No. 9.

New Zealand, No. 14.

My Lord,— Downing Street, 10th January, 1924.

With reference to Your Excellency's despatch, No. 194, of the 21st July, 1923, regarding the agreement with Belgium on the subject of the liquidation of ex-enemy businesses, I have the honour to request you to inform your Ministers that it is the understanding of the British and Belgian Governments that the agreement is already applicable to British subjects wherever resident. Accordingly no special agreement is necessary in order to give effect to the decision notified in your despatch under reference.

I have, &c.,

DEVONSHIRE.

Governor-General His Excellency the Right Hon. Viscount Jellicoe, G.C.B., O.M., G.C.V.O., &c.

No. 10.

New Zealand, Dominions No. 55.

My Lord,— Downing Street, 12th February, 1924.

With reference to my telegram of the 9th February, I have the honour to transmit to Your Excellency, for the information of your Ministers, copies of notes exchanged with the Russian Government regarding relations with Russia.

I have, &c.,

J. H. THOMAS.

Governor-General His Excellency the Right Hon. Viscount Jellicoe, G.C.B., O.M., G.C.V.O., &c.

Enclosure.

Note communicated to the Russian Government by Mr. Hodgson.

1st February, 1924.

I HAVE the honour, by direction of my Government, to inform Your Excellency that they recognize the Union of Socialist Soviet Republics as the *de jure* rulers of those territories of the old Russian Empire which acknowledge their authority.

2. In order, however, to create the normal conditions of complete friendly relations and full commercial intercourse it will be necessary to conclude definite practical agreements on a variety of matters; some of which have no direct connection with the question of recognition, some of which, on the other hand, are intimately bound up with the fact of recognition.

3. In the latter category may be cited the question of existing treaties. His Majesty's Government are advised that the recognition of the Soviet Government of Russia will, according to the accepted principles of international law, automatically bring into force all the treaties concluded between the two countries previous to the Russian Revolution, except where these have been denounced or have otherwise juridically lapsed. It is obviously to the advantage of both countries that the position in regard to these treaties should be regularized simultaneously with recognition.

4. Technically unconnected with recognition, but clearly of the untmost importance, are the problems of the settlement of existing claims by the Government and nationals of one party against

the other, and the restoration of Russia's credit.

5. It is also manifest that genuinely friendly relations cannot be said to be completely established so long as either party has reason to suspect the other of carrying on propaganda against its interests and directed to the overthrow of its institutions.

6. In these circumstances His Majesty's Government invite the Russian Government to send over to London, at the earliest possible date, representatives armed with full powers to discuss these matters, and to draw up the preliminary bases of a complete treaty to settle all questions outstanding between the two countries.

7. In the meantime I have been given the status of Chargé d'Affaires pending the appointment of an Ambassador; and I am to state that His Majesty's Government will be glad similarly to receive a Russian Chargé d'Affaires representing the Government of the Union at the Court of St. James.

CIRCULATED TO THE CABINET.

Monsieur C. Rakovsky to Mr. MacDonald, 8th February, 1924.

I have the honour, on behalf of the Government of the Union of Soviet Socialist Republics, to inform Your Excellency that my Government has taken cognizance with satisfaction of the contents of the British Note of February 1, 1924, in which the British Government recognizes de jure the