

to Germany there would still be a certain number of Czechs. Economic connections are so close that an absolute separation is not only undesirable but inconceivable; and I repeat my conviction that history has proved that in times of peace the two peoples can live together on friendly terms. I believe that it is in the interest of all Czechs and of all Germans alike that these friendly relations should be encouraged to re-establish themselves; and I am convinced that this is the real desire of the average Czech and German. They are alike in being honest, peaceable, hard working and frugal folk. When political friction has been removed on both sides I believe they can settle down quietly.

For those portions of the territory therefore where the German majority is not so important, I recommend that an effort be made to find a basis for local autonomy within the frontiers of the Czechoslovak Republic on the lines of the "fourth plan," modified so as to meet the new circumstances created by the transfer of preponderantly German areas. As I have already said there is always a danger that agreement reached in principle may lead to further divergence in practice. But I think that in a more peaceful future this risk can be minimized.

This brings me to the political side of the problem which is concerned with the question of the integrity and security of the Czechoslovak Republic, especially in relation to her immediate neighbours. I believe that here the problem is one of removing a centre of intense political friction from the middle of Europe. For this purpose it is necessary permanently to provide that the Czechoslovak state should live in peace with all her neighbours and that her policy internally and externally should be directed to that end. Just as it is essential for the international position of Switzerland that her policy should be entirely neutral, so an analogous policy is necessary to Czechoslovakia—not only for her own future existence but for the peace of Europe.

In order to achieve this I recommend:

(1) That those parties and persons in Czechoslovakia who have been deliberately encouraging a policy of antagonism to Czechoslovakia's neighbours should be forbidden by the Czechoslovak Government to continue their agitation, and that if necessary legal measures should be taken to bring such agitation to an end.

(2) That the Czechoslovak Government should so remodel her foreign relations as to give assurances to her neighbours that she will in no circumstances attack them or enter into any aggressive action against them arising from obligations to other states.

(3) That the principal Powers acting in the interests of the peace of Europe should give to Czechoslovakia a guarantee of assistance in case of unprovoked aggression against her.

(4) That a Commercial Treaty on preferential terms should be negotiated between Germany and Czechoslovakia if this seems advantageous to the economic interests of the two countries.