

(c) Practically, an agreement has been reached with respect to the Eastern Frontier of Germany, in which the chief difficulty arose as to the Port of Danzig. This city will be created into an independent international entity under the protection and direction of the League of Nations. Both Germany and Poland will be granted special facilities in connection therewith.

(d) Responsibility for the war. It is not proposed to try the Kaiser for his general responsibility in precipitating the war but only for his responsibility in attacking a State the neutrality of which was guaranteed by Germany itself. For this purpose a tribunal will be erected and a demand will be made upon Holland to deliver up the Kaiser. President Wilson was very pronounced against any such course at first, but eventually changed his opinion. He has also agreed to the establishment of tribunals for the trial of persons who have violated the ordinary rules and conventions of warfare; but he desires that such persons shall be tried by Courts Martial to be established by the Allied nations.

(e) Reparation and indemnity. This has proved, perhaps, the most difficult subject and has occupied very extensively the time of the four statesmen who were dealing with it. The fourteen points propounded by President Wilson and expressly relied upon by the Germans in proposing the Armistice did not, apparently, contemplate indemnity at all. For this reason President Wilson cannot agree that the costs of the war shall be included in the demand for indemnity or that they shall constitute a basis upon which indemnity shall be exacted. In this respect, as well as with regard to responsibility for the war, he has very materially modified his point of view; and in both cases against the advice of his experts. In order to meet the difficult situation in which he finds himself, it has been agreed that the provision made by way of pensions, allowances, etc., for loss or injury to human life during the war, shall be taken as a basis of reparation. The situation of the negotiations with respect to this matter has been at times very acute and possibly it is not yet thoroughly settled. According to estimates submitted to the Dominion Ministers by Mr. Lloyd George, the total claims of the various Allies, estimated in millions of pounds sterling, upon this basis will be as follows:

France	5,100
British Empire	2,200
Belgium	1,500
Italy	1,000
Other nations	500
Total	10,300

Between France on the one hand and the United States on the other hand, the situation of the British Empire was both difficult and embarrassing. The United States desired to reduce the demand for indemnity to a minimum,