

May 5, 1919.—Last night there was a Crown Council at the Palace lasting until midnight. It was decided unanimously to accept the conditions as “honourable and satisfactory,” while calling the attention of the Allies to the financial condition of Belgium, especially the 6,000,000,000 marks in circulation.

And today, the feeling is much better! . . .

The truth is that they had never formulated their demands and had the most exaggerated notions of what the Allies should do for them. The Belgians are to receive: (1) 2.5 billions in gold at once; (2) their war debt is assumed by the Allies; (3) Germany is to replace all the tools and factories, and so forth; (4) to give her 800,000,000 tons of coal; (5) Malmédy is to be annexed to Belgium; (6) France renounces her pretensions to the Grand Duchy of Luxembourg; (7) the Allies rescind the Treaty of 1839; and

(8) ask Holland to arrange the question of the Scheldt. The terms are really very good.

However, when I went to the Foreign Office this afternoon, I saw Hymans, and he said that Norman Davis had objected to the assumption by the Allies of the war debt, and insisted that it was to be paid at once out of Belgium's 2.5 billions. Hymans was in despair, as could be imagined. I sent another dispatch tonight about it, although that will do no good, for my dispatches are never answered. Villiers and de Margerie¹ say that theirs are never answered either.

¹ De Margerie had been French chargé in Brussels; he was now to be Ambassador, and in control of an extensive French propaganda.