

Paying Debts: David Hinshaw's Role in the Birth of the ASLA-Fulbright Program

In November 21, 1951

President J. K. Paasikivi wrote in his diary: "Hinshaw, an American, was here. He was the one who made the initiative to transform our debt to the USA into scholarships. We had a talk of appr. 1 hour."

That the Finnish President spent an entire hour discussing with a private U.S. citizen illustrates the special circumstances of the birth of the ASLA-Fulbright Program. In the difficult after-war years the scholarships system was a lucky strike, but also a mixture of favorable conjunctures, Finnish endurance and American creative thinking. This is the way Finns still think of the ASLA-Fulbright Program: it is not only a question of extending the global Fulbright Program to yet another small country, but also something that the Finns had earned by their persistence. Finns honor in this context, besides Senator Fulbright, just as highly another American, the very person with whom President Paasikivi was talking in November 1951, David Hinshaw.

David Hinshaw (1882-1953) was the real father of the ASLA program. He was a former aid to Theodore Roosevelt and an adviser to Herbert Hoover. Hinshaw had worked as a PR manager of a large oil company, but was also known as a writer. His Quaker conviction led him into international philanthropy. After World War II he came to Finland to inspect the Quaker relief work, and based on what he saw he wrote a book, "An Experiment in Friendship" (1947). Later he published a larger book about the country, "Heroic Finland" (1952).

Hinshaw's brilliant idea (proposed already in "An Experiment in Friendship") was to use the Finnish payments on the debts acquired from the USA in the aftermath of World War I to the benefit of the country itself. The newly independent Republic of Finland had obtained, as did many other European countries, loans from the USA to manage through the first difficult years of

independence. Finland paid back its loans yearly. During the Great Depression many ceased paying back what they owed, but Finland continued to do so. Already before World War II the American press paid attention to this exceptional behavior, but especially the fact that Finland persisted in paying its debt even during the war years aroused admiration.

Even if the USA did not declare war on Finland, the two countries fought in practice on different sides during 1941-44. (USA broke off diplomatic relations in 1944). Nevertheless, Finland tried stubbornly to submit its payments. This earned the little country lots of international goodwill. In addition to the debt paying, the Winter War 1939-40 also raised Finland into international awareness. Being a co-belligerent with Germany in 1941-44 only temporarily disturbed the positive image. Soon after the war, the comradeship between the USA and the Soviet Union turned into a cold war. Finland's position seemed threatened in the same way as during the Winter War. In the peace treaty (1947) Finland had to cede a large piece of its land area to the Soviet Union and pay huge war reparations. The Soviet Union was putting pressure on Finland again and it seemed uncertain if the country could retain its democratic system.

In December 1947 resolutions to help Finland were introduced both in the U.S. Senate and the House of Representatives. The resolutions were initiated by David Hinshaw, even though he himself was not a member of the Congress. According to the resolutions, the rest of the Finnish debt was to be transformed into a fund, from which grants

THIS BOOK HAS BEEN PRESENTED TO FINLAND BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA, UNDER PUBLIC LAW 265, 81ST CONGRESS, AS AN EXPRESSION OF THE FRIENDSHIP AND GOOD WILL WHICH THE PEOPLE OF THE UNITED STATES HOLD FOR THE PEOPLE OF FINLAND.

would be given to Finns traveling to the USA for study and research.

As a result of his visit to Finland, Hinshaw had lots of personal contacts with prominent Finns. The Finnish minister in Washington, K. T. Jutila, sent Hinshaw background information that he needed in the preparation of the resolutions. The director of a Finnish relief organization, Arvo Puukari, has told how in 1947, while visiting Hinshaw's New York office, he heard Hinshaw discuss on the phone with Senator H. Alexander Smith about the details of the resolution. Smith wrote the resolution presented to the Senate, found supporters for it and smoothed its way through the Congress. Both Hinshaw and Smith were Republicans, but the resolution was supported also by Democrats. A similar resolution was made in the House.

The resolutions did not proceed further in 1947 because of the international political situation. The Department of State considered the Finnish situation so uncertain that it advised to wait. The spring of 1948 came and with it the dreaded negotiations between Finland and the Soviet Union concerning a defense agreement, but Finns, led by President Paasikivi, were able to obtain much more tolerable conditions than the direct "satellites" of the eastern power. Even if the Agreement on Friendship, Cooperation and Mutual Aid was a necessary evil, it was nevertheless a stabilizing factor, which made it possible for the Americans to arrange the rest of the Finnish payments in the proposed way.

This time the resolutions were successful

and on August 24, 1949, the U.S. Congress passed Public Law 81-265. This law transformed the Finnish payments into a fund out of which grants were given for travel and stay in the United States for Finnish researchers and specialists and, moreover, for the acquisition of American scientific and scholarly books and technical equipment for Finnish higher education institutions.

The good thing with this program was that no U.S. tax-payers' money was directly needed. Another important feature was that the initiative came from the Americans. The legislative process was completely in the hands of the Congress and the Department of State, and there was no need for an official agreement with Finland. Making the Fulbright agreement with Finland was much more difficult, even if Finland was among

the first countries to be offered this option in 1947. The Department of State tried for many years to make the Finns accept the agreement, but the Finnish government wanted to be absolutely sure that an agreement of this kind did not disturb the relations between Finland and the Soviet Union. The agreement was fully negotiated in 1948, but the Finnish government let it drop. One must bear in mind that the Soviet Union had prevented Finland from taking part in the Marshall Plan in 1947. The Fulbright agreement with Finland was not concluded until 1952.

Finns did not hesitate to accept the gesture made by the Public Law 81-265. They effectively organized the organs and other practicalities necessary for the use of resources made available. They also knew how

to show their gratitude. Finnish students gathered a great amount of names for a letter of thanks that was presented to both Hinshaw and Senator Smith by a Finnish professor visiting the USA. As soon as the next Finnish payment on the interest and principal of the old loans in December 1949 was transferred to the scholarship fund, Minister Jutila paid a complimentary visit to the State Department. At Jutila's proposal Hinshaw was given in 1950 a high Finnish decoration. And as we know, President Paasikivi received Hinshaw as a guest of honor in 1951 and had a long talk with him.

Ilkka Mäkinen
liilma@uta.fi
Department of Information studies
University of Tampere