

Chinese sovereignty over Manchuria has in theory never been impaired, but in view of the fact that a small number of States recognized the puppet State of Manchoukuo it may be desirable for the treaty to reaffirm Chinese sovereignty over this area, as has already been done by the Soviet Union in an exchange of notes dated 14 August, 1945. It is, however, doubtful whether the arrangements made between China and the Soviet Union, in pursuance of the Yalta Agreement, with respect to the free Port of Dairen, the naval base of Port Arthur and the ownership of the Chinese-Changchun railway, require reiteration in the peace treaty. China, as a sovereign State, is free to make such treaties with other powers as she may wish, and the Japanese Peace Treaty need be concerned merely with the renunciation by Japan of her rights in Manchuria.

Such vague title or rights as Japan may possess, or believe herself to possess, overseas in areas such as Antarctica might best be disposed of, under the terms of the peace treaty, by an over-all article by which Japan would renounce all rights and claims to territory lying outside her boundaries as laid down in the main territorial article. In the case of the former Japanese mandates, which have already been allotted to the United States under a strategic trusteeship agreement, a renunciation by Japan of her rights and claims will be all that is required.

The difficult and potentially explosive Korean settlement may require slightly more elaboration. At the Moscow Conference of Foreign Ministers (December, 1945) it was agreed that a joint United States - Soviet Commission should work out proposals for the development of self-government under an eventual Four-Power Trusteeship Agreement, with a view to independence after five years. The treaty should provide for the renunciation of Japan's rights in Korea, and for the trusteeship agreement to be worked out by the Four Powers. It might be better to leave any detailed arrangements for the future of Korea to be settled outside the framework of the peace treaty; but the treaty might provide that if the Powers are unable to agree within a specific period the question of Korea's future should be placed before the United Nations.

The main outstanding territorial question is the disposition of those southward-lying islands, such as Marcus Island and the Ryukyu, Bonin, and Volcano Islands, concerning which there is at present no international agreement. These islands have too great strategic value for their retention by Japan to be permitted, and it would seem preferable from the New Zealand point of view that these islands should be placed under a United Nations strategic area trusteeship with the United States as the administering authority.