

**TRAILBLAZERS:  
FINNISH INDUSTRIALISTS  
AND FINNISH-UKRAINIAN DIPLOMATIC RELATIONS IN 1918**

**ПЕРШОПРОХІДЦІ:  
ФІНСЬКІ ПРОМИСЛОВЦІ  
І ФІНСЬКО-УКРАЇНСЬКІ ДИПЛОМАТИЧНІ ВІДНОСИНИ У 1918 РОЦІ**

Could there be some real advantage to Finland if were we to form diplomatic relations to that distant country, where conditions are still said to be somewhat chaotic?

This was the question the Finnish foreign secretary Otto Stenroth presented in Helsinki, May 1918, to Herman Gummerus, a Finnish classicist historian and an independence activist. The distant country Stenroth spoke of, was the Ukraine.

Gummerus certainly was someone to present the question with, as he had been ready to leave as Finland's first ambassador to Kiev already in late 1917, soon after Finland had declared independence and started to prepare to form ties to other countries. At that time, Ukraine was still envisioned to remain part of Russia as an autonomous state, but as the country had long been an important market for Finnish paper, it was thought that a representative in Kiev would be useful to have. But then, war had intervened.

After having declared independence in December 1917, after the Bolshevik coup in Russia, Finland was almost immediately plunged into a civil war. Now the war between the radical social democrats – the Reds, and the non-socialist Whites was over, but the country was hardly at peace.

Spring 1918 saw Finland in a deep crisis. Thousands of Red prisoners languished in makeshift camps, subjected to starvation and disease, and the most radical of the White victors were planning intervention in the Russian civil war. The world war was still going on in Europe, and Finland was cut off from its sources of imports, as well as outlets for export trade. There was a widespread lack of most elementary foodstuffs and almost everything else. The formerly so important Russian markets had closed as Russia descended into revolution and civil war. All this left basically just Sweden to be Finland's lifeline to the rest of the world. And then there was Germany.

As the Finnish civil war was drawing to its close, Germany had started a final push to achieve military victory on the Western front. At the same time, it had been negotiating with the Soviet government for a peace treaty, which was finally signed on March 3<sup>rd</sup>, 1918. To put pressure on Lenin during the negotiation phase, the German army had advanced deeper and deeper into Ukraine. Ukraine was also considered vital to secure Germany's precarious situation regarding foodstuffs and other strategic resources.

The Treaty of Brest-Litovsk meant the creation of a German empire in the East, and Ukraine was to become its most important part, a nominally independent, German-dominated state. At the same time, should the treaty effects prove permanent, every Eastern European state would have to take into account the new reality of German domination. This meant also, that trade relations between states falling into the sphere of German domination would have to be negotiated through Germany.

Finland would also form a part of the new empire as a nominally independent, but German-dominated country. To put a seal on this, and to ensure German goodwill towards Finland, the Finnish government started a search for a German prince to rise on the throne of Finland as a king.

In Ukraine, the Rada had declared independence in January 1918, followed quickly by an alliance with Germany. On March 1<sup>st</sup>, the Germans marched into Kiev. Two days later, the signing of the

Brest-Litovsk peace treaty officially ended hostilities between Germany, Ukraine and the Bolshevik government. Ukraine's future as a nominally independent country under German tutelage beckoned. When Hetman Pavlo Skoropadsky succeeded his German-backed coup against the Rada in April 1918, this status became ever more pronounced.

It was exactly at this juncture, soon after the establishment of Skoropadsky's Hetmanate over Ukraine, that the Finns also started their deliberations of the necessity of diplomatic ties with Ukraine. It was clear that Finland urgently needed imported foodstuffs, and they in practice could only be imported from the German-controlled area. But what could Finland hope to sell, in order to pay for its imports? The answer was paper.

Almost all of the country's numerous paper mills were standing still. This also meant, that this most important export industry was creating no revenue for the state. But Finnish paper mills had long-time customers in Ukraine, and the sales organizations Finnish mills had set up in Kiev and Odessa before the war were either intact or easily resurrectable. In places the Finnish manufacturers actually had existing stock of unsold paper. The plan that was adopted was therefore simple: send a few well-connected representatives to Ukraine, set up an embassy, and even more importantly: secure trade deals through which Finnish paper could be exchanged to badly-needed Ukrainian grain and sugar.

Setting down the exact terms to this exchange trade proved more difficult to iron out, however. Finland's foreign office did not want to give the terms entirely for the businesses to decide. While the wrangling went on, the Finnish paper industry closed its ranks, setting up a mighty sales cartel, the Amalgamated Finnish Paper Industry, including almost every Finnish mill. But fresh markets were still not forthcoming. It took until July 1918, when the Finnish paper industry, desperate to find some outlets for its products, agreed to the terms the foreign office set to the exchange trade. Then everything happened quickly. Herman Gummerus was recalled to become Finland's first ambassador to Ukraine. To accompany him, the paper industry sent two of its prominent members Gösta Serlachius and Rudolf Walden, to hammer out the trade deals. Serlachius was the owner and director of G. A. Serlachius paper mills in Mänttä, Walden the owner and director of Simpele paper mills. Both had been important members of the civil war's White army, and served in general Gustav Mannerheim's headquarters. The final member to the Finnish diplomatic and trade delegation was William Otsakorpi, who had extensive experience from pre-war Russian grain market.

No deals could be made without the acceptance of Germany, however. This was not immediately forthcoming, for there were suspicions in Berlin as to the role of the two industry captains, who represented a powerful conglomeration of paper producers in Finland. It wasn't until both Serlachius and Walden had been given a status of consuls, that Germany could no longer prevent their trip by not issuing visas.

The delegation first made its way to Stockholm, where Serlachius and Walden met their friend and strategic ally Mannerheim. Mannerheim was Skoropadsky's personal acquaintance from their common time in the Chevalier guard in St Petersburg, and he duly armed the consuls with a letter of recommendation. Thus armed, the delegation continued to Berlin, the unavoidable gateway to the Ukraine.

In Berlin, the reception was less than warm. Germany was suspicious of a client state's representatives' attempt to force their way into the Ukrainian market the Germans considered reserved for their own exploitation. At least Germany would demand a quota of paper as a price for any rights of transit for Finnish products through German-controlled territory. The transit negotiations were left unconcluded when the delegation at the end of August headed towards Kiev via Warsaw and Brest-Litovsk. The Ukrainian border was crossed in Holoby, where the travellers changed into a Ukrainian train.

After that, the trip proceeded in a leisurely pace, through a war-stricken landscape but via several well-stocked station restaurants, where generous stops allowed the delegates to sample «sterlet and caviar, roast beef and ham, the loveliest piroshki, the whitest bread and so much butter anyone could hope for», as the delighted Gummerus later described the journey.

When the train finally rolled to Kiev station, the reception was fitting to welcome official representatives of a foreign state, with pomp, ceremony and welcome addresses, whereafter the delegation was driven to hotel Gladinjuk in state cars. This high living was not to last for long, as the German occupation authorities soon relegated the Finns from the comfortable Gladinjuk to Francois, a notably less-well-endowed establishment. But whatever the status of their accommodation, Gummerus, Serlachius, Walden and Otsakorpi now found themselves in the late-summer heat among Kiev's ancient monasteries. There was much to see. Serlachius later described his astonishment after he had with Walden taken a stroll on a sunny day by one of the beaches along the Dnipro:

«It was a sight like which we will certainly never again see. On the beach and in the water there was a multitude of naked people. Men and women together. We estimated their count at appx. 2000. They moved around within a barbed wire fence consisting of a single line of barbed wire, the purpose of which we could not fathom. Nearby was a restaurant from which one could get refreshments. German soldiers were particularly eager to take photographs with their cameras. When we got back to our hotel, where our ambassador lay in fever, he cursed his luck to have been ill just that day».

Serlachius soon travelled to Odessa to set up a Finnish consulate. The consul himself would not take care of its everyday running, but instead the job was given to the local representative of the Amalgamated Finnish Paper Industry, Lauri Enegren. Then Serlachius returned to Kiev to take care of his real business, drawing up of the trade deals between the Finns, Ukrainians, and the Germans.

The delegation finally got to meet Hetman Skoropadsky himself over lunch in the hetman's splendid palace, surrounded by a glittering court with picturesque Ukrainian uniforms and solemn ceremonies», as Walden later wrote. The negotiations, however, did not receive a boost of the visit, even after the delegates produced Mannerheim's letter of recommendation. This was not because the wares on offer would not have met with mutual demand. Ukraine suffered from a dire need of paper, so that the newspapers were also printed on a very small size on regular wrapping paper. The Finns, for their part, would have been eager to secure shipments of Ukrainian farm products. The problem was the Germans, who wanted to act as middlemen. «They would want, of course», Walden wrote in a letter to his wife, «that Ukraine would buy Finnish paper from them, and that we in turn would buy Ukrainian sugar also from them».

It took until the beginning of September before a deal was finally struck. Grain would not be on offer for the Finns to buy, the Germans wanted it for themselves, but sugar was available. Serlachius and Walden began to take up orders from Ukrainian buyers. Everything seemed to proceed in a splendid way. Gummerus remembered later, how he had Serlachius and Walden return every night «back to the hotel with smiling faces». Prices the two paper industrialists were able to get for their products were «out of fairy tales». With a thick bunch of orders Serlachius and Walden left Gummerus and travelled back to Berlin in late September 1918.

In Finland the two received a hero's welcome. Had they not succeeded, not just to get quick help to Finland's burning nutritional problem, but also to re-open the markets in the east? With a sales organization now in place, and sales offices established in Kiev, Odessa, Kharkiv and Rostov, Finland was again open for business, even if it this time had to be conducted under Germany's watchful eye. A new era for the whole of eastern Europe seemed to be dawning still in early October, when Serlachius and Walden returned to their home country, and the Finnish parliament elected the prince of Hessen-Kassel, Friedrich Karl, to be the king of Finland.

In the end, the whole structure collapsed rapidly. In November Germany capitulated. German military presence in the Ukraine had been weakening following defeats on the Western front, and now it vanished altogether. The Bolsheviks soon renounced the treaty of Brest-Litovsk, and the Red Army again marched against Ukraine. Friedrich Karl declined the throne of Finland, and the country subsequently became a republic. Skoropadsky fled with the Germans. Of the Finnish-Ukrainian trade, among those shipments that indeed did reach Finland were a few wagonloads of malts Serlachius had bought for a brewery he owned. Most of Finnish shipments of paper never reached Ukraine. Part of them were held up in Riga, and later fell into the hands of the advancing Bolsheviks. The Finnish embassy, as well as the paper sales organization, were dismantled after the Bolsheviks took power in Ukraine. Thus began and ended, for the time being, the first attempt to establish Finnish-Ukrainian diplomatic and economic ties.

#### *Essential literature:*

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