

2. During the week the Italian situation has not become worse as might easily have been the case; but on the other hand it has not greatly improved. The secret reports from Rome indicate that the Italian Government is confronted by so strong a public opinion as to render it helpless in the absence of some initiative from Paris on the part of the other Great Powers. The Italian attitude seems entirely unreasonable; but on the other hand the Italian people have been taught and encouraged to regard it as a minimum of justice. Mr. Orlando's position reduced to its simplest elements is as follows:

First,—Insistence on the Treaty of London without regard to the principles laid down by President Wilson in the Fourteen Points.

Second,—Disregard of that Treaty insofar as Fiume is concerned.

Third,—A very narrow application of the principle of self-determination in order that Fiume may be acquired by Italy.

Fourth,—For the purpose of acquiring Fiume, an entire disregard of all other principles in the Fourteen Points which might modify the principle of self-determination.

As a commercial and business community, Fiume far exceeds the municipal area of the city. Within the latter area the Italian population predominates; but taking the community as a whole it is predominately Slav. The pressure of work on all the members of the Conference has become so intense during the past two weeks that the Italian situation remains practically where it was when Mr. Orlando left.

3. Sir Robert Borden presided at a meeting of the British Delegation on Monday last [April 28] and was in conference with Mr. Lloyd George both before and after the meeting. The first conference related to a paragraph in the Labour Convention which is designed to debar the British Dominions from election to the Governing Body, to which further reference will be made in this memorandum. The second conference related to the strong feeling expressed by the representatives of the Dominions at the proposal of the Council of Four to override the Report of the Commission on Responsibilities of the War, and to substitute therefor a proposal drafted by President Wilson. As neither the Report of the Commission nor President Wilson's proposal has been brought before the British Delegations for discussion, and as there was a strong division of opinion on the subject, Sir Robert Borden was asked to communicate with Mr. Lloyd George and to represent to him the extreme undesirability of having the subject discussed at the Plenary Conference that afternoon, although it had been placed upon the agenda. Mr. Lloyd George entirely agreed with this view and stated that the item had been placed on the agenda without his knowledge. At his request, Sir Robert Borden met President Wilson and Mr. Clemenceau to whom he made the same representations. They concurred in the view expressed by Mr. Lloyd George.