

760D.62/87 : Telegram

The Ambassador in the Soviet Union (Steinhardt) to the Secretary of State

Moscow, April 8, 1941—9 p. m.
[Received 10:05 p. m.]

710. A person whom I regard as reliable has informed me that a very large number of Germans in civilian clothes have recently arrived in Finland from Germany.

My informant also stated that the Finnish Government recently intimated to the German Government its desire to become a signatory to the Tripartite Pact and has been advised that the time was not yet propitious.

STEINHARDT

740.0011 European War 1939/9880 : Telegram

The Minister in Finland (Schoenfeld) to the Secretary of State

HELSINKI, April 10, 1941—11 a. m.
[Received April 10—10:50 a. m.]

91. In conversation last night with former Foreign Minister Erkkö,⁵² latter said he thought there was increasing evidence of preparations for eventual conflict between Soviet Union and Germany, citing success of Germans in securing release of former commander of Estonian Army, General Laidoner,⁵³ who is now in Germany where nationals of former Baltic States are being organized for military service. German effort, however, to secure release from Soviet Union of former President Päts⁵⁴ of Estonia had been unsuccessful. Germans had shown no interest in release of Latvian ex-President Ulmanis.⁵⁵

British Minister informs me that in conversation with President Ryti 2 days ago latter also referred to Soviet-German relations and mentioned recent despatch of 250,000 Russian troops to Lithuanian border region. President apparently considered Finnish relations with Soviet Union at present slightly improved. British Minister said President was "reassuring" regarding Finnish relations with German Government and had evidently deprecated any impression to the contrary in the mind of British Government.

Copy to Moscow.

SCHOENFELD

⁵² Eljas Erkkö, more recently Chargé d'Affaires in Sweden.

⁵³ Johan Laidoner, former Commander in Chief of the Estonian Army.

⁵⁴ Konstantin Päts.

⁵⁵ Karlis Ulmanis, who had been President of Latvia since his *coup d'état* of May 15, 1934.

of the Mond Company, to have the latter own the shares of the Finnish company.⁶⁷

Referring to my telegram No. 99, April 20, Soderhjelm expresses opinion that since for about 2 months past the Soviet authorities have shown but slight interest in Petsamo nickel question and since at present there are no foreigners of any nationality whether Russian, British, German or American connected with the enterprise in this country, he doubts expediency of agitating the matter for the present.

SCHOENFELD

740.0011 European War 1939/10470 : Telegram

*The Ambassador in the Soviet Union (Steinhardt) to the
Secretary of State*

Moscow, April 30, 1941—noon.
[Received April 30—11:20 a. m.]

880. *Pravda* today published the following despatch from its Tallinn correspondent:

“According to trustworthy information received here on April 26th, four German transports arrived in the Finnish port of Åbo (Turku) from which were disembarked approximately 12,000 German troops equipped with arms, tanks, artillery, etc. On April 28th these troops began to leave for Tampere.”⁶⁸

Repeated to Helsinki.

STEINHARDT

860D.00/917 : Telegram

The Minister in Finland (Schoenfeld) to the Secretary of State

HELSINKI, April 30, 1941—4 p. m.
[Received April 30—2:35 p. m.]

127. Diet yesterday passed Economic Powers Bill which had been made question of confidence in Government by vote of 147 to 33. The

“The nickel ore deposits in northern Finland were discovered in 1921. A memorandum of June 11, 1941, left at the Department of State the next day by Mr. John F. Thompson, Executive Vice President of the International Nickel Company of Canada, Ltd., 67 Wall St., New York, N. Y., explained that by an agreement of 1934 between the Mond Nickel Company, Ltd., and the Finnish Government, a 40-year concession was received to develop and work the mines. This concession was transferred by Mond to its Finnish subsidiary, the Petsamo Nickel Company (Petsamon Nikkeli Oy.). The Mond Company, in turn, was the wholly owned subsidiary of the International Nickel Company. This memorandum further stated that “In recent years the ownership of the stock of Inco Canada has been divided about equally between the United States and the British Empire. At present 57% of the voting power is held by shareholders whose registered addresses on the books of Inco Canada are in the United States.” (860D.6359 International Nickel Company/34).

⁶⁸ Tammerfors.

law, summarized in Legation's despatch 2030, April 24,⁶⁹ empowers Government to control by decree the economic life of Finland and relations of citizens thereto and in effect makes the Cabinet supreme authority in State. Specific powers conferred on the Council of State include regulation and control of production, consumption, distribution, transportation, foreign trade, prices, raw materials, personal and real property, electric and other power, rents, wages, financial transactions, communications and labor. Diet may however revoke decrees of legislative nature issued under the law which will remain effective until the end of 1942. A constitutional "democratic dictatorship" has thus been established in Finland.

SCHOENFELD

740.0011 European War 1939/10565 : Telegram

The Ambassador in the Soviet Union (Steinhardt) to the Secretary of State

Moscow, May 2, 1941—4 p. m.

[Received 5 p. m.]

895. My 892, May 1, 8 p. m.⁶⁹ The Swedish Minister confirmed to me this morning: 1, that General Mannerheim is in Sweden; 2, that Paasikivi is still in Helsinki; and 3, that consultations have been going on between the German and Finnish General Staffs. He also stated that high officials of the Finnish Government are convinced that Germany is preparing to attack the Soviet Union and that discussions are rife in Government circles as to whether Finland should content itself with taking back Hango⁷⁰ and the Karelian Isthmus or whether it should seize in addition all of Soviet Karelia and the Kalo Peninsula.

The Minister added that relations between Stockholm and Helsinki have cooled perceptibly during the past few weeks and that both his Government and he had recently observed that the Finns are no longer "telling them everything" as they formerly did.

Assarsson said that in his opinion the Finns are playing an extremely dangerous game as von Schulenburg⁷¹ had told him on two occasions that the German Government regards Finland merely as a pawn in German policy. The Minister said that after entering the German camp in the hope of recouping the territorial losses of the recent war with the Soviet Union, the Finns might suddenly discover that notwithstanding the apparent German solicitude for their interests and the advantageous position in Finland which they are now

⁶⁹ Not printed.

⁷⁰ Hangö, Hanko, Khanko.

⁷¹ Friedrich Werner, Count von der Schulenburg, German Ambassador in the Soviet Union.

giving to Germany, a sudden deal might be made by Germany and the Soviet Union under which the Soviet Union would make far-reaching concessions to Germany in another field in return for the German withdrawal from Finland and its annexation by the Soviet Union.

STEINHARDT

760D.62/91

Memorandum of Conversation, by the Secretary of State

[WASHINGTON,] May 6, 1941.

The Finnish Minister called in company with his Counselor.⁷³ He said that his country was much concerned about the report that some twelve thousand German troops had moved into a certain area of Finland; that he desired to deny this most emphatically, as he desired also to deny a number of other rumors and reports about special relations between his country and Germany. I stated that we had not accepted any of these reports here at the State Department; that we never accepted damaging reports against a friendly country like Finland without full confirmation in the first place, and that we have treated lightly these reports to which he referred. He seemed very much relieved at this, but urged that more publicity be given by us in denial, especially the report about the German troop occupation. I requested him to call on Mr. McDermott⁷³ and go over this phase, which he said he would be glad to do.

The Minister expressed great appreciation at the aid we are giving Finland.

C[ORDELL] H[ULL]