The matter of Chinese passing through Canada in bond was examined and I think you intended asking Mr. Read for his opinion as to what could be done to continue handling this traffic under some government control.

Yours very truly,

A. L. JOLLIFFE

Partie 6/Part 6 TCHÉCOSLOVAQUIE/CZECHOSLOVAKIA

1494.

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London, July 8, 1942

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 324

MOST SECRET. Following for the Prime Minister, Begins: My telegram Circular M. 131 of July 2nd, 1941. Dr. Benes²⁵ has pressed for some further declaration by His Majesty's Government in the United Kingdom to make clear that reservations set out in paragraph 6 of my telegram under reference implied no difference in status between Czechoslovak and other Allied Governments. In view of trials through which Czechoslovak people have been passing since death of Heydrich,²⁶ we think it desirable for psychological reasons to give Benes such satisfaction as is possible, and propose that further communication should be made to Czechoslovak Government in terms set out in my immediately following telegram. We contemplate that second part of communication would not be published until arrangements had been made for addition of Sudeten German representatives to Czechoslovak State Council.

2. We understand moreover that Czechoslovak Government are considering post-war reduction of Sudeten German minority as they consider that present 3 [and a] quarter million Sudeten Germans are too large for successful absorption in Czechoslovak State of some 15 million inhabitants. Their general idea at present is to agree to transfer to Germany of certain small districts of little strategic importance and inhabited almost exclusively by 600,000 to 700,000 Sudeten Germans. They then hope by expulsion of some Sudeten Germans as war criminals and transfer of additional million to reduce Sudeten German minority to about 1,000,000. It is proposed that in discussions with Benes and Sudeten German representatives we should indicate that United Kingdom Government approved in principle transfer to Germany after war in appropriate cases of German minorities in central and southeastern Europe, but special care will be taken to make it clear that principle approved related only to transfer of populations and did not commit us as regards transfer of territory. Ends.

²⁶ Reichsprotektor in Czechoslovakia who was assassinated May 27, 1942.

²⁵ Président de Tchécoslovaquie.

²⁶ Le *Reichsprotektor* en Tchécoslovaquie qui fut assassiné le 27 mai 1942.

²⁵ President of Czechoslovakia.