. In return, K.T. Jutila presented his credentials as Finland’s Minister to the United States on November 21, 1945.

Finnish Postwar Foreign Policy

Following World War II, Finland embarked upon a foreign policy of neutrality. Though stressing amicable relations with the Soviet Union, this policy sought cooperation with both East and West. Known as the “Paasikivi-Kekkonen line” after 1945, it was meant to convince the Soviet Union that Finland had no intentions of undertaking foreign policies inimical or dangerous to Soviet interests and to forestall possible future Soviet aggression against Finland.

Finland’s cautious and realistic foreign policy was successful. Finland maintained working relationships with the Soviet Union and its communist allies but also cultivated expanded contacts with the West. It carefully steered toward membership in the Nordic Council and admission to the United Nations in 1955. During the early 1960’s, President Kekkonen pursued a plan of “active neutrality” in which he sought to allay Soviet fears of threats to its borders, remove Finland and Scandinavia from East-West tensions, and increase Nordic cooperation.

Finland continued its policy of “active neutrality” in the 1970’s when it promoted East-West conferences. It hosted the preliminary Strategic Arms Limitation Talks (SALT) conference, during 1970–1972 the SALT talks alternated between Helsinki

and Vienna. Finland also became involved in the Conference on Security and Cooperation in Europe (CSCE) in November 1972 and June 1973 when it hosted conferences for preliminary discussions. Finland later hosted the first session of the CSCE conference in July 1973, and the third and final session on August 1, 1975, at which nations, including the United States and the Soviet Union, signed the Final Act of the Conference on Security and Cooperation in Europe, which became known as the Helsinki Final Act. Helsinki was also the site for the final session for meetings between President Gerald R. Ford and Soviet General Secretary Leonid I. Brezhnev. President Ford had been the only U.S. President to visit Finland until the 1988 visit by President Reagan.⁴⁰

Throughout the postwar era, Finland also opened its economy to Western trade and international competition. It became a member of the General Agreement on Tariffs and Trade in 1950, joined the European Free Trade Association in 1961, and the Organization for Economic Cooperation and Development in 1969. In 1973, it signed a free trade agreement with the European Economic Community. Finland maintained friendly relations with Scandinavia, and signed an agreement for legal, cultural, economic, and traffic and communication cooperation with Denmark, Iceland, Norway, and Sweden on March 23, 1962. In addition, Finland joined the International Monetary Fund, the International Bank for Reconstruction and Development, and the International Atomic Energy Agency.

U.S. Postwar Policy Toward Finland

The primary objective of U.S. policy toward Finland following World War II was the maintenance of Finland as an independent sovereign state. Other U.S. objectives for Finland included assuring its prewar standard of living, promoting its full participation in international organizations, and maintaining its informational and cultural contacts with the West.⁴¹ In formulating its policy objectives, the United States had to keep in mind Finland's precarious geopolitical position between East and West in the escalating Cold War. American policymakers realized that several Soviet and Eastern bloc factors limited Finland's freedom of action: geographic contiguity to the Soviet Union; war reparation obligations and other mutual obligations of the 1944 peace treaty; the Soviet-Finnish Friendship, Cooperation, and Mutual Assistance Treaty of 1948; the 50-year Soviet lease on the Porkkala peninsula; the importance of Soviet grain and Polish coal to the Finnish economy; and a strong Communist party in Finland.⁴²

The United States, therefore, pursued policies designed to assist Finland to maintain its democratic institutions without provoking Soviet countermeasures that would decrease Finland's freedom of action or access to the West. A 1952 National Security Council study cautioned, "The key to U.S. policy (toward Finland) is to avoid any steps which would threaten the delicate balance of Finnish-Soviet relations."⁴³ The United States did not seek Finland's participation in Western political pacts, or in regional military alliances such as the North Atlantic Treaty Organization (NATO). The United States supported Finnish membership in the United Nations. Finland joined the world organization in 1955.⁴⁴

U.S.-Finnish economic relations were also fruitful. During the reparations period, the United States extended Finland several Export-Import Bank loans totalling over \$120 million. During the 1949–1952 period, more than \$38 million was granted through the International Bank for Reconstruction and Development (World Bank). An allocation of \$23 million for Finland to purchase war materials was also later granted.⁴⁵

In an effort to strengthen U.S.-Finnish friendship and understanding, the U.S. Congress on August 24, 1949, passed a resolution providing for Finland's future payments on its World War I debt to be applied to an educational exchange program between the two nations. In late 1949, the U.S. Congress appropriated \$5.5 million for payment to the Finnish Government in compensation to Finnish shipowners for tonnage the United States requisitioned early in the war. On July 2, 1952, the United States and Finland signed a Fulbright educational exchange agreement.⁴⁶

Several commercial agreements were entered into by the two nations during the postwar period. Commercial air service was authorized by both nations in 1947, and formalized in March 1949. The United States also sought to enhance Finnish trade with Western nations. At the conclusion of its war reparations deliveries to the Soviet Union, Finland entered into a supplementary trade agreement with the Soviet Union in September 1952. The treaty called for substantial increases in Finnish-Soviet trade through 1955. The United States also attempted to promote increased trade between Finland and Western nations.⁴⁷ This policy was not immediately effective, however, and by 1953 the Soviet Union supplanted the United Kingdom as Finland's principal trading partner. The United States ranked third in imports from Finland, and fifth as an exporter to Finland.⁴⁸

Finland and the United States nevertheless broadened their contacts. Helsinki and Washington were elevated to Embassy status on September 10, 1954, and the first U.S. Ambassador, Jack K. McFall, was appointed September 15, 1954. The two nations also signed several trade agreements. On May 7, 1955, for instance, the two entered into an agreement which provided for Finland's purchase of \$5.25 million

worth of American cotton and tobacco, mostly in exchange for Finnish-made prefabricated houses.

The two nations also differed on some matters. When President Kekkonen promoted a Nordic nuclear-weapons-free zone following the 1968 Non-Proliferation Treaty, the United States reacted negatively. Kekkonen sought recognition and guarantees from the nuclear powers that they would not use nuclear weapons against the Nordic nations, but the United States believed the plan was unbalanced because it ignored the Soviet nuclear armaments in the Kola peninsula and in the Baltic region. In addition, inclusion of Scandinavian NATO countries (Denmark and Norway) in the Nordic nuclear-weapons-free zone would negatively affect NATO's defense strategy and Intermediate-range Nuclear Forces negotiations.

Ties between the United States and Finland further improved when both nations signed a new treaty on extradition in June 1976. This treaty revised the old treaty by adding provisions in the areas of narcotics and airline hijacking.

VII THE UNITED STATES AND FINLAND IN THE 1980'S

Strengthening of U.S.-Finnish Friendship

United States relations with Finland continue to be one of the most stable of the postwar era. During the past eight years, numerous official high-level meetings and visits have reinforced U.S.-Finnish ties. In addition, a number of agency-to-agency cooperative agreements have been concluded in health, science, and transportation. The United States continues to support Finland's neutrality and independence.

During the early-to-mid 1980's, U.S.-Finnish discussions focused on the Intermediate-range Nuclear Force (INF) and Strategic Arms Reduction Talks (START), CSCE, cruise missile overflights, and economic relations. Finland continued to be strongly committed to the CSCE process which, it emphasized, was vital to East-West understanding and to Finland's own security. In furtherance of the CSCE process, Finland hosted the preparatory meeting in October 1983 leading to the Conference on Disarmament in Europe (CDE), which took place in Stockholm in January 1984. Both nations supported the Geneva talks and other disarmament negotiations, although their goals differed. Finland viewed the talks as a vehicle for reducing the level of conflict between the superpowers, while the United States perceived them as a forum

for restoring stability to the strategic nuclear balance.

A major issue of contention between the two nations involves nuclear questions. In the aftermath of the Soviet refusal to continue arms control negotiations in Geneva in 1983 and the beginnings of U.S. long-range intermediate-range force deployments of cruise missiles in Central Europe, Finland tried to assure the Soviet Union that these missiles did not pose a threat. The Soviets asserted, however, that a first strike could reach Soviet bases on the Kola peninsula, and that this situation would require strict Finnish adherence to its neutrality and other obligations. The Soviets further urged the Finns to work toward a nuclear-weapons-free-zone in northern Europe. U.S. officials successfully assured Finnish leaders that the cruise missile is not a first-strike weapon and that the United States would respect the territorial integrity of neutral nations, including Finland.

U.S.-Finnish relations have been reinforced through a number of official high-level meetings and visits. Vice President George Bush's visit to Helsinki in July 1983, and President Mauno Koivisto's visit to Washington two months later provided major symbolic and psychological displays of Finland's strong links to the West in general, and to the United States in particular.⁴⁹

The visits of Secretary of State George P. Shultz and Finnish Foreign Ministers to each other's country on several occasions in the past few years have helped solidify U.S.-Finnish friendship.⁵⁰ From July 29 to August 1, 1985, Secretary Shultz attended ceremonies in Helsinki commemorating the 10th anniversary of the Final Act of the Conference on Security and Cooperation in Europe, and later the same year he participated in U.S.-Finnish consultations in Helsinki. Finnish Foreign Minister Paavo Väyrynen visited Washington in November 1986. During 1987, Secretary Shultz stopped in Helsinki on April 12–13, on his way to Moscow, and on October 20–21, he met with President Koivisto. Foreign Minister Kalevi Sorsa paid an unofficial visit to Washington May 25–26, 1987.

In 1988, designated as the National Year of Friendship with Finland by the United States Congress and proclaimed by President Reagan to commemorate the 350th anniversary of Finnish migration to the New World, Secretary Shultz visited Helsinki and met with President Koivisto and other Finnish leaders February 20–21 and April 20–21, before proceeding to Moscow for talks with Soviet officials. From May 1 to May 7, Prime Minister Harri Holkeri visited Washington and other U.S. cities, meeting with President Reagan on May 5. From May 26–29, President Ronald Reagan and Mrs. Reagan, accompanied by a large delegation, including the Secretary of the State, visited Helsinki. The U.S. President and his senior advisors met with President Koivisto and other Finnish officials. On May 27, President Reagan delivered a major foreign policy address on human rights at Finlandia Hall.⁵¹

On April 7, 1989 it was announced to the press that Secretary of State James A. Baker III will visit Helsinki May 8–10 en route to meetings in Moscow with Soviet officials.

Notes

- 1 For a list of U.S. posts in the area that became Finland in 1917, including the dates of their establishment and the first appointment in each case, see Appendix 1. A list of U.S. Chiefs of Mission in Finland is presented in Appendix 2.
- 2 *Foreign Relations of the United States, 1918, Russia, II* (Washington, 1932), p. 733.
- 3 *Ibid.*, p. 736.
- 4 *Ibid.*, pp. 747–749.
- 5 *Ibid.*, p. 749.
- 6 *Ibid.*, pp. 755–756. For texts of Lansing's memorandum, February 27, 1918, and attached address, 860d.00/41, National Archives and Records Administration (hereafter NARA), see Appendix 3.
- 7 *Ibid.*, p. 768. For text of Nuorteva's letter to Lansing, March 9, 1918, 860d.00/45(NARA), see Appendix 4.
- 8 *Ibid.*, p. 788.
- 9 *Ibid.*, p. 814.
- 10 John H. Wuorinen, *A History of Finland* (New York, 1965), p. 293.
- 11 *Foreign Relations of the United States, 1919, II* (Washington, 1934), p. 215.
- 12 *Ibid.*, p. 217.
- 13 For Mannerheim's letter of introduction, June 20, 1919, 701.60d11/29 (NARA), see Appendix 5. For a list of Finnish Ministers and Ambassadors to the United States see Appendix 6.
- 14 *Foreign Relations of the United States, 1919, II*, pp. 221–222.
- 15 *Ibid.*, pp. 222–223.
- 16 *Ibid.*, p. 227.
- 17 For copies of Department of State instructions to Magruder, March 12, 1920, 123M272/78a, and March 13, 1920, 123M272/79a (NARA), see Appendix 7.
- 18 Wuorinen, *A History of Finland*, pp. 224–226, 485–491.
- 19 Benjamin D. Rhodes, "The Origins of Finnish-American Friendship, 1919–1941", *Mid-America*, 54 (January 1972), pp. 4–6.
- 20 Charles I. Bevans, *Treaties and Other International Agreements of the United States of America, 1776–1949*, (Washington, 1971), pp. 695–700, 734–735. For a list of U.S.-Finnish treaties still in force, see Appendix 8.
- 21 Bevans, *Treaties and Other International Agreements of the United States of America, 1776–1949*, pp. 701–704; *Foreign Relations of the United States, 1925, II* (Washington, 1940), p. 86.
- 22 Bevans, *Treaties and Other International Agreements of the United States of America, 1776–1949*, pp. 709–710.
- 23 *Ibid.*, pp. 705–708. For text of the 1955 visa agreement, see 9 UST 1175; TIAS 4102.

- 24 Foreign Relations of the United States, 1928, II (Washington, 1943), pp. 806–807.
- 25 Bevans, *Treaties and Other International Agreements of the United States of America, 1776–1949*, pp. 713–715.
- 26 Rhodes, “The Origins of Finnish-American Friendship, 1919–1941”, pp. 7–8.
- 27 Foreign Relations of the United States, 1933, I (Washington, 1950), p. 864.
- 28 Rhodes, “The Origins of Finnish-American Friendship, 1919–1941”, pp. 9–12; Foreign Relations of the United States, 1934, I (Washington, 1951), pp. 558–564.
- 29 Foreign Relations of the United States, 1934, II (Washington, 1951), p. 138.
- 30 *Ibid.*, pp. 137–140. For extracts from this 1934 agreement, see Appendix 9.
- 31 Bevans, *Treaties and Other International Agreements of the United States of America, 1776–1949*, pp. 736–743.
- 32 Wuorinen, *A History of Finland*, p. 310.
- 33 Andrew J. Schwartz, *America and the Russo-Finnish War* (Washington, 1960), pp. 21–24.
- 34 Foreign Relations of the United States, 1942, II (Washington, 1962), pp. 112–114.
- 35 Foreign Relations of the United States, 1944, III (Washington, 1965), p. 601.
- 36 *Ibid.*, p. 608.
- 37 For a map showing the present-day boundaries of Finland, see Appendix 10.
- 38 Foreign Relations of the United States, 1944, III, pp. 626–627.
- 39 *A Decade of American Foreign Policy: Basic Documents, 1941–1949* (Washington, 1985), p. 269; Foreign Relations of the United States, 1945, IV (Washington, 1968), pp. 630–632.
- 40 Documents showing the Finnish contribution to the origins of the Conference on Security and Cooperation in Europe are reproduced in *The Conference on Security and Cooperation in Europe: Public Statements and Documents, 1954–1986* (Office of the Historian, Department of State, October 1986), Research Project 1492. The origins of the conference are traced in John J. Maresca, *To Helsinki: The Conference on Security and Cooperation in Europe, 1973–1975* (Durham, N.C., 1985). See Appendix 11 for a summary of President Ford’s visit to Finland in 1975 and President Reagan’s visit to Finland in 1988.
- 41 Foreign Relations of the United States, 1949, V (Washington, 1976), pp. 443–444.
- 42 *Ibid.*, p. 448.
- 43 Foreign Relations of the United States, 1952–1954, VI (Washington, 1986), pt. 2, p. 1759.
- 44 Foreign Relations of the United States, 1949, V, pp. 443–444; Wuorinen, *A History of Finland*, p. 478.
- 45 *Ibid.*, pp. 468–469.
- 46 Wuorinen, *A History of Finland*, pp. 468–469. The text of the Fulbright Agreement is reproduced in Appendix 12.
- 47 Foreign Relations of the United States, *Current Economic Developments, 1945–1954* (microfiche), October 20, 1952 (Washington, 1987).
- 48 *Ibid.*, August 4, 1953 (Washington, 1987).
- 49 For a list of Finnish high-level official visits to the United States, see Appendix 13. For a survey of the state of U.S.-Finnish relations at the time of Koivisto’s visit, see the White House background briefings, September 23 and 27, 1983, in *American Foreign Policy: Current Documents, 1983, Supplement* (microfiche) (Washington, 1988).
- 50 For a list of visits by Secretaries of State to Finland, see Appendix 14.
- 51 For the text of the President’s speech, see appendix 15.