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Hotel Kamp, The Esplanade
Helsinki, Finland
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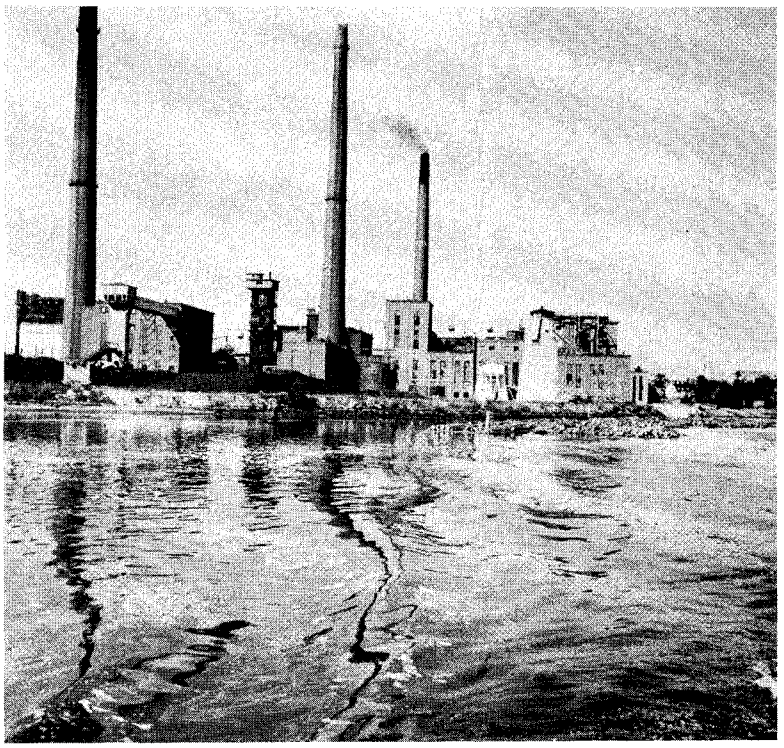
Mr. Walter S. Rogers.
Institute of Current World Affairs.
366 Madison Ave., New York 17, N.Y.

Dear Mr. Rogers:

Finland, on Scandinavia's Eastern frontier, is doing its best to maintain a border neutrality. Her heart is undeniably with the West. But her memories are just as undeniably tinged by the East: The bitter invasion she suffered from the Soviet Union during the Winter War of 1939-1940; and the humiliatingly tough settlement she was forced to conclude with the Soviets at the end of World War II after making the mistake of siding with Germany. Yet despite a forced "friendship" pact which gives the Soviet Union the right to move her troops into Finland for certain "mutual assistance" purposes, and the day to day proximity of an 800-mile border which now includes the former Finnish territory of Karelia, Finland is doing all she can to remain independent. And she thinks she is succeeding.



SAWMILL AND LAKE, CENTRAL FINLAND

As you know, I have been listening to the arguments for neutralism and non-alignment for the past eight months and found there are many ways of being neutral. Finnish officials here have gone out of their way to emphasize to me that their country's neutrality has been "attained", not "enforced". For here it is not a happy choice between East and West. It is a choice between being drawn into the Soviet camp or trying to remain neutral -- at least from Big Power conflicts.

In the past there was no question about Finland being neutral. She just wasn't. From the Twelfth to the Nineteenth Centuries, Finland was part of the Kingdom of Sweden. Then, for a little more than a century, she was a Grand Duchy of Czarist Russia and did pretty much what she was told.

Finnish independence dates only from World War I, the fighting on the Russo-German lines and the Soviet Revolution. It was then that the Finns saw their chance to assert their own sovereignty. And the Bolsheviks said okay. Big Brother, with a revolution to consolidate, behaved himself for 20 years. But then, in November, 1939, on the pretext that Finland wasn't being sufficiently friendly and was failing to take sufficient steps to safeguard regional security, Big Brother moved in. Russia withdrew again after three months. But she withdrew only as far as a southwest corner of Finland which included the Karelian isthmus, Vijpuri and parts of Lake Ladoga - - an area which amounted to some 12 per cent of all the square mileage in Finland.

HARDWORKING FINNS: HELSINKI'S 'SMITHYS'

Russia also opposed any Finnish alliance with neutral Sweden, and thus insured Finland's complete isolation. Then, when Germany invaded Russia in 1941, Finland thought she saw a chance to recoup - - and even gain a little territorial bonus. She became a sort of co-belligerent member of the Axis, siding with the Nazis for her own special cause. She did permit Nazi troops to use Finland as a corridor to the northern section of Norway. But she hedged when the Nazis demanded that she jump whole hog into the war and attack Leningrad. Actually, Finland looked upon it as a separate war and, for instance, hostilities never existed between her and the U.S. But it was Russia and the West who won the war, not the Axis. And Finland was left with nobody to champion her claims to the Russian-seized territories.

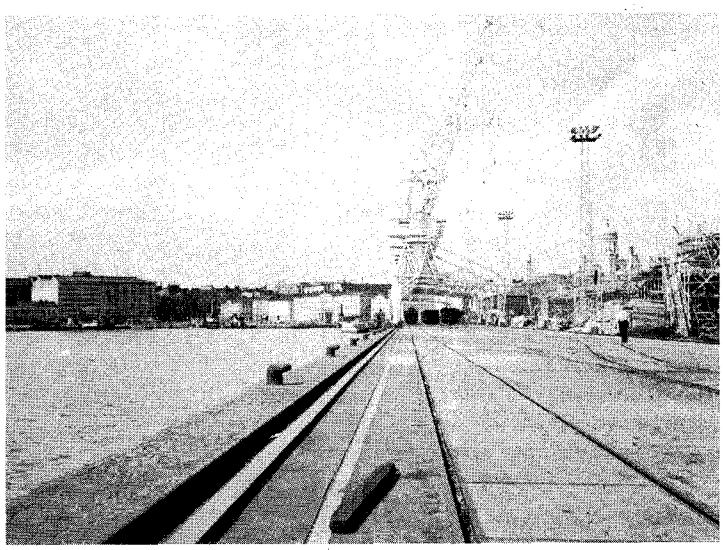
The Russian peace treaty with Finland -- followed by a compulsory "friendship" pact in 1948, was among the toughest exacted from any nation at the end of World War II. In addition to having to pay Russia an enormous reparation ($300 million in gold from a country with a little more than 4 million people), Finland had to give Russia a 50-year lease on her Porkkala territory to permit the building of a Russian military base, limit the size of her national army to 41,900 (about 1 per cent of her population), allow Russia to approve all foreign treaties. And, most importantly, Finland was forced to permit Russia to move her troops into Finland under certain situations of what Russia construed to be "mutual defense." The Finns are still cynical over this settlement, and consider that the West -- particularly the British who, unlike the Americans, were involved in the Finnish peace treaty -- had written Finland off.

In such a bind, Finland's postwar premier, Paasikivi established the "Paasikivi Line" for relations with Russia. His policy was to stay away from all areas of traditional Russian security interest but to stand

up for Finland's independence in her internal affairs, such as civil liberties. Much to Finland's surprise (and probably Premier Paasikivi's), the Kremlin found no objection to a neutrality clause in the 1948 "friendship" pact which declared it was Finland's intention to stay out of Big Power conflicts. After Stalin's death, the Kremlin even began emphasizing Finland's neutrality as part of its own policy. And the Finns claim that in recent years they have experienced no real pressure to take sides between East and West on such issues, say, as the recognition of East Germany (Finland recognizes neither Germany). Even more important to Finland, she regained her Porkkala territory after extending her 10-year "friendship" pact with Russia until 1975. The Kremlin also withdrew its objection to Finland joining her fellow Scandinavians in a non-military Nordic Council. And once this degree of independence was seen Finland was able to be horsetraded into the UN in Dec. '55 along with Italy. There have been no Communists in Finnish Cabinets since the war. And while this may have proved disappointing, to say the least, to Russia, the Kremlin pretty well abided by her half of the "Paasikivi Line" and stayed out of things internal.

Last Fall, however, there came a change.

The Kremlin decided a "frost" had set in over Soviet-Finnish relations. Finland's Communist Party (Peoples Democratic Union) increased its holding to 50 of the 200 seats in the Finnish Diet in last summer's general election. And the Communists actually became Finland's largest party since the Social Democrats split into Right and Left factions. There were hints that it would be nice to have Communists in the Cabinet. Even Finnish President Urho Kekkonen, an Agrarian Party Prime Minister before becoming President Paasikivi's successor, reportedly favored a reversal of the no-Communists-in-Cabinet policy -- at least in regard to non-sensitive posts. But the non-Communist parties were sufficiently opposed to that to get together in a coalition Cabinet under Social Democratic Prime Minister Karl-August Fagerholm. And the Cabinet included an outspoken anti-Communist, Ville Leskinen. The Kremlin decided to be coy no longer.



CRANES AND HARBOR, HELSINKI

The Soviet Ambassador was abrupty called home without even a goodbye. Soviet budgeting suddenly prevented the payment and acceptance of a multi-million dollar ice breaker which the Finnish shipyards were just about to hand over. And Finland, with a serious unemployment situation already, began to feel a general economic squeeze from her most important customer. The Cabinet fell and President Kokkonen appointed a member of his own Agrarian Party to head a new minority Cabinet.

Within two days, Kekkonen suddenly had an activitation of a long dormant invitation to visit the City of Leningrad. Officially, it was to

be a sightseeing occasion with Finland presenting a plaque to the Smolny Institute acknowledging the Soviet Revolution's role in Finland's independence. Unofficially, Kekkonen was given to understand that an "important personage" would be on hand from Moscow. That important personage turned out to be none other than Nikita Khrushchev himself, plus the Mrs. and two daughters. Kekkonen told his political associates he went to Leningrad to see what he could do about thawing out the "frost". Kekkonen's critics felt Finland had already done enough thawing in changing Cabinets to suit Kremlin caprice, foresaw the precedent of future Soviet vetoes on Finnish Cabinets to come and grumbled that Finland's First Citizen was so anxious to please he was giving away more than he had to. One of Kekkonen's close associates told me he too had grave doubts over the wisdom of Kekkonen going to Leningrad. But he said he now is convinced that Khrushchev & Co. were not out to communize Finland and pull her away from her neutrality. He thinks the Kremlin was simply persuaded that Finland was about to join the West and wanted to preserve the status quo and be sure that she remained neutral. He sees the "real victim" of the Leningrad visit as the Finnish Communist Party because, despite the Kremlin show of force, there was no insistence that they be included in the Cabinet. And despite their claims of essentiality, they haven't been. On the other hand, Khrushchev must have had a few things to say regarding Finland's future. For since the Leningrad meeting, both the Finnish President and Foreign Minister have made public speeches calling for a neutral Nordic Zone free of nuclear bases. Some think the speeches were "inspired" by Krushchev. They seem pretty well addressed to Norway and Denmark and getting them out of NATO. Kekkonen's associates say the speeches were inspired by pure self interest: the more neutral Scandinavia becomes the less Russia has to look to Finland (Norway or Denmark) as her frontier with hostile neighbors. Actually, neither country has yet broken down its opposition to nuclear missile bases on its home soil. Other Scandinavian countries look upon last year's Russian interference in Finland's internal government and this year's Khrushchev-Kekkonen visit in Leningrad as the most serious threat to Finnish neutrality in recent years.

They regard it far more seriously, for instance, than Khrushchev's abrupt and caustic cancellation of his August visit to Scandinavia. Actually, Khrushchev particularly singled out Sweden and Denmark in giving the reasons for calling his good will trip off. He almost apologized to Finland, saying he would not be in the vicinity and so would have to defer being neighborly. (And now in the light of hindsight which is one of the advantages of pre-dating letters, it seems quite probable that Khrushchev simply called off his Scandinavian visit because he knew he was going to America. And being Khrushchev he decided to throw his hosts off guard by giving an entirely different excuse and blaming them.)

There is another challenge to Finland's neutrality now in the making. This stems from Finland's desire to join the "Outer Seven." The Outer Seven, hurriedly organized during recent months, is composed of Finland's Scandinavian neighbors -- Norway, Sweden and Denmark, Austria, Portugal, Switzerland and, most important of all, the United Kingdom. The idea is for these nations to cooperate in a free trade zone through reducing tariff barriers and quantitative restrictions. The goal is to reduce tariffs by 20 per cent by next year. The Seven very definitely have their eye on future inclusion with the "Six" -- Germany, France, Italy, Belgium, The Netherlands and Luxembourg -- who compose the European Economic Community. So far official Russia has said nothing to Finland's joining the "Seven." But the Communist Party organ Pravda, a few days ago,

COUNTRY COMMUTING IN SIBELIUS' HOMETOWN

issued an editorial blast. Pravda warned Finland that joining up with the "Seven" might not only endanger her Eastern trade. It might also engulf her in political difficulties: The Seven is dominated by the most important European member of the NATO community, the U.K. And Pravda went on to say that any linking up between the Six and the Seven would mean a Western European free trade area, and that would be against Russian interests.

Finland is moving cautiously ahead anyway. A few days ago, Ahti Karjalainen, Finland's Minister for Trade and Industry, sat in on the Outer Seven organizing sessions in Sweden and requested permission to remain as an unofficial observer until he and his country could learn and decide further. Karjalainen's request significantly followed Pravda's warning.

According to Reino Rossi, one of the five members of the Bank of Finland's Board of Management, a former professor of economics and one of Finland's most respected authorities on trade, his country must weigh the obvious advantages of selling its wood and paper products abroad at the safe low tariff break enjoyed by Sweden, Finland's leading competitor. And it must weigh the obvious disadvantages of antagonizing Russia, its biggest customer and its sole political and military threat.

Says Rossi: "The main problem for us is how our Eastern neighbor -- the Big Neighbor -- will react to this. We already know how Pravda reacted Monday. But we don't know what was meant by this editorial; whether it was just a warning that we should take care, or more. It's very important that we have trade with the Russians, mainly because certain export industries -- metal, engineering and shipbuilding --- are so dependent upon the Russians. We have to take care of not disturbing our Eastern trade. Both economically and politically it's quite indispensible. We couldn't get rid of it even if we would like to. And we don't want to. And yet if we traded only with the Eastern world it would mean our leaving the neutral stake and joining the Eastern bloc, with all of the handicaps in that direction. We ourselves feel the urges of neutrality in this world. And it's very important that the other nations realize that we really have to be in between."

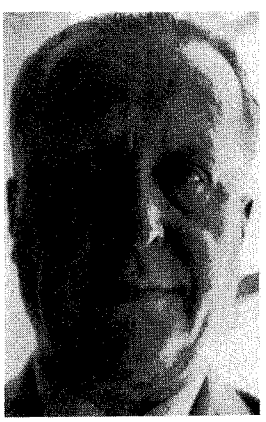
What will happen regarding Finland and the "Outer Seven?" John Nykopp, former Ambassador to the U. S., former Counselor of the Finnish Embassy in Moscow and now manager of the Finnish Employers Confederation, told me: "If Sweden got a custom barrier advantage it would be

an unbearable situation. We would be out-priced. Yet the Russians think our joining would be only the first step in a Common Market. We have to make some arrangement with the Russians. Otherwise they will say we are discriminating against them. I think the only thing we can do now is to let the Seven make their agreement and then see how we can get our foot in the door. We couldn't stay outside. We can't afford to do that. The whole economy of Finland is based on making pulp."

Each time I asked whether the West, specifically the U. S., has been embarrassingly arduous in its desire to woo neutral Finland away from Russia, I was told no, the West, the U. S., Scandinavia itself, have all been "very understanding" of Finland's position. But one Finnish official explained to me that what Finland really needs is to shift from an agricultural to an industrial economy -- and that means capital. And he said that to get adequate aid from the U. S., "you have to dramatize your crisis, And we can't do that. It would defeat the whole object of our neutral policy." Militarily, Finland accepts aid from no one. She buys what equipment her treaty with Russia permits. And so far she has bought it from the West, primarily Britain, France and Sweden. Economically, she was granted a $37 million loan from the World Bank this year and until then had received some $100 million in U.S. loans, plus gifts of textbooks and the necessary funds for the exchange of persons. Russia has also been pitching in. She granted Finland a $100 million commodity credit in 1958 which has yet to be drawn down. The Finns right now can't find enough Russian goods to buy to balance even the normal trade they have with Russia in selling her Finnish goods. Actually, what Finland would like would be a few good shipbuilding orders from the West to balance those she has from the East and provide more employment.

FARMLAND, CENTRAL FINLAND

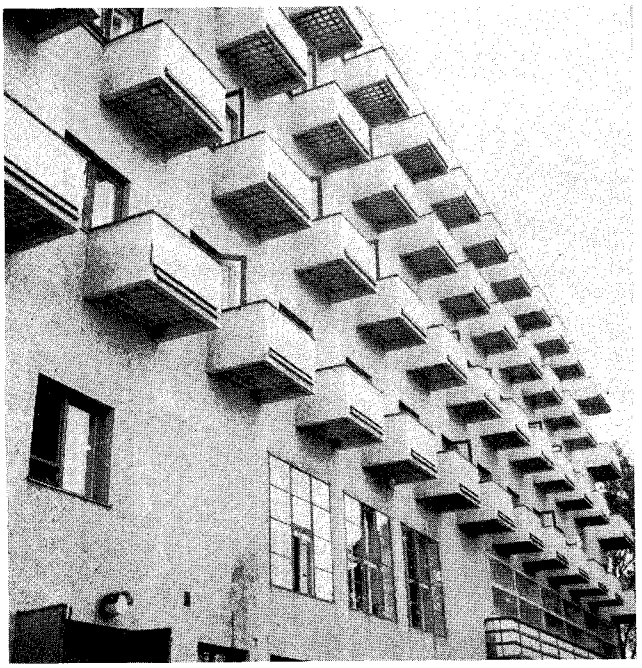
I got two reactions regarding Finnish neutrality and the UN. Yrjo Niiniluoto, editor of the Helsinki Sanomat, whose 250,000 daily and 280,000 Sunday circulation make it the largest national paper in highly literate (99 per cent) Finland, said it was essential that Finland be a UN member: "We would not be an independant nation if we were not in the UN." Niiniluoto qualified this however by making it quite clear that Finland should take her grievances with Russia to the UN only as a last resort: "If we fight in public with Russia it would not be a good idea unless the UN was different from what it is now. They have no real force. We can appeal only as a last refuge. In 1939 we appealed to the League and they accepted a resolution condemn-



NIINILUOTO

ing Russia. Russia simply walked out of the League."

The other reaction on Finland and the UN came from Max Jakobson, foremost Foreign Ministry spokesman, former Finnish press attache in Washington, and a man close to President Kekkonen. Said he: "We never really wanted to get into the UN. What do we get out of it? Nothing at all, nothing but trouble. It would be much easier not to be there. But we were committed by our peace treaty with the Allied Powers to seek membership in the UN. We have to take a stand on issues about which we are not concerned at all. We should be like Switzerland, which is not a member... The big difference between Finland's neutrality and India's is that we keep quiet. We never express a direct opinion outside. In the voting, if it is a suggestion of a clear clash between East and West powers on a big issue, we abstain. On small issues, we usually vote with the other Scandinavian nations. In the UN we are recognized as a part of the Scandinavian group and our Scandinavian Foreign Ministers meet each year before the UN Assembly. On the whole we try to follow the line that they are taking, but not always. We never vote with the Soviet bloc unless other Scandinavian countries do too. We have an unwritten rule: We don't want to be counted with the Soviet bloc unless a substantial number of other countries do too. We voted for the admittance of Red China, yes, but all the other Scandinavian countries did too. On Hungary we voted with the West on several resolutions -- aid to Hungary and observers. But we abstained on the vote to condemn the Soviet Government on aggression when the rest of Scandinavia voted to condemn. We couldn't afford the luxury of indulging ourselves in a gesture. We knew that whatever we did could not affect the situation and we acted in pure self interest. Our President said that in a matter that is of major concern to Russia we do not want to be recorded against them. Abstain yes. And if we had decided to side with the West, would they have come to our assitance? Militarily, never. Hungary? They did nothing immediately when there was a full-scale uprising. Would the US risk an atomic war for Finland? I doubt it. However, home opinion here was very incensed (with Finland's abstention on Hungary). On Suez we voted the same way. On nuclear agreements we pretty consistently abstained and said it should be left to the nuclear powers to agree. On the Rapacki Plan, (Poland's Foreign Minister's proposal for a non-nuclear belt in Central Europe) the Scandinavian countries as a whole said it should be examined. Our tally is about where Austria's is on most things."



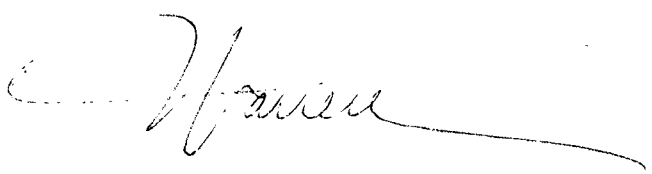
GOVERNMENT HOTEL, AULANKO: CRISP LINES

Jakobson had a few other things to say in explaining Finland's neutral position: "There is a misconception that people here aren't free to speak out in a restaurant. Many people come here with the thought that although Finland is not a satellite it must be a great deal under Soviet influence.

And when they don't find it, they feel they have to say so. They prefer the U.S. kind of surprise that things aren't worse than they are in Finnish-Russian relations. People think we ask the Russians, 'Can we do this or that?' Obviously, we don't ask. But it is self-evident that we consider how this will affect our relations with the Russians. In the Outer Seven situation, for instance, the West thought we obviously were given the Russian okay to join the Free Trade area. This was not true. Pravda even criticized us. But we came to the conclusion ourselves that from a foreign trade point of view it is essential for us to join it. And secondly, that it cannot affect our relations with Russia. Maybe we are wrong."

I got a nice terse summation of Finnish neutrality from George Ehrnrooth, a 33-year-old lawyer, member of the Helsinki City Council and one of the eight Diet representatives of the conservative Swedish Party: "Finland is not at all neutral. If you are frank and you are honest, you cannot call a policy like this neutral. Neutrality is when you close your borders to any country, like Switzerland has done. But we have to say this is neutrality. The problem in Finland today is to know how far you can go without sliding down."

Cordially,



Warren W. Unna

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