of world-power; and, secondly, race-federation. Accordingly the main principles of German policy are, first, territorial expansion in any part of the world where it may still be possible; and, secondly, the pan-German policy in Europe as regards federation with the Austrian branch of the Teutonic race. In regard to world-expansion, however, all the lands suitable for white settlement and the rearing of daughter nations are already occupied by strong nations. Therefore, in respect of these lands—to save the absorption of her surplus population by young alien nations—Germany can only expand territorially at the expense of strong peoples. This contingency is clearly within the purview of her world-policy. Germany is developing a strength in sea-power entirely disproportionate to her interests in oversea territories or in commerce, the protection of which is its legitimate object. object of this accession of force is the ability to challenge, at some future time, the supremacy of the greatest naval Power in the world. Therefore, one shaft in the German quiver is reserved for Britain. On the other hand, Germany cannot expand territorially by the conquest of weak peoples, because the weak peoples in every continent of the world, except in Asia, have already been dispossessed and subjugated by other strong nations. Being late, Germany has had to be content with the crumbs that have fallen from the table of the Imperial feast of other nations. In Africa a meagre few have fallen, constituting that German territory which is now a human shambles. At the present time it is the Continent of Asia, in China, which affords Germany her only hope of realising the national necessities of world-expansion and world-power through a dominion resembling those of Britain and Russia. Accordingly she instituted a bold and energetic policy in pursuance of her object. Kiao-Chau became the seedling of the roof-tree of a German Asiatic Empire in the Shan Tung Peninsula-and perhaps further. But this adventure could only hope to succeed at the cost of the national existence of Japan. Thus a shaft of the German quiver is aimed at Japan