

The Royal Institute is invited to act as one of these national units, and its special position was therefore explained to the Pacific Council. Before offering Chatham House as a British School of Research into international affairs, Col. and Mrs. Leonard asked (1) what sum would be required to develop a school of research adequate to such premises? (2) whether the Royal Institute would accept the obligation of raising such a revenue?

After earnest deliberation your Council replied that in course of time a revenue of £10,000 per annum over and above the revenue, obtainable from members' subscriptions would be required. The Council believed that this revenue could be realized by continuing the policy which the Institute has consciously adopted. (This policy is to produce results by voluntary or semi-voluntary work by members of the Institute, the value of which could be judged by the public before endowments are sought for continuing the work. The first volume of the annual survey is a case in point. Professor Toynbee was paid a small and quite inadequate fee as editor but the book owed a great deal to the cooperation of several members. When the value of such an annual survey was demonstrated by its publication, Sir Daniel Stevenson created an endowment to secure its permanent production.) The Council believed that by patiently pursuing this policy a first class School of Research at Chatham House could in time be financed.

On that understanding Chatham House was placed by Colonel and Mrs. Leonard at the disposal of the Royal Institute. We were therefore bound to inform the Pacific Council that the obligations which the Royal Institute had contracted in accepting Chatham House must be discharged before it could accept any further obligation for contributing in cash to the cost of the Pacific Institute. Our contribution in the shape of research into Pacific Problems for the general benefit of the Institute of Pacific Relations was at least as great as any other national units were as yet able to make. The Royal Institute no more than the other national units outside the United States was able to contribute an adequate quota to the fundamental sum of \$85,000 until it had discharged its existing obligations.

Apart from all this, the principle of raising so large a sum annually by quotas is clearly impracticable, if only for the reason that the whole budget would be dislocated by the failure of any one or more of the national units to remit its quota. A staff of the adequate calibre could never be engaged on so precarious a basis. The problem would perhaps be insoluble if it were not for the existence of large funds bequeathed to trustees for the promotion of international peace, funds which are international in character in the strictest sense of the word. If peace can indeed be promoted by human agencies,