

is probable, however, that Mr. Nakasone will find it easier to deal with international leaders on a personal basis than his predecessor did. Although not necessarily more "internationalist" than other Prime Ministers, he is more personable than Mr. Suzuki and, in addition, speaks some conversational English which should make communication easier. The appointment of the experienced Shintaro Abe as Foreign Minister also augurs well for the concern of the new government to handle its foreign relations with skill.

Mr. Nakasone, immediately upon his confirmation, made clear that the first priority of his administration was revitalizing the deteriorating relationship with the USA. A close relationship with the United States remains the cornerstone of Japanese foreign policy. This policy must take into account an almost chronic state of tension with the USA in the area of trade policy. The Japanese trade surplus with the USA reached \$10 billion in the first half of 1982 and is expected to continue to grow in the near term. Differences over defense policy also remain evident and Japanese policy-makers were alarmed by the extent of anti-Japanese statements made during the recent USA mid-term elections. Mr. Nakasone is strongly committed to improving ties with the USA and he is expected to visit Washington very early in 1983.

As its second foreign policy priority, Japan has paid particularly close attention to relations with the Asian region. The year 1982 was the 10th Anniversary of the normalization of relations with China, but the occasion was marred by the controversy surrounding the revision of high school text books dealing with World War II. In the textbook issue China, Korea and some ASEAN countries protested vigorously what they perceived as an attempt to gloss over Japan's activities during the war. In addition, recently the leaders of the Philippines and Indonesia publicly stated their concern over long-term Japanese defense policy. The Japanese have been at pains to calm these fears.

The Japanese foreign policy interest in Europe also remains evident as economic ties bring not only substantial benefits but also problems as Japan's trade surplus with Europe continues to grow. The trend to a larger world political role is also reflected in the Japanese FY 1982 budget, where both economic cooperation expenditures (which includes ODA) and defense are exempt from strict limitations on funding increases.

The USSR's military build-up in the region, especially on the disputed Northern Territories, and events