Since the inauguration of President Obama on January 20, 2009, the new U.S. administration has been focused on stabilizing financial systems and repairing the US economy, while continuing to meet a host of security challenges. In light of the diminished international stature of the United States over the last eight years of the Bush administration, the Obama administration is seeking to restore its global leadership in meeting wide-ranging challenges of international security of the 21st century world, including stabilization of Iraq, Afghanistan and Pakistan, greater security risks with regard to nuclear proliferation and WMD terrorism, intensified competition for resources and food, climate change, infectious diseases, and civil strife in Africa.

In the longer run, the United States, along with Japan and Australia, will be expected to manage the shifting balance of power and influence in the region, in the face of the accelerating rise of China and India. It would be critical for the major powers in the region, including the United States Japan and Australia, to build a viable security architecture by strengthening multi-layered mechanisms for international cooperation and by deepening strategic ties among the major powers, while maintaining the power equilibrium in the Asia-Pacific region.

Obama administration's foreign and security policy toward Asia

The new U.S. administration’s foreign policy and national security policy team confirms President Obama's emphasis on quality, experience and pragmatism. He has retained Mr. Gates as the defense secretary in order to maintain the continuity of defense policy and garner bipartisan support. He has appointed Senator Hillary
Rodham Clinton as secretary of state, former Commander-in-Chief of the Pacific Command Dennis C. Blair as director of national intelligence, former Supreme Allied Commander of NATO Forces in Europe James Jones as national security adviser. The Asia policy team of the Obama administration is also eminently strong and reassuring, including Jeffrey Bader, former deputy assistant secretary of state under the Clinton administration, as director for Asian affairs in the National Security Council, Kurt M. Campbell, a former deputy assistant secretary of defense who is well-versed in Japanese and alliance affairs, as assistant secretary of state for East Asia and the Pacific, retired Marine Corps Lt. Gen. Wallace C. Gregson, who previously served in Okinawa, as assistant secretary of defense for Asia and the Pacific.

Looking at the first six months of the Obama administration, there have been elements of continuity and change in its foreign and strategic policy toward Asia.

It can be argued that the main tenets of President Obama’s Asia strategy have not radically diverged from that of the Bush administration. First, the United States will maintain its military presence in Asia centered on the alliance with Japan and other traditional bilateral alliances, while expanding strategic partnerships with countries like India. The centrality of the US-Japan alliance in the US strategy in Asia will likely remain intact, as will the robust US-Australia alliance in the foreseeable future. Second, the United States will try to comprehensively engage China in cooperative efforts toward such goals as prevention of nuclear proliferation and climate change problems and seek to forge a “positive, cooperative relationship”, while maintaining a hedging strategy to be ready for unforeseeable developments in the future. Third, the United States will seek to sustain the Six-party Talks framework to advance the denuclearization of North Korea.

Then, what are the elements of change in the Obama administration’s policy toward Asia?

First, the Obama administration appears to have divorced itself from the unilateralism that characterized the Bush administration’s first term, and instead place great weight on coordination and cooperation with allies and partners and the maximum use of “smart power”, while expanding and strengthening partnerships with emerging powers such as China and India. It can be argued in this respect that the new administration’s policy toward multilateralism has been reflected in its engagement in trilateral strategic dialogue and cooperation among the U.S., Japan, Australia, and that among the U.S. Japan, the ROK, and that this can be significantly broadened to include a new and perhaps more consequential trilateral dialogue and cooperation among the U.S., Japan and China. In addition, the Obama administration has been exploring the
possibilities for solving international problems through not only via multilateral diplomacy, but also direct dialogue with potential adversaries such as Iran.

Second, the question of whether President Obama will succeed in fulfilling his campaign promise to withdraw US armed forces from Iraq within his first 16 months in office will partly hinge upon how the situation unfolds in Iraq, including with regard to the US-Iraq status of forces agreement that allows the US military to remain there until the end of 2011. Since he has designated Afghanistan as the main battleground in the War on Terrorism, he will likely work to stabilize that country and eradicate al-Qaeda by deploying additional troops, bolstering collaboration with NATO members, other allies and partners, and by taking a deeper interest in Pakistani affairs. In particular, the Obama administration has been seeking to strengthen the US military in order to boost the effectiveness of efforts for stabilizing Afghanistan and Pakistan.

Third, President Obama’s speech in Prague represents a significant departure from post-war U.S. nuclear strategy. Obama declared that the United States “is committed to seeking the peace and security of a world without nuclear weapons,” although “[t]his goal will not be reached quickly” perhaps not in his lifetime. He also argued that the U.S. would take concrete steps toward a world without nuclear weapons by a host of measures including reducing the role of nuclear weapons in U.S. national security strategy and also reducing nuclear warheads and stockpiles, yet proclaiming that as long as nuclear weapons exist, the United States will maintain a safe, secure and effective arsenal to deter any adversary, and guarantee that defense to allies.

Given the global economic and financial problems and the security challenges in Iraq, Afghanistan and Pakistan, there is a question-mark as to how the administration will prioritize Asian security issues within an array of diverse challenges, regional and global. The Bush administration was criticized for neglecting Asia due to its involvement in Iraq and the War on Terrorism. As exemplified by the rise of China and India, a significant geopolitical power shift requires the highest-level attention to and engagement in its policy and strategy toward Asia.

Major foreign and security policy challenges facing the U.S., Japan and Australia

1) The “Af-Pak” Challenge

I concur with the assessment of General David Petraeus, currently Commander of the U.S. Central Command, who testified in the U.S. Congress that the most serious threats to the United States and its allies lie at the nexus of transnational extremists, hostile states, and weapons of mass destruction. The acquisition of nuclear weapons by terrorist groups and rogue states would constitute the most serious threat to the region
and the world of the 21st century.

Al Qaeda and its extremist allies are operating most ominously and actively in an increasingly unstable Pakistan which is armed with 60-100 nuclear weapons. The United States, along with the international community, have so far failed to bring good governance to Afghanistan, failed to build sufficient and reliable security forces there, failed to secure the Afghan population, failed to deal with the Pakistan’s FATA (Federally Administered Tribal Areas), and failed to defeat al Qaeda and its extremist allies. Indeed, the situation in Afghanistan and Pakistan appears to be deteriorating day by day.

There are many lessons that can be drawn from U.S. involvement in Iraq and Afghanistan. The most important lesson from Iraq and perhaps from Vietnam for that matter is “do the right thing, but remember that the road to hell is paved with good intentions.” An equally important lesson from Iraq and Afghanistan is the recognition that the U.S. alone cannot do much; it requires allies and partners and even potential adversaries in a host of cooperative efforts.

The challenge for us is to develop a comprehensive, viable and long-term strategy addressing not only security but also governance, economic and social development, reconciliation and capacity-building in Afghanistan and Pakistan as well. The “Af-Pak” challenge would test not only the US leadership role, but also the US allies’ roles including NATO, Australia and Japan. It is a global security problem and therefore requires a global response.

Japan has pledged assistance of a total of US $ 2 billions and has implemented US $ 1.46 billions in such various fields such as humanitarian assistance, political process, security, human resource development, economic infrastructure, and so on. Japan took the initiative of hosting the International Conference on Reconstruction Assistance to Afghanistan (Tokyo Conference) in January 2002, which marked the beginning of reconstruction process of Afghanistan. As of February 2009, 130 Japanese civilians including Japan International Cooperation Agency (JICA) experts and Embassy staff work in Afghanistan. Tokyo will strengthen assistance through human resources by dispatching a civilian assistance team to a Provisional Reconstruction Team (PRT) from spring 2009. Japan continues refueling activities in the Indian Ocean in support of international operations in Afghanistan, and has engaged in DDR (Disarmament Demobilization and Reintegration) program and DIAG (Disbandment of Illegal Armed Groups). The government of Japan has announced that it will pay the salaries of all 80,000 members of the Afghanistan’s police force for 6 months; Tokyo will also fund construction of more than 500 schools, training of 10,000 teachers, construction of
hospitals, building of 650-kilometer roads, building of the terminal at the Kabul
International Airport⁴.

As for Pakistan, Tokyo has been providing economic and other forms of assistance for
many years. In April 2009, Japan, together with the World Bank, sponsored an
international donors conference pledging more than $5 billion over the next two years.
Tokyo announced that it will extend US$1 billion in assistance⁵.

What is required now is a “general law” that will enable Japan to robustly contribute
to international peace cooperation activities, possibly involving the use of force for
security and stability purposes, thereby protecting not only troops but also the
population. A new Japanese government that will be formed after the election this year,
will likely explore the possibility of dispatching the SDF to Afghanistan, but this will
require informed public debate and strong political leadership.

2) The North Korean Nuclear and Missile Challenge

A nuclear-armed North Korea or the Korean peninsula armed with nuclear weapons
and ballistic missiles would pose direct military threats to Japan and the region. It
would seriously destabilize the regional balance of power, possibly sparking an arms
race in the region. It would also test the validity of multilateral diplomacy centering on
the Six-party Talks, and the credibility of the US-Japan alliance. The current situation
may not constitute a crisis yet, but no doubt that the Japanese people feel increasingly
insecure in the face of a belligerent Pyongyang that appears to be determined to
accelerate nuclear and ballistic missile program.

It should be noted here that there seems to be a perception gap between Japan and
the United States regarding the North Korean nuclear threat. As Secretary Gates said
in the Shangri-La Dialogue that North Korean nuclear program does not represent a
direct military threat to the United States at this point⁶. It is not an exaggeration in
my view to say that Pyongyang’s nuclear weapons program, its missile program and its
extremely provocative behavior do pose a direct military threat to Japan and the region.

In the face of the growing North Korean nuclear and missile threat, Japan would feel
compelled to do three things. First, Japan would strengthen its own conventional
deterrent capabilities, including its missile defense system. Second, Japan would
strengthen its alliance with the United States so that extended deterrence offered by
the United States would remain credible. Third, Japan would intensify its diplomatic
efforts to build up international pressure on North Korea, while expanding its strategic
relations with Australia, India, the ROK, ASEAN countries, the EU, China and Russia.

In this respect, let me make some brief observations about Japan’s nuclear option. As
we all know, Japan is the first and the only country in the world that suffered the consequence of the nuclear bombing. The Japanese people experienced at first hand the horrors of the nuclear explosion and hence Japan is firmly committed to promote nuclear non-proliferation and nuclear disarmament. It is true that Japan does have the technical means, including sophisticated rockets for its space program, and fissile materials such as plutonium that together would enable Japan to become a nuclear weapons state if it desires. But the government of Japan is politically determined not to go nuclear. It is also true that, given the real prospect for a nuclear North Korea, there have been voices in Japan calling for revision of Japan’s strategic posture vis-à-vis nuclear weapons. In my view, Japan's nuclear option cannot be in the interest of Japan because it would create tremendous uncertainty and instability in the region, seriously undermine the non-proliferation regime, and possibly create a serious rupture in the US-Japan alliance, which has been the foundation of peace and stability in the Asia-Pacific region for the last 60 years.

It can be argued that the North Korean nuclear and missile threat can be met best by intensified diplomacy, including more proactive, forcible and effective Chinese and Russian efforts in strengthening sanctions on Pyongyang, conventional deterrent capabilities of the USA, Japan and the ROK, and importantly, continued extended deterrence offered by the United States.

I think the time has come for the international community to stop treating North Korea like a spoiled child, because Pyongyang appears to have strategic goals: it is aiming not just at the survival of its regime but also at re-unification of the Korean peninsula on Pyongyang’s terms: and in this endeavor, they believe they would need nuclear weapons and intercontinental ballistic missiles that would deter US intervention. The Six-party Talks has its merits, but it has failed to deliver a desired outcome. Before it gets too late, we should be able to develop a truly viable and comprehensive strategy vis-à-vis North Korea.

3) The Long-term China Challenge

The emergence of China as a global actor presents an inevitable long-term challenge for policymakers in the region, given the ongoing power shift driven by China’s growing comprehensive national power and influence not just in the region but in the world at large, including Africa. Shaping China’s strategic decisions and policies would be critical if a new security order in the region is to be open, safe and stable.

The Chinese people themselves will determine their own future, yet the international community, especially major powers in the region, would be able to help shape China’s
strategic decisions and policies. We would welcome China as a responsible major power that plays a key role in maintaining a stable, peaceful security order in the region. We also expect China to play a global role in tackling a host of global issues, including the economic and financial crisis, climate change and non-traditional security issues.

To meet the long-term China challenge, we would need both engagement and “hedging” strategies. It would be essential for the countries in the region to engage China in strategic dialogue, confidence building measures, joint disaster relief and exercises and international humanitarian activities energy & maritime security.

Yet it would also be prudent and necessary for the countries in the region to hedge against a China that might aim to dominate in the region not just economically but also politically and militarily, thus challenging the time-honored regional security order underpinned by US strategic primacy. The defense white paper recently released by Australia put it: “China by 2030 will become a major driver of economic activity both in the region and globally, and will have strategic influence beyond East Asia. By some measures, China has the potential to overtake the United States as the world's largest economy around 2020. ... China will also be the strongest Asian military power, by a considerable margin. Its military modernisation will be increasingly characterised by the development of power projection capabilities. A major power of China's stature can be expected to develop a globally significant military capability befitting its size. But the pace, scope and structure of China's military modernisation have the potential to give its neighbours cause for concern if not carefully explained, and if China does not reach out to others to build confidence regarding its military plans. 8”

Japan too is increasingly concerned about China’s increases in defense spending, its rapid build-up of air power, ballistic missile, submarine, and anti-satellite capabilities and nuclear forces 9. One could argue nevertheless that China's military modernization is nothing but a defense response to more formidable US forces in Asia and the Pacific. Notwithstanding, more explanation and clarification about China’s long-term strategic posture and objectives would be required.

I would argue further that both engagement and hedging would be insufficient to meet the China challenge. It would be crucial to strategically and proactively co-opt China in architecture building in the region. One attractive policy idea in this regard that has been looming large on Japan’s strategic policy agenda is the idea of a U.S.-Japan-China trilateral security architecture which perhaps can be defined as a carefully designed trilateral framework for comprehensive strategic dialogues and consultations among the U.S., Japan and China at the official level on wide-ranging security issues encompassing terrorism, the proliferation of WMD, protection of sea
lanes, international peace-keeping, and a host of “human security issues,” including climate change, the avian flu epidemic and natural disasters. A U.S.-Japan-China trilateral security architecture could also involve trilateral mechanisms for cooperation in the fields of intelligence exchanges, defense exchanges, and military training and exercises. In times of international crises, there would be hot-line channels of communication among the defense establishments of the U.S., Japan and China so that they could exchange intelligence information and coordinate policy measures in timely and effective ways. A robust U.S.-Japan alliance, a harmonious U.S.-Japan-China partnership, and an emerging East Asian community would be essential ingredients of peace and stability in the Asia-Pacific region of the 21st century.

4) The Nuclear and Proliferation Challenge
Given the growing danger of nuclear proliferation and the prospect of terrorist groups and rogue states acquiring and using nuclear weapons, and in light of the fact that the US and Russia together possess more than 90 percent of the world’s nuclear weapons, and that the Obama Administration is working on its Nuclear Posture Review and is negotiating with Russia on a follow-on agreement to the US-Russia Strategic Arms Control Reduction Treaty which expires December 5, 2009, the American and other major power’s top-down initiatives in seeking “a world without nuclear weapons” are extremely timely, important and welcomed.

It should be noted, however, that despite the fact that “extended deterrence” has been regarded as the most critical element of the alliance relationship between the U.S. and Japan, both Tokyo and Washington have long avoided in-depth and thoroughly informative and substantial debate and discussions on this matter. However, faced with the North Korean nuclear threat, which would constitute a direct and serious military threat to Japan and the region, the growing Chinese military power and the potential of Pakistan turning to a jihadist Pakistan with Taliban, al-Qaeda and nuclear weapons, the time has come for policymakers of the U.S. and Japan to begin a truly strategic dialogue on the issue of extended deterrence and other relevant issues of global consequence. And this can be an important topic for strategic dialogue among the U.S., Japan and Australia. More specifically, the US and Japan should conduct studies on specific scenarios that would require extended nuclear deterrence by the US. Policymakers of the two countries should also review the existing alliance mechanism from a whole-of-government standpoint in the broad spectrum of contingencies to which extended deterrence may be relevant. And, as Scott Sagan argues in his recent article published in *Survival*, “the forthcoming US Nuclear Posture Review should include a
thorough cost-benefit assessment of movement toward a no-first-use declaratory policy” and the United States should consult closely with allies including Japan.\textsuperscript{11}

It is also expected that Japan and Australia will play a leading role in promoting the nuclear disarmament and arms control movement through the work of the International Commission on Nuclear Nonproliferation and Disarmament chaired by former foreign ministers of Australia and Japan, Gareth Evans and Yoriko Kawaguchi and the 2010 NPT Review Conference as well.\textsuperscript{12}

**Prospects for Japan-Australia-U.S. Trilateral Security Cooperation**

Japan and Australia, both strong democracies and trade partners over the post-war years, have been working together in international peace cooperation activities, including the UN PKO in Cambodia in 1992 (commanded by Lt. Gen. John Sanderson of the Australian Army), the PKO in East Timor (February 02-June 05), disaster relief operations in the Indian ocean, and humanitarian assistance & reconstruction activities in Iraq, culminating in the Japan-Australia Joint Declaration on Security Cooperation issued in March 2007. Building on the strengthening Japan-Australia security relationship, Japan-Australia-U.S. trilateral security dialogue and cooperation should be promoted in various ways.

First, the agenda for the Japan-Australia-U.S. trilateral security dialogue and cooperation would include an array of regional and global security issues, including maritime security, the war in Iraq, Afghanistan and Pakistan, proliferation problems, non-traditional security challenges, energy security and climate change.

Second, the Japan-Australia-U.S. trilateral dialogue should also include dialogue on long-term China strategy so as to shape China’s future strategic decisions and policies in the region.

Third, as already suggested, Japan and Australia should play a proactive role in promoting the nuclear disarmament and arms control movement through the work of the International Commission on Nuclear Nonproliferation and Disarmament and the 2010 NPT Review Conference.

Finally, given the inevitable power shift driven by the rise of China and India, it would be critical for the major powers in the region, including the United States, Japan and Australia, to seek to build a viable security architecture by strengthening multi-layered mechanisms for international cooperation and by deepening strategic ties among the major powers, while maintaining the stable balance of power in the Asia-Pacific region.

2 Remarks by President Barack Obama, Hradcany Square, Prague, Czech Republic, April 5, 2009, http://www.whitehouse.gov/the_press_office/Remarks-By-President-Barack-Obama-In-Prague-As-Delivered/


12 As for Japan’s nuclear disarmament and non-proliferation efforts, see Foreign Minister Hirofumi Nakasone’s speech, “Conditions toward Zero – ‘11 Benchmarks for Global Nuclear Disarmament’”, Japan Institute of International Affairs, April 27, 2009, http://www.jiia.or.jp/en/