

CHAPTER 2

STRATEGIC IMPORTANCE OF THE INDIAN OCEAN

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The Indian Ocean in the last decade has assumed a strategic significance not previously accorded it this century. These changed circumstances have been attributed to a number of factors including the withdrawal of British forces east of Suez; the continuing instability in the Middle East and the question of oil supplies; the plethora of emerging independent littoral states; and the deployment of increasing naval forces, particularly those of the superpowers, in the region. The strategic position must be seen in the context of an extension of the competing interests of the superpowers as well as the interests of other extra-regional powers including China, Japan, France and Britain and the major littoral and regional states which have the capacity to influence regional relations.

In this chapter the global strategic position is reviewed briefly, followed by an historical background to superpower involvement in the region with a description of each power's naval doctrine insofar as it is relevant to this Report. From this an assessment is made of the goals of the superpowers in the region in the context of an overall analysis of the implications of developments in the Indian Ocean for Australia.

Global Strategic Position

The past ten years have seen the emergence of detente between the United States and the Soviet Union, rapprochement between the US and China, and a general recognition that a

nuclear exchange would be mutually destructive to an unacceptable degree. These factors together have contributed to an overall easing of world tensions.

From 1949 to 1971, the US adopted a consistently hostile attitude toward China. It aided the Chinese Nationalists on Taiwan, both economically and militarily, opposed China's entry to the United Nations and generally pursued a policy of containment against the Peking government. A key factor in the sudden reversal of the United States' China policy was its retreat from a very active military role as the 'world policeman'. This first became evident in the Guam (or Nixon) doctrine in 1969 when the then President made it plain that the US was no longer willing to commit combat forces overseas as readily as before:

"....the time had come when the USA, in its relations with its Asian friends, should be emphatic on two points; (1) America would keep its treaty commitments.....(2) as far as the problems of international security and military defence were concerned, except for a threat by a major Power involving nuclear weapons, the USA had a right to expect that this problem would be increasingly handled by the Asian nations themselves. If the USA just continuedassuming the primary responsibility for defending these countries when they had international or external problems, they were never going to take care of themselves".

In that it stipulated that the United States' Asian allies should accept a greater part of the responsibility for their own defence, the Guam doctrine was in accord with previous

policy; the ANZUS Treaty, for example, stipulates "continuous and effective self-help". The doctrine, however, signified to the world at large the future reluctance of the United States to help those unwilling to help themselves in the face of non-nuclear menaces. In a later qualification of the doctrine, the former President said that US military involvement would only be attracted when the region, nation or resource under threat was judged to be of importance to the United States. Henceforth it would act only when the consequences of inaction were demonstrably less favourable.

TABLE III
US DEFENCE EXPENDITURE : SELECTED YEARS

Fiscal Year	50	53	64	68	72	73	74	75	76	77
% of GNP	4.5	13.3	8.3	9.4	6.9	6.0	5.8	6.0	5.7 (a)	5.4 (b)

(a) Current estimate

(b) Budget estimate

Source : DMS Market Intelligence Report,
"Defense Market", Statistical Tables from
Appendices, various issues.

There is substantial evidence supporting the fact that US conventional military capability has been declining in recent years. Figures given in Table III show that defence spending as a proportion of United States GNP was 13.3% in FY (fiscal year) 1953 at the peak of the Korean War; 8.3% in FY 64, the year before the Vietnam war; 9.4% in FY 68 (Vietnam peak);

5.7% in FY 76; while the budget estimate for FY 77 is 5.4%. A comparison of the last pre-Vietnam year (FY 64) with the most recent figure (FY 76) indicates a drop of 2.6% of total US GNP. In physical terms this drop has been reflected in a reduction in the levels of manpower in the armed forces. At the height of the Vietnam War, the United States maintained 3.6 million men under arms, by 1971 this had fallen to 2.7 million and for 1976 the figure is 2.1 million. Comparable figures for the Soviet Union are 3.3m, 3.4m, 3.5m, in the same years.

In terms of actual capability, these figures are reflected in announced US plans for possible force deployment. As the former US Defense Secretary, James R. Schlesinger, explained in his 1975 Report to Congress:

"In the 1960'swe adopted a strategy and force structure that purportedly enabled us to deal with the initial stages of a war in Europe, a war in Asia, and a minor contingency elsewhere. Thus, we have dropped one of the big contingencies for which we must be simultaneously prepared and have adopted, in the jargon, a 1½ war strategy instead of the 2½ war strategy of the 1960's".

This reconfiguration of US conventional forces represents a most significant reduction in overall immediate capability, and must obviously be taken into account when assessing the relative effectiveness of US and Soviet military forces.

In the field of strategic nuclear weapons the Soviet Union is also closing the gap with the United States. This is the result of a rapid Soviet build up rather than a decline by

TABLE IV
COMPARATIVE STRENGTH - NUCLEAR DELIVERY VEHICLES 1963-76

	63	64	65	66	67	68	69	70	71	72	73	74	75	76
<u>United States</u>														
ICBM	: 424	834	854	904	1054	1054	1054	1054	1054	1054	1054	1054	1054	1054
SLBM	: 224	416	496	592	656	656	656	656	656	656	656	656	656	656
Long range bombers	: 630	630	630	630	600	545	560	550	505	455	443	437	432	387
<u>Soviet Union</u>														
ICBM	: 100	200	270	300	460	800	1050	1300	1510	1527	1527	1575	1618	1527
SLBM	: 100	120	120	125	130	130	160	280	440	560	628	720	784	845
Long range bombers	: 190	190	190	200	210	150	150	150	140	140	140	140	135	135

Source : The Military Balance 1975-76; IISS, London, 1976.

the US. This situation is consistent with the US stated policy variation from one of massive superiority in strategic nuclear weapons to that of maintaining the existing rough parity with the Soviet Union. In the 1950's the US nuclear warfare doctrine called for collective security supported by "massive retaliation". In the Kennedy-Johnson period, the doctrine became one of "flexible response" with "assured destruction" as the ultimate nuclear sanction. Present policies speak of "strength, partnership and the Nixon doctrine" and of a "national security policy of realistic deterrence" backed up by flexible nuclear targetting. A summary of nuclear delivery vehicles available to both superpowers is contained in Table IV.

Reductions in the conventional forces of the US; in its defence spending effort; the re-casting of its conventional and nuclear warfare doctrines; and the build up of Soviet strategic weaponry; indicate the relative decline of US military capability, and reflect changes in its strategic attitude and approach.

Assessment of the superpowers military strength and capabilities cannot ignore the equally important consideration of their global diplomatic strategies. Evidence before the Committee suggests that the Soviet Union views detente as simply a more subtle way of waging the cold war, which characterised the relationship between the superpowers during the 1950's and early 1960's. At the XXVth Soviet Communist Party Congress in February 1976, L.I. Brezhnev described detente as a method of creating favourable conditions for building socialism and

communism, peacefully:

"Detente does not in the slightest abolish, and cannot abolish or alter, the laws of class struggle. There is no room for neutralism and compromise in the struggle between socialism and capitalism".

It is a truism that the US-Soviet bipolarity of the cold war period has been overtaken by a multipolar politico-military triangle of the United States, the Soviet Union and China. Equally valid is the description of an economic triangle linking the United States, Western Europe and Japan. Both triangles are asymmetrical. The United States is the strongest in each, and the only one common to both. China remains militarily much weaker than either the United States or the Soviet Union, and overall Soviet capability is still less than the US. As well, the economic power of the United States overshadows that of Japan and Western Europe.

The present and future stability of the politico-military triangle depends upon US-Soviet detente and Sino-Soviet tension. The emergence of detente in the early 1970's would appear to be largely a result of increased Sino-Soviet tension and would most probably suffer by its decline. Longer term factors appear to favour detente and US-China rapprochement particularly as a relaxation of Sino-Soviet tensions is considered unlikely. On this latter point, however, recent history of the vacillation of Chinese foreign policy makes for uncertainty about future Chinese policies, especially after the recent death of Mao Tse-Tung.

The gradual process towards detente after the Stalinist cold war years has at times been interrupted, but not reversed, by such crises as Hungary in 1956, Cuba in 1962 and Czechoslovakia in 1968. Detente was intended to benefit both the Soviet Union and the United States, though for different reasons. Detente was welcomed in Moscow as it would smooth the way for injections of Western and Japanese technology and improve the Soviet position in its contention with China by reducing the perceived military threat from the NATO alliance thus allowing a redirection of attention towards its eastern border. At the same time, the US saw detente as restraining the rise of Soviet military power and making it less likely that the USSR would take advantage of the post-Vietnam war decline in public and Congressional support for US commitments abroad.

The Sino-Soviet split which arose out of a combination of historical, geopolitical, foreign policy and communist ideological differences, intensified during the 1969 Sino-Soviet border incidents. At that time, Mao concluded that the Soviet military threat to China offered him no alternative but to improve Chinese deterrence of it by moving towards the United States. One result of this rapprochement between the US and China was, as the United States had hoped, an improvement in US-Soviet relations out of the Soviet fear of an entente against it between the US and China.

The economic triangle of the United States, Western Europe and Japan was also evolving rapidly in the early 1970's. Until 1973, US economic power had been declining in relation to the rapidly growing economies of Europe and Japan. This situation

was reversed, however, when the Europeans and Japanese suffered more than the United States from inflationary pressures and the quadrupling of oil prices in 1973. As demonstrated by the erosion in value of the US dollar against other major currencies after 1971, particularly the German mark, French franc and Japanese yen, a contradiction had developed between US politico-military and economic interests. The United States' politico-military allies had become its main economic competitors, while its politico-military rivals became increasingly important as trading partners.

The politico-military and economic triangles are thus asymmetrical, dynamic and interrelated. Two other triangles are also important in the present context : those of energy and food. Their significance has been demonstrated by the recent sharp reversal in the terms of trade in favour of the producers of oil and food, thus greatly improving the position of the Organisation of Petroleum Exporting Countries (OPEC) and, to a lesser extent, the Soviet Union and the United States, at the expense of the rest. This reversal during 1973, was the result of burgeoning demands for food commodities which were not matched by increases in supplies, and the effectiveness of the OPEC cartel in achieving a quadrupling of the price for crude oil. The Soviet Union, its allies, and China presently are self-sufficient in oil although the USSR is likely to import significant quantities of Middle East oil in the 1980's. The US already imports about 40% of its oil requirements, mainly from Venezuela and Nigeria, but increasingly from the Gulf states. The United States' principal allies, Japan and Western Europe, are the economic hostages of OPEC and more specifically the

Organisation of Arab Petroleum Exporting Countries (OAPEC). Japan and Europe, with the possible exceptions of Britain and Norway cannot become independent of OAPEC oil until they develop alternative sources of energy, primarily nuclear, which probably will not occur until towards the end of this century.

Though experiences with the oil cartel in sizeable price increases and supply restrictions are unlikely to be repeated on any major scale with other natural resources and primary products, the increasing influence of the Non-Aligned bloc in the United Nations has very serious implications for world economic and political stability. In this context, the evolution of a new international economic order providing for a more equitable distribution of the world's wealth is regarded as crucial to future political stability among all nations. The greatest victims of the oil triangle are the less developed countries without any exportable primary products : sometimes referred to as the Fourth World. India and Bangladesh are the most glaring examples of the decline in living standards and GNP, caused in the Fourth World by the oil price increases. This has resulted in their greater political vulnerability, as Iran's improved position relative to India has shown. The Fourth World countries are also the victims of the food triangle while the food exporting countries, the US, Canada and Australia, benefit most.

The United States rapprochement with China was a destabilising influence for Japan in its relations with China and the USSR. US losses in South East Asia have increased the political instability in Thailand and Malaysia and raised doubts about the future security of South Korea, which has additional

complications for the Japanese position. The net result has been an obvious political gain for the USSR at the expense of the United States and China, the latter because of the predominant Soviet influence in Hanoi.

However, the United States' position in relation to the Middle East would appear to have markedly improved recently with the abrogation of the Egypt-USSR Treaty of Friendship and Co-operation and the failure to date of South and South East Asian states to accept the proposal for a Soviet-sponsored Asian security pact. This situation is treated in more detail below.

Superpower Competition in the Indian Ocean

In recent history, the Indian Ocean has not been a major factor in global power struggles, not the least because for more than a hundred years prior to the 1960's, the Ocean was the almost exclusive preserve of the Royal Navy. In the 18th and 19th centuries Britain had colonised much of the littoral, including India, and controlled the major points of entry to the Ocean through a series of strategically located

naval bases at Singapore, Aden and Simonstown. The withdrawal of British forces from areas east of Suez in the late 1960's left a power vacuum in the region and removed the final barrier to a superpower struggle for influence. Both the superpowers have what each considers vital and legitimate national interests at stake. Other extra-regional powers, particularly Japan, China and some European countries have expressed concern about developments in the Indian Ocean which are perceived to threaten their national security, trade routes and sources of raw materials. In addition, the growing regional military significance of a number of littoral states, particularly India, Iran and Indonesia attests to the significance that will eventually accrue to these states as linchpins in regional strategies and has already led to increased tensions in recent years.

The Indian Ocean has become an area of major strategic and economic significance. Much of the USSR is within 2500 nautical miles of the Bay of Bengal and the Arabian Sea and thus within the range of the Polaris/Poseidon missiles of the US submarine fleet. Over 85% of Japan's and almost 70% of Europe's petroleum needs are shipped from the Gulf. Approximately 200 tankers a day pass through the Straits of Hormuz to the Arabian Sea bound for Europe and Japan. The stoppage of this oil for any prolonged period would paralyze the economies of the industrialised West, and also those of the industrialising oil producers, dependent on foreign revenues, trade and technology for their development. The region is also the source of many minerals other than oil, particularly gold, chromium, coal, iron ore, bauxite, copper, antimony and diamonds, that

are of great importance to the industrial economies of the United States, Japan and Western Europe.

It is the political situation which prevails in many of the littoral states, however, that would appear to have the greatest appeal to external powers. The sudden emergence of the large number of independent states and the intensification of the conditions of political instability have substantially increased the opportunities for influence by extra-regional powers. It is the resultant competition for influence between these powers, particularly the United States and the Soviet Union, and to a lesser extent China, that is at the root of the problem to which the present Report is addressed.

Soviet Political Involvement

The Soviet Union indicated an interest in Southern Asia and the Indian Ocean region in general in 1940 during the Molotov-Ribbentrop talks. In the secret protocol to the draft Four-Power Pact which followed, the USSR stated that "its territorial aspirations centre south of the national territory of the Soviet Union in the direction of the Indian Ocean". At the time, Britain still retained substantial possessions in the area but virtually all of these had achieved independence by the mid-1960's, and in 1968 the first Soviet naval units entered the Indian Ocean.

Soviet diplomatic contact with the littoral states, however, had begun at least ten years before. During the cold-war tensions of the Stalinist post-war years, the United States and its NATO allies had aimed to contain communist expansion through

SEATO and the Baghdad Pact (later to become CENTO). In a new diplomatic and aid drive aimed at disrupting the extension of US-sponsored alliances in the region south of the USSR, Soviet leaders in 1955 visited Afghanistan, India and Burma and established arms agreements with Egypt and later with Indonesia. The leadership apparently recognised that there were advantages to be accrued through the political and economic penetration of the newly independent nations. Offers of technical and economic aid and politically motivated uneconomic purchases of local surpluses intended to wean these new nations away from Western influence were considered to be in the long term interests of the USSR.

In the 1960's when containment of China became of paramount importance to the Soviet leaders, such diplomatic moves were designed not only to break the US cordon of developing regional alliances but also to deny the area to the Chinese.

Soviet initiatives have been rewarded with a mixture of success and failure. Iraq's withdrawal from the Baghdad Pact in 1958 following the coup launched by General Qassim was a comforting development for the USSR. In 1962 Iran gave assurances that it would not allow the stationing of US missiles on its territory and later accepted limited Soviet military aid. More recently, however Iran has significantly increased its military capacity by massive arms purchases from the United States and Western Europe and limited purchases from the Soviet Union.

In June 1969, Soviet Communist Party Secretary Brezhnev inaugurated the idea of an Asian collective security system in response to the Soviet perception of a particularly dangerous situation in Asia and the large number of 'hot-beds' of war which disfigured that part of the continent. In efforts to consolidate its position in crucial regions in the face of US initiatives in the Middle East and concerted US-Chinese support for Pakistan, the USSR since 1971 has signed treaties of friendship with Egypt, Iraq, Somalia and India. In addition, India has signed a similar treaty with Bangladesh. All of these treaties have elements of a military alliance, committing the parties to mutual support in the face of aggression. Article 9 of the India-USSR Treaty provides that:

"In the event of either Party being subjected to an attack or threat thereof, the High Contracting Parties shall immediately enter into mutual consultations in order to remove such a threat and to take appropriate effective measures to ensure peace and security of their countries".

The Soviet's most notable failure in the region was the unilateral abrogation by Egypt in March 1976 of its Treaty of Friendship and Co-operation with the USSR. This has had the effect of reducing Soviet influence in the Middle East and especially in the area of the strategically vital Suez Canal. Egypt has announced that it wishes to have good relations with a full range of powers; it would like economic support from the United States, and signed a 'protocol' covering arms supplies with China in April. A further setback in the Indian Ocean itself was the expulsion of its Soviet advisers by the People's Democratic Republic of Yemen (PDRY) centred on the well

developed port of Aden. This move by the PDRY has helped improve relations with its more Western-oriented neighbours, Saudi Arabia and Oman. Evidence received by the Committee points also to India's consistent refusal of requests for permission to establish Soviet naval support facilities at a number of Indian ports. This has been regarded by some witnesses as being indicative of Indian desires not to emphasize the Soviet relationship as India works towards a normalisation of its relations with Pakistan and China.

Soviet prestige following these setbacks does not seem to have suffered greatly as the USSR has not been publicly committed to success in any part of the region. Other than its open involvement in the India-Pakistan disputes of 1965 and 1971 and more recently in Angola, the Soviet Union has preferred to remain in the background of regional affairs. Such a condition may be contrasted with the demonstrated US commitment to victory in South East Asia. The perceived failure of the US to uphold this commitment has rendered US alliances and foreign policy doctrines vulnerable to doubt in the views of some littoral states when the question of total US commitment is raised. Whereas the flexible diplomacy of the USSR is less vulnerable in the event of a local setback or outright failure.

To date the Soviet's most obvious achievements in the Indian Ocean have been in its relations with the Somali Democratic Republic on the strategically important Horn of Africa. Soviet aid to Somalia began in 1961, initially in the form of aid in the construction of hospitals, schools, a radio station and printing works. Beginning in 1963 and prompted by

Somalian border clashes with Kenya, substantial quantities of Soviet military equipment have been made available. Evidence before the Committee suggests that this build up of the Somali armed forces is out of all proportion with that country's population (3,090,000) and GNP¹, and has serious implications for the position of Ethiopia in its contention with Somalia over the future control of the French Territory of Afars and Issas and its port Djibouti which is Ethiopia's major access to the sea. The Soviet Union has also established naval support facilities at three Somali ports, the most important of which is at Berbera on the Gulf of Aden. The development of Berbera is treated in more detail in a later section of the Report.

It is the Committee's opinion that the Soviet Union in its dealings with the Indian Ocean littoral states has adopted a dual strategy. Its aim to contain China is evident

1. Somali Armed Forces

- Army : 20,000 personnel.
Equipment includes : 250 medium tanks, 250 armoured personnel carriers, 100 76mm and 100mm guns, 130 122mm howitzers, 150 AA guns.
- Navy : 300 personnel.
2 submarine chasers, 10 motor torpedo boats,
4 medium landing craft.
- Airforce : 2,700 personnel.
3 light bombers, 50 MiG fighters, 6 transport aircraft, 1 helicopter squadron.

in Brezhnev's standing offer of collective security arrangements and bilateral trade agreements with the nations on China's periphery. China's support for Pakistan, however, has brought about a condition of interposition and thus has the potential for disrupting the Soviet South Asian cordon. Against Western powers, primarily the United States, the Soviet Union has adopted a strategy centred on an ideological and political struggle. Attempting to convince the emerging independent states that security, self-determination and equitable prosperity accompany the acceptance of a pro-Soviet foreign policy, the USSR is moving steadily along a number of fronts, publicly confident in the virtue of its ideology. .

United States Interests

It can be assumed that the United States would be concerned about any developments in the Indian Ocean which are regarded as posing a threat to the security of the region and as having the potential to jeopardise American economic and strategic interests there. The US has declared it essential that it should maintain and periodically demonstrate a capability to operate military forces in the Indian Ocean to emphasize the importance it attaches to the stability of the region and to continuing free access to it by all nations.

In its historical perspective, present US involvement may be traced from World War II. The United States emerged from the War with increasing international commitments. By 1947, the Truman doctrine of containing communist expansion had been formulated. Its application resulted in the

establishment of the NATO, CENTO and SEATO pacts, a line of US-sponsored alliances stretching across Europe, Asia and the Pacific, to contain Soviet expansion in the West and South, and Chinese in the East. At that time the Atlantic and Pacific Oceans and the Mediterranean were the basins of major strategic concern. The Indian Ocean was less important to the US while it remained under the dominant influence of the Royal Navy.

Britain's announcement in 1967 of its intention to withdraw its forces from the area raised fears in the US that the Soviet Union would move to fill the vacuum and thereby outflank the US alliance cordon and potentially threaten Middle East oil supplies.

In the wider context the United States saw Soviet ambitions in the Indian Ocean as a logical element in the latter's persistent efforts to expand its global influence. The Soviet Union had emerged from World War II as the predominant power in what had been traditionally designated the heartland of the international system, namely, the area extending from Central Europe across Asia to South East Asia. The commanding position of the USSR was expressed in the sheer expanse of territory under its control, plus the striking power of the massive Red Army augmented by the air and naval forces being developed by Moscow to lend credibility to its claim to dominance in large parts of Europe and Asia. The US entered the postwar global struggle not because it foresaw an immediate threat to its territorial integrity but because it recognised that domination of Eurasia by a single power would mean the inexorable expansion of that power into other global domains - an expansion that could

eventually bring about the isolation of the United States in the international system.

The US strategy, as it evolved after World War II was relatively simple in its basic aims and assumptions. The Soviet Union's geographic position, and its array of military power poised in Europe and Asia, could be balanced and contained by:

- developing a US inter-continental nuclear deterrent intended not only to dissuade any Soviet ambitions of direct attack against the North American continent, but through a clear measure of superiority over Soviet inter-continental weapons systems it would also act as an extended deterrent to Soviet aggression in Europe and Asia.
- the forward deployment of US strategic power, primarily naval and airforces, to positions in Europe and Asia.
- the cultivation of alliances with friendly nations on the peripheries of Europe and Asia which were to be backed by tokens of US strategic forces as well as US ground forces in the particularly vulnerable areas of Central Europe and Korea.

The success of this strategy is now a matter of history.

In the last decade, however, the effectiveness of the global deterrent has been brought into doubt by the developments in Soviet weaponry and changes in the strategic balance. In recent years the US has lost its massive strategic nuclear superiority and with it the extended deterrent posture that

formed an essential part of the US alliance cordon in Europe and Asia. Concurrently there has been a progressive weakening of the alliance systems as a result of the doubts on the part of some alliance partners over the willingness of the United States to uphold its treaty commitments. Among the results of the US defeat in Vietnam was a hastening of the end of the SEATO alliance. Though the Treaty remains in force the SEATO Council, on the initiative of the Philippines and Thailand, decided that the Organisation should be phased out by mid-1977.

The result of what is presently described by many analysts as strategic-nuclear parity between the US and USSR and the weakening of US-sponsored alliances has allowed the Soviet Union to threaten, or at least neutralise, key points of US forward deployments in Europe and Asia. Trends in recent years suggest that the Soviet Union not only has breached the US cordon that constrained the policies of Stalin and Krushchev, but that it is intent on displacing United States forward deployment with its own strategic encirclement of Eurasia. The Committee considers that this is the principal import of recent developments in Soviet naval power and its deployment to the significant areas of the Atlantic, Mediterranean, Western Pacific and the Indian Ocean.

This situation bears directly on the importance of the US presence in the Indian Ocean. It has been suggested that, in the wake of its defeat in Vietnam, US strategy is retiring from the Asian landmass to an "island perimeter" strategy extending from Japan in the north to Indonesia and Australia in the south. With the exception of US ground forces

in South Korea, this strategy is to be implemented primarily with naval and air power.

Given the present circumstances the prospect of naval arms limitations in the Indian Ocean would be to the considerable disadvantage of the United States and its allies in the region. US strategic analysts have expressed the view that in the present phase of the Soviet challenge to US strategic power in Europe and Asia, the Soviet Union is intent on the minimal goal of limiting US power. To that end, the Soviet Union seeks to counter US influence at relatively low cost of Soviet deployments in areas where because of the proximity to the homeland the Soviet Union can, in the final analysis, apply the "shadow of total and proximate power".

United States interests in the Indian Ocean are considerable. Of primary concern are the oil deposits of the Gulf and Arabian Peninsular. The strategic and economic importance of oil has been amply demonstrated by the severe impact on oil importing countries, and particularly on the industrialised economies of Western Europe, Japan and the United States, of the imposition of supply restrictions and price increases by the Arab states since 1973. Although a vast research effort is currently underway to develop alternate energy sources and discover new oil deposits, the Middle East will remain the world's major source of oil in the foreseeable future. The economic importance of oil does not need to be reiterated here. The strategic significance of oil supplies, however, has concerned Western industrial countries since the Arab-Israeli confrontation began to threaten oil supplies in

the 1960's. The United States is anxious that such threats should be minimised and this has been a major element in prompting the US to apply strong diplomatic pressure to resolve the Middle East dispute.

As a major trading nation and maritime power since the 19th century, the United States has traditionally held a general interest in maintaining open access to the world's oceans for all nations. The sea routes that traverse the Indian Ocean both from the Red Sea, the exit to the Suez Canal and those from the Gulf, where more than 80% of the Middle East oil is shipped, are vital to most countries of the world. The trade routes extending around South Africa to Europe, and those through the Indonesian straits to Japan, East Asia and the United States are important lifelines to both the supplying and consuming countries. The freedom of the oceans is the common interest of all nations which depend on the exchange of goods for their economic prosperity. As well, air routes around the world pass across the Middle East, South Asia and South East Asia. Large numbers of people, valuable air cargoes and mail communications are carried that way. It is in the interests of the United States, as it is to all regional states controlling the lines of communication, that these air routes remain open.

The littoral states also share another interest to which the US has given attention, though its efforts in this regard have been declining in recent years. Most of the seaboard and hinterland states are poor and their governments have been anxious to promote the economic prosperity of their

countries. Fresh with enthusiasm from the notable achievements of the Marshall Plan in Western Europe, in the 1950's the US committed unprecedented resources to the economic assistance of the major littoral states of India and Pakistan. Apart from humanitarian efforts to reduce poverty and suffering, the political objectives of this aid were to ease the way of democratic governments struggling with problems of underdevelopment. Unfortunately the task proved beyond the resources allocated though out of this effort some worthwhile changes were encouraged, innovations were promoted, and useful relationships evolved. A widely held belief is that the long-run welfare of the United States and the viability of a world system of reasonably open, orderly and mutually accessible relationships are not likely to be well served if many of the Indian Ocean states have to face increasingly severe economic problems while the industrialised countries continue to prosper. Though current trends are not encouraging, the future stability of the poorer states will depend on their ability to push beyond the present levels of poverty and growing unemployment by increasing their rates of economic growth. Attainment of this goal will depend very largely on foreign aid in many forms, particularly direct transfers of resources from the wealthy nations to the poor, injection of improved technology to boost production efficiency and vast improvements in the value of trade between the developed and less developed countries.

The political instability inherent among the littoral states is conducive to influence from extra-regional powers. Ethnic, tribal, regional and class tensions in the newly

independent states where constitutional constraints lack authority can be intense and mutually destructive. Weaker elements aspiring to seize power or governments precariously in power and fearing overthrow are likely to invite outside assistance rather than forgo their ambitions. Such conditions have been exemplified by events in Iraq, Somalia, Tanzania and Mozambique. It is evident that US interests are not served by the imposition of Soviet-controlled groups in power in the littoral states.

Naval power has been prominent in affecting the modern history of the states of the Indian ocean. During the colonial period of the 19th and early 20th Centuries, showing the flag by one navy carried an implication of substantial supporting power and contingent use of naval coercion if the local state did not respond as the visiting fleet intended. It has been suggested that Indian Ocean states may be particularly sensitive to the implications of the presence (or absence) of particular naval units, due to its history of colonial domination supported by 'gunboat diplomacy'. In such circumstances, the timely appearance of naval units can affect the way individual countries assess the situation in times of domestic crises. It is in the interests of the United States and the Soviet Union to demonstrate their naval presences periodically, if only to neutralise the effect of the other's presence. The neutralising effect of competing naval presences was amply demonstrated during the 1971 Indo-Pakistan war and the 1973 Middle East war.