

COPY OF TELEGRAM

TO THE SECRETARY OF STATE FOR DOMINION AFFAIRS  
FROM THE GOVERNOR GENERAL.

OTTAWA, May 26th, 1927.

Begins. Your telegrams regarding Anglo-Soviet relations. My Ministers have been giving careful consideration to the situation resulting from the statement made by your Prime Minister in the House of Commons yesterday as to Soviet espionage and propaganda and the decision of His Majesty's Government in Great Britain to break off diplomatic relations with the Soviet Union and terminate the Trade Agreement. They have been particularly concerned with the bearing of these developments on Canada's adherence to the Trade Agreement. So far as Canada is concerned there has been a steady and substantial growth of trade under the Agreement and there has not been any substantial ground of complaint as to espionage or propaganda against the present official agent in Canada. It appears possible to take two views as to the effect of the termination of the Agreement by the Government of Great Britain. In one interpretation Canada may be considered simply to have adhered to an existing Anglo-Soviet Agreement with the consequence that on the lapse of this agreement her own arrangement ceases to have a basis and lapses automatically. If this view is taken the question settles itself. In the other interpretation the Canadian agreement would be held to have an independent existence and would continue unless expressly terminated. In this case it becomes the duty of the Canadian Government to decide whether

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