January 12, 1917.—Villalobar came to see me this morning, very chipper, and brisk as bottled beer. He brought me a new wristwatch, with illuminated hands so that one can tell the time at night, and a cigarette case for Nell. I had my box, with his arms all engraved thereon, to give him, and he was delighted. Villalobar told me all about his trip—not all, perhaps, either, but much, how he went to Berlin, dined with the Chancellor, and so on, a big "good man," he said, whom you would love. The Chancellor said that Germany couldn't win the war, but couldn't lose it, either; hence they were genuinely ready for peace, and willing now to make concessions. He, Villalobar, spoke of his Government's response to

the President's note, said it was made on the strength of word from France that peace would not be discussed at this time, although later on he said that everybody at Paris wants peace, that poor France is finished, that everybody there is dead. He drew a dreary picture of Paris, which he says is worse than Brussels. He said that the Allies had wished the Belgian Government not to respond to the President's note, and that the King had been furious, said he could never forget America and all America had done for his people and his country. There was a dramatic scene, Villalobar says, when the King, at La Panne, told—who was it now?—I forget, alas!—his decision.

Villalobar is disgusted with the English, and especially with Lloyd George, whom he called a rascal, as I have many a time in these last weeks. The English lack the officers and the tacticians, though they have plenty of money and plenty of stubbornness, but little else. They will talk of "the final victory" as one on a train speaks of the end of a journey; and yet Villalobar thinks there will be no final victory for the Allies, but only worse ruin and defeat if they persist.

Villalobar, while at Madrid, was informed that the Holy Father had given him the Grand Cordon of St. Gregory the Great. It was sent him and was delivered by the Nuncio (which Villalobar said must have been very distasteful to the Nuncio), and Villalobar had declined. But the Nuncio at Madrid had expressed regret for the actions of the Nuncio at Brussels, and Villalobar had finally accepted, to please the Holy See, but, as he stipulated, in recognition of his services to the church in Portugal, and because the order carries with it the right to have mass celebrated in one's own house!

¹ On December 18, 1916, President Wilson sent all the belligerents notes suggesting "an avowal of their respective views as to the terms upon which the war might be concluded." Pointing out that leaders on both sides had declared themserves in favor of much the same objects, he warned against a war to exhaustion. The Central Powers on December 26th responded in general terms, calling attention to their own offer of the 12th, but indicating no specific peace terms. The Allies on January 10, 1917, replied with a statement of particular points as Wilson had requested: The restoration of Belgium, Serbia, and Montenegro, with indemnities; the evacuation of other invaded territories, with reparations; the liberation of Italians, Slavs, Czechs, and Roumanians from foreign domination; and the expulsion of the Turks from Europe. Belgium sent a special protest against Wilson's assumption that the statesmen of the two camps pursued the same objects in the war.