

Telegram of I.V. Stalin to Mao Zedong on questions of establishing relations between the democratic government of China and some capitalist countries, on foreign loans

1949, April 19.

To Kovalev

When you meet Mao Zedong, tell him the following:

First. We believe that the Democratic Government of China should not refuse to establish official relations with some capitalist countries, including the United States, if these countries officially refuse military, economic and political support to Chiang Kai-shek and the Kuomintang government.

This condition is absolutely necessary for the following reasons. At present, US policy is aimed at breaking up China into southern, central and northern China with three governments. At the same time, the United States supports the South Chinese and Central Chinese governments of the Kuomintang and, as is evident, is not averse to supporting the North Chinese democratic government as well, so that these governments fight among themselves and weaken China, and the United States could benefit from this. Therefore, if you want to have a united China headed by the Communists, it is necessary to restore official relations only with those capitalist governments that officially refuse to support the Canton and Nanjing groups of the Kuomintang.

Second. We believe that we should not refuse a foreign loan and trade with capitalist countries under certain conditions. The whole point is that the terms of the loan and trade do not impose such economic or financial // obligations on China that could be used to limit the national sovereignty of the democratic Chinese state and to strangle Chinese national industry.

Third. As regards the question of a loan from the USSR to China, we must inform you of the following. We are and will continue to trade with China on a commodity-for-commodity basis². This does not require permission from the Presidium of the Supreme Soviet. As regards the loan, the government itself cannot decide this issue, since the question of the loan is subject to resolution of the Presidium of the Supreme Soviet. And the Presidium of the Supreme Soviet, while not objecting to the loan to China, must still have the corresponding document on the agreement regarding the loan, signed by representatives of China and the USSR. Without such a document, the Presidium of the Supreme Soviet has no right to give consent to the loan. If you are unable to send a delegation to Moscow to conclude an agreement on the loan, then we can authorize Comrade Kovalev to begin negotiations with representatives of the Central Committee of the Communist Party of China and to develop a draft agreement, which, if approved, will be signed by representatives of both parties. After this, we will consider that the loan has been provided to you and you will receive both the equipment and Russian specialists.

Filippov.