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AUSTRALIA AND THE  
INDIAN OCEAN REGION

Report from the Senate Standing  
Committee on Foreign Affairs and Defence

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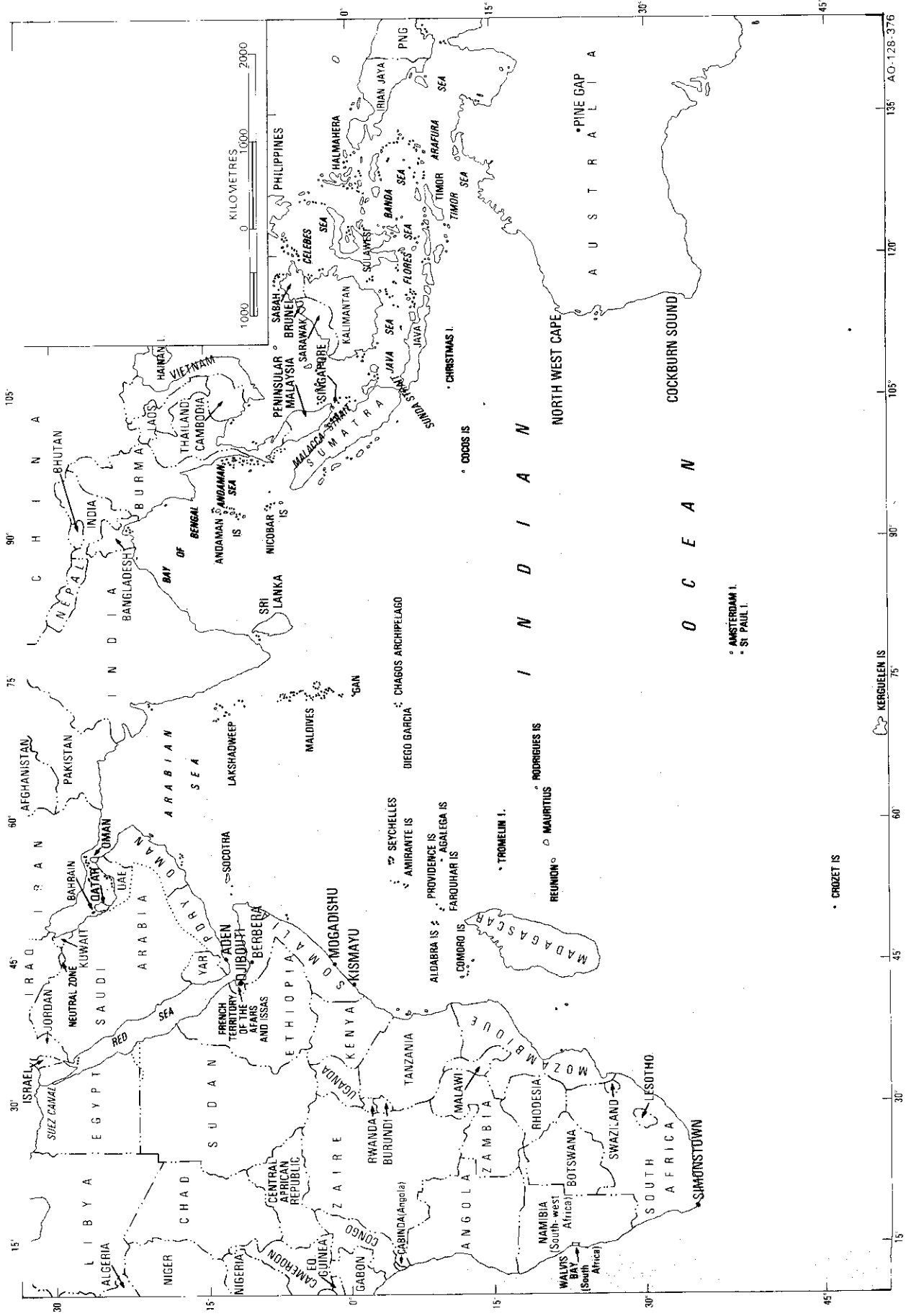
AA	anti-aircraft
ANZUS	Australia, New Zealand and the United States Security Treaty
ASW	antisubmarine warfare
CASOS	Coastal Air Sea Operational Support
CENTO	Central Treaty Organisation
CSIRO	Commonwealth Scientific and Industrial Research Organisation
FAO	Food and Agriculture Organisation
GATT	General Agreement on Tariffs and Trade
GNP	gross national product
ICBM	intercontinental ballistic missile
MIDEASTFOR	Middle East Force
NATO	North Atlantic Treaty Organisation
OPEC	Organisation of Petroleum Exporting Countries
SAM	surface-to-air missile
SEATO	South East Asia Treaty Organisation
SLBM	submarine-launched ballistic missile
SSBN	strategic nuclear-powered submarine
UNDP	United Nations Development Program
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Childrens Fund
V/STOL	vertical/short takeoff and landing

### Explanatory Note:

The term "matching presence", as it appears in the text, is not used to imply that the superpowers match their naval strength and deployments on a ship by ship basis in the Indian Ocean but rather that the capability exists for one to match any escalation by the other.







## Preface

### The Committee's Terms of Reference

On 31 March 1976, by resolution of the Senate, the Committee was given the following reference:-

"Australia and the Indian Ocean Region".

### Scope of the Inquiry

The Committee in its considerations of the reference decided to examine and report on the subject with emphasis on the period 1972 to 1976. This period of time was chosen having in mind that the Indian Ocean region had been reported on by the Joint Committee on Foreign Affairs in 1971 and therefore an in-depth examination of the situation prior to 1971 was not considered necessary.

In its deliberations the Committee decided to update and supplement the 1971 Report and to broaden the scope of its inquiry to include South East Asia and Indonesia (not considered in the 1971 Report) and nations that have become independent since 1971. The Committee in its inquiry examined the reference from Australia's role in the region, the presence and influence of the superpowers, the relationships between the littoral states and their relationships with the superpowers and other external powers, strategic issues, economic, political and sociological factors, all of which contribute to the complexities of the world's largest group of emerging and diverse nations located around the littoral and in the Indian Ocean.

CHAPTER 1

SIGNIFICANCE OF THE INDIAN OCEAN

## SIGNIFICANCE OF THE INDIAN OCEAN

### Historical Influences on the Region

Throughout history the Indian Ocean has been an important communication route providing access for many nations to influence, trade with or gain control of lands washed by its waters. The lands of the littoral have been a source of raw materials available to the many other nations of the world and although the distances to be covered were formidable the wealth that could be extracted made the journeys worthwhile.

In Roman times spices were the major attraction, and Indian navies plied the region from the 4th century B.C. to the 5th century A.D. The Indonesians traversed the ocean to eastern Africa and Madagascar. By the 7th century A.D. Arab and Persian merchant navies became predominant and they were followed by the Chinese with enormous fleets between the 13th and 15th century A.D. The 15th century A.D. saw the entry of Europeans in the Indian Ocean with the Portugese establishing their control for the next two centuries. By the 18th century the growing naval power of Britain and its leadership in industrialisation enabled her to embark upon acquiring an empire in the region. The European interest in the region was accentuated and made easier by the building of the Suez Canal, a point of entry which has remained strategically and commercially important since its construction. The eventual British hegemony in the Ocean and over some lands of the littoral was not won without rivalry and competition from other European nations, notably the French, the Germans, the Portugese and the Dutch. British naval dominance

lasted to the post World War II years and turned the Indian Ocean into what is often referred to as a "British lake".

European settlement came to Australia across the Indian Ocean but chose the Pacific coast of the continent along which to establish itself initially, the western coast was settled later. It was not until the advent of faster shipping and commercial aviation that the Indian Ocean diminished as a formidable expanse of water against commercial and cultural access to Britain and Europe. Only now Australians are turning their attention to the Indian Ocean and its littoral and are becoming aware of the vast expanse of Indian Ocean shoreline this country has and the significant natural resources that exist not far inland from our sparsely populated coast.

#### The Geographic and Political Status of the Indian Ocean Region

The Indian Ocean in size is the third largest in the world, behind the Pacific and the Atlantic, some 73.3 million square kilometres. The perimeter of the Ocean is formed by Africa, the Gulf States, South Asia, South East Asia, Australia and Antarctica and includes the following countries:-

##### Africa

- Egypt
- Ethiopia
- Kenya
- Mozambique
- Somali Democratic Republic
- South Africa
- Sudan
- Tanzania

Australia

Middle East and Gulf States

Arab Republic of Yemen  
Bahrain  
Iran  
Iraq  
Kuwait  
Oman  
People's Democratic Republic of Yemen  
Qatar  
Saudi Arabia  
United Arab Emirates

Island States

Comoro  
Democratic Republic of Madagascar  
Maldives  
Mauritius  
Seychelles

South Asia

Bangladesh  
India  
Pakistan  
Sri Lanka

South East Asia

Burma  
Indonesia  
Malaysia  
Singapore  
Thailand

There are strategically important islands and territories in the region, namely the French Territory of Afars and Issas, Re-union Island, Socotra Island and the British Indian Ocean Territories including Diego Garcia.

The ethnic composition of the nations of the Indian Ocean region is varied and includes Africans, Arabs, Indians, Chinese, Malays, Indonesians and Europeans. The religious diversity of these peoples is demonstrated by Hinduism, Islam, Buddhism and Christianity being practiced as the predominant faiths.

Over 1,300 million people live in the region, one third of the world's population and just as there is diversity in race and religion the same contrast is readily visible in the economic and political conditions.

Many of the so-called Third World countries are to be found in the Indian Ocean littoral on varying levels of economic development and no country's economy is free from problems. Australia and South Africa possess the most developed economies in the region but are faced with inflation, unemployment and spiralling wage demands. The regional nations of South East Asia have ever increasing populations which coupled with international trade and economic factors serve to inhibit the development of their economies, although some steady progress is discernible, especially in countries where exports of natural resources have been promoted. In South Asia and East Africa, shortfalls in food production, rapidly growing populations as well as world increases in the cost of imports have slowed economic progress.



Conversely the oil producing states of the Gulf are enjoying a new found wealth brought about by the much higher price they now obtain for their oil exports to the world market. As an example Kuwait in 1971-72 earned \$US99.5 million from oil sales and this rose to \$US670.9 million in 1974-75. Saudi Arabia for the same period increased its oil revenues from \$US1,944.9 million to \$US22,573.5 million.

An overall assessment of the region reveals that the wealthy nations are few and the developing and least developed are many. The problems that afflict the poorer nations, such problems as rapid population increases, problems in food production and distribution, a dependency on imports for essentials and a general widening of the gap between the developed and the least developed, harbour a warning and serve as an indicator for the region's potential as a crisis area, not only within its own boundaries, but also in global dimensions.

The countries of the Indian Ocean littoral are not a cohesive group sharing a culture distinctive to the region. There are many States who have adopted for their borders the boundaries set by former colonial rulers or post colonial political events, having little regard for the ethnic groups that may have been divided by the demarcation. For many of the countries of the Indian Ocean littoral independent statehood is a post World War II phenomenon. In some instances the newly acquired independence was asserted in many different ways and there were cases where relations with former colonial rulers suffered, in other cases a policy of non-alignment was espoused and is to this day. The non-aligned nations seek to maintain their sovereignty and at

the same time establish relations with other nations that further their growth and development on a mutual basis without being identified as allied to a particular external political association. Other nations have aligned themselves with external powers for economic benefits and security, but as past events have shown such alliances can be tenuous and without any guarantees of permanency.

#### Assessments of Individual Littoral and Related States

The statistical information shown in Table I has been compiled to demonstrate the diversities in area, population and gross national product of individual states in the region. Table II provides details of the monetary value of Australian trade with Indian Ocean littoral states for the period 1972-75. Following Tables I and II is an assessment of economic and political factors in littoral states on a country by country basis.

TABLE I  
COMPARISONS OF AREA, POPULATION AND GNP OF THE  
LITTORAL STATES

Country	Area sq. km. '000	Population '000	GNP US Dollars '000,000	GNP per head US Dollars
South Africa	1221	24936	31403 (1974)	1259
Mozambique	783	8519		
Tanzania	941	14758	1738 (1973)	118
Kenya	583	12912	2288 (1973)	177
Somalia	638	3090		
Ethiopia	1222	27400	2020 (1972)	74
Afars and Issas	22	200		
Yemen PDR	337	1630		
Yemen Arab Rep.	200	6470	780 (1974)	121
Saudi Arabia	2150	6000	24725 (1974)	4121
Oman	311	750		
Qatar	4	180		
United Arab Emirates	83	350		
Bahrain	0.662	260		
Sudan	2504	17320	2143 (1971)	124
Egypt	998	36420	7533 (1972)	207
Kuwait	18	739	3886 (1972)	5259
Iraq	438	10765	3553 (1971)	330
Iran	1648	32500	44000 (1974)	1354
Madagascar	587	7929	1086 (1972)	137
Mauritius	2.040	846	343 (1973)	406
Seychelles	0.280	58		
Maldives	0.298	129		
Comoro Islands	2.236	295		
India	3288	586266	57700 (1973)	98
Pakistan	804	70260	10876 (1974)	155
Sri Lanka	656	13374	3182 (1974)	238
Bangladesh	143	74991	6325 (1974)	84
Malaysia	330	11450	6728 (1973)	588
Singapore	0.588	2250	4136 (1973)	1838
Burma	678	30170		
Thailand	514	41023	9069 (1973)	221
Indonesia	2027	127586	15369 (1973)	121
Australia	7683	13388	72156 (1974)	5390

Sources: Europa Yearbook, Europa Publications, London, 1976.  
United Nations Yearbook of Statistics, 1974.  
IMF Financial Statistics, September 1976.

TABLE II  
AUSTRALIAN TRADE WITH LITTORAL STATES  
 \$A'000

COUNTRY	1972/73	1973/74	1974/75
<u>South Africa</u>			
Exports to	95,102	89,665	98,975
Imports from	20,621	36,629	43,930
<u>Mozambique</u>			
Exports to	5,553	1,236	2,162
Imports from	1,483	2,273	2,452
<u>Kenya</u>			
Exports to	3,326	2,769	9,920
Imports from	1,866	2,045	1,913
<u>Tanzania</u>			
Exports to	3,717	6,192	10,454
Imports from	3,895	8,113	3,789
<u>Somalia</u>			
Exports to	30	90	1,324
Imports from	-	2	4
<u>Ethiopia</u>			
Exports to	440	585	1,440
Imports from	109	502	1,110
<u>Saudi Arabia</u>			
Exports to	13,697	24,315	27,863
Imports from	20,206	53,169	171,136
<u>Yemen, Arab Republic</u>			
Exports to	3,108	5,382	6,095
Imports from	-	-	-

COUNTRY	1972/73	1973/74	1974/75
<u>Yemen (PDRY)</u>			
Exports to	204	1,039	1,315
Imports from	1,768	13,204	26,092
<u>Oman</u>			
Exports to	2,865	5,560	8,810
Imports from	-	-	-
<u>Qatar</u>			
Exports to	2,171	3,669	4,436
Imports from	5,575	31,798	6,767
<u>United Arab Emirates</u>			
Exports to	11,461	11,408	21,804
Imports from	4,323	404	9,177
<u>Bahrain</u>			
Exports to	13,541	14,897	24,706
Imports from	30,119	52,552	97,290
<u>Sudan</u>			
Exports to	953	307	1,022
Imports from	426	378	1,622
<u>Egypt</u>			
Exports to	40,889	76,401	134,753
Imports from	167	4,554	345
<u>Kuwait</u>			
Exports to	15,760	18,496	30,830
Imports from	30,230	98,937	118,618
<u>Iraq</u>			
Exports to	1,882	14,952	44,899
Imports from	20,410	38,000	92,519

COUNTRY	1972/73	1973/74	1974/75
<u>Iran</u>			
Exports to	25,791	38,944	116,528
Imports from	18,488	35,914	76,796
<u>Pakistan</u>			
Exports to	7,122	7,969	86,496
Imports from	4,576	12,282	5,386
<u>India</u>			
Exports to	37,396	99,300	83,361
Imports from	31,678	52,876	57,790
<u>Bangladesh</u>			
Exports to	11,800	33,700	42,400
Imports from	6,200	9,700	7,600
<u>Sri Lanka</u>			
Exports to	10,950	15,390	45,148
Imports from	9,620	9,448	12,834
<u>Burma</u>			
Exports to	2,146	2,262	9,203
Imports from	219	230	220
<u>Thailand</u>			
Exports to	35,900	50,600	49,400
Imports from	7,100	9,900	16,200
<u>Malaysia</u>			
Exports to	97,216	117,637	194,448
Imports from	38,445	69,565	58,798
<u>Singapore</u>			
Exports to	131,800	147,700	208,400
Imports from	40,100	82,100	126,900

COUNTRY	1972/73	1973/74	1974/75
<u>Indonesia</u>			
Exports to	74,623	106,467	175,257
Imports from	13,597	16,550	18,692
<u>Madagascar</u>			
Exports to	254	71	219
Imports from	268	376	533
<u>Mauritius</u>			
Exports to	5,839	6,635	10,041*
Imports from	12	174	538
			*Preliminary
<u>Seychelles</u>			
Exports to	-	-	4,300
Imports from	-	-	9
<u>Re-union Island (Fr.)</u>			
Exports to	149	302	215
Imports from	23	26	20

Source : Department of Overseas Trade,  
Canberra, June 1976.

## South Africa

South Africa has a developed economy based on its mineral wealth and agricultural capacity. The downturn in the world's economies has been felt in South Africa. The main exports are diamonds, gold, sugar, cereals, iron, copper and wool. The principal imports are motor vehicles and electrical and non-electrical machinery. There have been pressures from time to time to extend trade sanctions against South Africa, provoked by international feeling against apartheid but the sanctions have not been endorsed by the United Nations; South Africa continues to trade with the United Kingdom, the Federal Republic of Germany, the U.S.A. and Japan as its principal trading partners.

Australia's share of the South African market is relatively small. The Australian Government has discontinued official promotion of trade and investment in South Africa, restricting the activities of the Trade Commissioner Office to the provision of basic marketing information and assistance to Australian exporters. Australia has diplomatic relations with South Africa.

South Africa occupies a position of great strategic significance by its location near the Cape of Good Hope. It has made its naval base at Simonstown available to all friendly powers but as yet none have availed themselves of the offer. The decision by the United States to develop Diego Garcia is welcomed by South Africa and its attitude to the superpowers' naval presence in the Indian Ocean is anti-Soviet. South Africa has diplomatic relations with the United States but not with the Soviet Union.



Recent events in South Africa suggest that an internal crisis is developing. There is also a possibility of external involvement should an internal crisis develop but it seems likely that it will be indirect. The lack of support internationally for South Africa's apartheid policies deprives it of active support from the Western nations. The importance of its mineral wealth and its strategic location cannot be ignored and would concern the West if these resources were no longer available to them. It is to be hoped that a solution to South Africa's internal problems can be achieved by moderation being exercised from within and by constructive external influences.

### Mozambique

Mozambique's workforce is employed mainly in agriculture and fishing and it is currently relying on agricultural products for its exports. Manufacturing industries are at an early stage of development. The European Economic Community is Mozambique's principal trading area both as a source of imports and as an export market. Portugal, Japan, the U.S.A. and South Africa are the other major traders. Australia's imports from and exports to Mozambique are almost equal in monetary value and consist of cashew nuts and tobacco as our imports, tallow, wheat, motor vehicles and parts as our exports. We have no diplomatic or trade representatives in Mozambique, but Australia has made an offer of food aid to Mozambique.

Mozambique became independent in June 1975 after almost five hundred years of Portugese rule. The National Front for the Liberation of Mozambique (FRELIMO) became the ruling party and

although in control of the government it does not have the support of the majority of the population. FRELIMO assumed the government following its role as the prime mover in the fight for independence. In government it promotes socialistic principles with the creation of communes and the nationalisation of private property. Deficiencies in the bureaucracy and economic disruption have caused some disaffection in the more developed south, but the socialistic measures have won some support in the north. The current border clashes with Rhodesia point to a possible period of unrest and instability for Mozambique.

Mozambique received assistance from the Soviet Union during its struggle for independence. Mozambique has been critical of the United States' policies on Indian Ocean matters and has diplomatic relations with the Soviet Union but not with the United States.

### Tanzania

Tanzania has predominantly an agricultural economy and is a major importer of petroleum and manufactured goods. Consequently world inflation has caused a balance of payments problem. Agricultural productivity has not increased markedly so the Government is directing new investment into the more productive sectors such as mining and manufacturing. Tanzania's main exports are agricultural products while imports include crude oil, machinery, grains, medical and pharmaceutical products. China, the U.K., Japan and West Germany are the main suppliers to the Tanzanian market. Tanzanian exports are to the U.K., the U.S.A., Hong Kong, India and West Germany.

Australia regards Tanzania as an important market for wheat, construction equipment and machinery and imports sisal, coffee and cotton in return. Australia has diplomatic relations with Tanzania but no resident trade representation. Trade matters are handled through the Trade Commission in Kenya.

Tanzania as a non-aligned nation has criticised the military presence of the superpowers in the Indian Ocean and sees this presence as an attempt to establish a military hegemony in the Ocean. In particular Tanzania has been critical of the extension of U.S. facilities on the island of Diego Garcia. Tanzania has diplomatic relations with the United States and the Soviet Union.

### Kenya

Although most of Kenya's people live on the land at subsistence level and agriculture provides more than half of its exports, Kenya has been able to develop industrially to the extent of being one of the most developed African states. Again world inflation has slowed this development and a drought with a drop in agricultural output has led to a downturn in economic growth. Kenya imports crude petroleum for refining, machinery, transport equipment, fertilisers and paper products in the main, while exports include coffee, tea, meat, distillate fuels and cement. The main sources of Kenya's imports are the U.K., Japan, Iran, West Germany and the exports are to the U.K., West Germany, the Netherlands and Zambia.

Australia's exports to Kenya are mainly tallow, petroleum and petroleum products. The balance of trade is markedly in Australia's favour, our imports are principally pyrethrum extracts, sisal and coffee. Australia has diplomatic and trade relations with Kenya. Kenya's relations with Uganda have been strained over Uganda's claim to areas of western Kenya, harassment of Kenyan nationals in Uganda and Kenya's ability to interdict supplies such as oil to Uganda. The raid on Entebbe airport caused Uganda to accuse Kenya of complicity. The two countries are now seeking a settlement of these differences and a return to normal relations by December 1976. Kenya's relations with Somalia are not cordial and it is concerned over the development of military facilities in Somalia by the Soviet Union.

Non-alignment is the principle of Kenya's foreign policy and although a recipient of substantial economic aid from the U.S.A. it voices general concern over the superpower build up in the Indian Ocean. Privately Kenyans recognise the need for a United States naval presence in the Indian Ocean to match that of the Soviet Union. Both the United States and the Soviet Union have diplomatic relations with Kenya.

#### Somali Democratic Republic

The economy of Somalia is dependent on livestock herding which provides the livelihood for 60% of the country's population. Agriculture is confined to the small areas that receive sufficient rainfall and an important element of the Government's agricultural policy is to develop state farms. Somalia's principal exports are livestock, bananas, hides and skins and imports include

cereals, machinery, transport equipment, chemicals and textiles. Japan, the EEC, Italy, China and the U.S.S.R. are Somalia's principal suppliers of imports, its principal markets are Saudi Arabia, Italy, the EEC and Kuwait.

Australia exports flour, butter and machinery to Somalia and imports fish and fish products and the balance of trade is heavily in Australia's favour. There is no bilateral trade agreement with Somalia, it is not a member of G.A.T.T. and Australia is not actively promoting trade other than trade publicity in magazines widely circulated throughout Africa. Australia has no diplomatic relations with Somalia.

Politically Somalia is prominent in the Indian Ocean region by virtue of its alignment with the Soviet Union. Somalia has been a recipient of Soviet aid since 1961. Somalia preferred a Soviet offer of military aid to a joint U.S., West German and Italian limited offer. Soviet military aid far exceeds Somalia's needs. In 1974 the Soviet Union and Somalia signed a Treaty of Friendship and Co-operation which makes provision for "training of the Somalian military personnel and in the mastering of weapons and equipment delivered to the Somalian Democratic Republic for the purposes of enhancing its defence potential". Article 9 of the Treaty reads:

"Should situations arise posing a threat to peace or violating peace, the High Contracting Parties shall without delay come into contact and consult each other with the aim of removing the emergent threat or restoring peace".

The Committee received in evidence the contention that Saudi Arabia has offered to replace Soviet aid with Saudi Arabian to achieve a Soviet withdrawal from Somalia. This offer was not pursued, the reasons given were that the Soviet presence acts as insurance while the fate of the Territory of Afars and Issas is undecided and while the French navy remains active off the Somali coast. Another reason suggested was that the United States intervened and wanted Soviet facilities in Berbera retained as justification for the expansion of Diego Garcia. There have been no official Somalian pronouncements over Diego Garcia, it can be assumed that Somalia opposes the facility. Somalia has diplomatic relations with the United States and the Soviet Union.

### Ethiopia

Ethiopia is dependent almost entirely on agriculture and livestock raising and the Government is placing emphasis on developing this sector. As a recipient of large inflows of aid, in particular from the U.S.A. and the high world price of coffee, Ethiopia has some foreign reserves. However expenditure on armaments makes heavy inroads into these reserves. Ethiopia has arranged to purchase defence equipment for all segments of its armed forces from the United States over a five year period.

Ethiopia's main export markets are the U.S.A., West Germany, Italy and Japan and the commodities are coffee, pulses, hides and skins. Italy, Japan, West Germany, the U.S.A. and other EEC countries are the principal suppliers of Ethiopia's imports of motor vehicles, industrial machinery, aircraft and petroleum products.

Australian trade with Ethiopia is generally balanced and Australia exports mainly wheat and coal and imports coffee, fruit, vegetables and textiles. Australia has diplomatic relations with Ethiopia, the Ambassador in Kenya is accredited on a non-resident basis. Australia has a trade correspondent in Ethiopia responsible to the Trade Commissioner in Kenya.

After the overthrow of Emperor Haile Selassie Ethiopia has been ruled by a group of military generals. The crippling drought during the last few years has imposed additional strains on the economy and even with the influx of relief aid Ethiopia is faced with long term hardship. Internal political uncertainty is compounded by strained relations with Somalia especially over the French Territory of Afars and Issas which provides Ethiopia's only railway link to the sea at the port of Djibouti. Ethiopia acknowledges that there is a need for the United States to match the Soviet Union's naval presence in the Indian Ocean. The United States and the Soviet Union have diplomatic relations with Ethiopia.

#### French Territory of Afars And Issas

The Territory is small, and its economy is bolstered by the presence of French military forces and the tax concessions available to overseas companies registered there. The indigenous population has few other sources of income, a large proportion is made up of nomadic camel and goat herders.

The capital, Djibouti, a deep water port situated in the Gulf of Aden has gained strategic importance with the

reopening of the Suez Canal. The Territory is peopled by the Afars, ethnically linked to Ethiopia and the Issas who are Somalis. There are fears of a major civil war erupting between the Afars and the Issas, the former supported by Ethiopia, the latter by Somalia. The Territory is vital to Ethiopia as it provides the only rail link from Djibouti to Addis Ababa, the route for most of Ethiopia's trade. The approaching independence of the Territory is of concern to France and there is strong pressure from elements within the Territory for France to leave behind a military force to ensure that hostilities do not erupt. Independence is planned for late 1976 or early 1977.

#### People's Democratic Republic of Yemen (PDRY)

Most of the country is arid with few agriculturally productive areas. It is an importer of crude oil, foodstuffs and clothing from Japan, the U.S.A., the U.K. and the Gulf States. Exports include cotton, hides, dried fish, rice, coffee and refined petroleum, to the U.K., Japan, Thailand, Canada and Australia.

The balance of trade between the PDRY and Australia is heavily in its favour with Australian exports of wheat, butter and cheese valued at over \$A1 million, and we import petroleum products in excess of \$A26 million. Australia has no diplomatic relations with or trade representation in the PDRY.

The PDRY maintained close ties with the Soviet Union but has now expelled its Soviet military advisers and has improved its relations with its neighbours, notably Saudi Arabia.



The PDRY has diplomatic relations with the Soviet Union but not with the United States. In 1975 the Soviet Ambassador was expelled after criticising the proposed visit of the World Bank President. Another Soviet Ambassador was expelled in March 1976 for Yemeni dissatisfaction with the activities of the Soviet Cultural Centre, and a replacement has not been appointed. The PDRY has called for the demilitarization of the Indian Ocean. The reopening of the Suez Canal has increased the importance of its main port, Aden, and consequently its importance in Indian Ocean affairs. The facilities of the port of Aden are available to both naval and merchant shipping. Soviet vessels also make use of the open sea anchorages off the strategically located island of Socotra.

#### Arab Republic of Yemen

The Republic is densely populated and about one million Yemenis live abroad providing a significant contribution of foreign exchange, especially from Saudi Arabia. The Arab Republic of Yemen maintains close relations with Saudi Arabia, and the economy generally depends on foreign aid particularly from Arab countries.

The country is fertile with abundant rainfall in the central highlands, consequently agriculture is the main activity and over 80% of the workforce is engaged in agricultural employment. The principal exports include cotton, coffee, skins and salt and the major export markets are the U.S.A., Japan and Singapore. Imports consist of mainly foodstuffs supplied from the U.S.A., Japan and France.

Australia does not import goods from the Republic but exports wheat and dairy products. Australia has no diplomatic relations with or trade representation in the Republic.

Diplomatic relations are maintained with the U.S.A. and the Soviet Union. The Republic opposes superpower intervention in the Indian Ocean and seeks to promote solidarity in the region to resist external pressures. It is however, tolerant of the U.S. naval presence.

### Saudi Arabia

Saudi Arabia is a monarchy. Petroleum is the basis of the country's economy. Pastoral and agricultural activities provide employment for the bulk of the workforce which has approximately a 13% component of immigrant workers. As the world's largest oil exporter and owner of the largest oil reserves it is estimated that its annual income is in excess of \$A20,000 million. This vast income has enabled the Government to embark on plans to diversify the economy away from its total dependence on oil in the course of a five year plan 1975-80.

Oil is virtually the only export from Saudi Arabia and its global significance was dramatically demonstrated during the 1973 oil crisis. Fortunately Saudi Arabia has acted as a moderating influence within the Organisation of Petroleum Exporting Countries. Saudi Arabia is an importer of foodstuffs, machinery, building materials, textiles and clothing.

Australia has diplomatic and trade representation in Saudi Arabia and exports wheat, dairy products and meat, while importing crude oil from Saudi Arabia. Although no bilateral trade agreement exists between Australia and Saudi Arabia a strong promotional campaign is aimed at that market and the prospects for a bilateral agreement are being investigated.

The port of Jeddah is on the Red Sea and the stability of the Indian Ocean region is of concern to the Saudi Arabian government. The United States has close commercial ties with Saudi Arabia but no formal treaty commitments. The United States has provided a substantial number of military advisers for whom the Saudi Arabian Government pays. Saudi Arabia has diplomatic relations with the United States but not with the Soviet Union. Saudi Arabia opposes superpower intervention in the Indian Ocean and desires to promote solidarity among the Gulf States to resist external pressures. It is however, tolerant of the United States naval presence in the Indian Ocean.

### Oman

A small Sultanate, it has modest oil supplies which provide 90% of the government's revenue. All of Oman's expenditure is for domestic purposes with plans to build up industry and agriculture.

Australia exports a variety of products to Oman including mutton, wheat, dairy products, motor vehicles and machinery. There are no imports from Oman. Australia has no

diplomatic or trade representation in Oman.

Dhofar, the southern region of Oman, has been the scene of an on-going insurgency involving China, then Cubans on the side of the insurgents. Varying reports indicate that with the help of British officers and a sizeable Iranian expeditionary force the insurgency has been quelled, but counter claims from the rebels deny this. Oman has diplomatic relations with the United States but not with the Soviet Union. Although opposed to superpower intervention in the Indian Ocean, Oman is tolerant of the United States naval presence.

### Qatar

Qatar is a small independent sheikdom relying on oil as the main revenue earner. With this income the Government is broadening the country's industrial base. Developments such as an iron and steel project, a petrochemical plant, and a liquid gas project are planned. Imports are foodstuffs, industrial machinery and motor vehicles, the principal suppliers being Japan, the U.K., and the U.S.A. Qatar's main exports are oil and fertilisers mainly to the U.K., France, Italy and the United Arab Emirates.

Australia's main exports to Qatar are electrical machinery and foodstuffs and our imports are petroleum and petroleum products, with the balance of trade in Qatar's favour. Australia has no diplomatic relations with or trade representation in Qatar.

Qatar has diplomatic relations with the United States but not with the Soviet Union. Qatar like a number of other Gulf states is opposed to superpower intervention in the Indian Ocean but is tolerant of the United States naval presence.

### The United Arab Emirates

Seven member states form the union, namely Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al-Qaiwain, Ras al Khaimah and Fujairah.

The economy of the United Arab Emirates is based on oil and the resulting revenue has turned them into one of the chief financial centres in the area. Abu Dhabi and Dubai are the chief oil producers and they have undertaken large development projects including liquified natural gas plants, water desalination, electric power plants, cement factories, an aluminium smelter and networks of roads and bridges. Generally government sponsored development activity is not widespread throughout the union, most of it is undertaken by the individual Emirates. The main export markets for oil are Japan, West Germany, the U.K. and the U.S.A. Principal imports are machinery, clothing, household goods and foodstuffs from Japan, the U.S.A. and West Germany.

Australia's exports are in the main foodstuffs, iron and steel and machinery, while petroleum is our import from the Emirates. Australia supported the admission of the United Arab Emirates into the United Nations in 1971 and since then diplomatic and trade relations have increased significantly. In March 1976

the Australian Ambassador in Jeddah was accredited as non-resident Ambassador to the United Arab Emirates.

The United Arab Emirates have diplomatic relations with the United States but not with the Soviet Union. The Emirates support the need for solidarity among the Gulf states to resist external pressures but are tolerant of the United States naval presence in the Indian Ocean.

### Bahrain

Bahrain is a small independent nation and the Government is active in the country's private enterprise system, developing the economy through the extension of basic infrastructure and participating in large projects. Oil is the main item of export, primarily to Japan, and textiles, non-electric machinery, cereals and non-ferrous metals are also exported to Saudi Arabia and the United Arab Emirates. The development of the economy is directed at making Bahrain a regional and financial centre.

Australia has developed extensive trade relations with Bahrain, supplying 10% of its imports, mainly inorganic chemicals, wheat and dairy products. Australian imports from Bahrain consist of petroleum products and the balance of trade is heavily in Bahrain's favour. Bahrain has consular and trade relations with Australia, and is interested in Australia as a source for technical training, improved livestock and agricultural management. Australia has trade and consular representation in Bahrain and it is also an important stopover on the Qantas route to Europe.

Both the United States and the Soviet Union have diplomatic relations with Bahrain and it provides facilities for the stationing of the United States' MIDEASTFOR naval units under an agreement signed in 1971.

### Sudan

Sudan by virtue of its coastline on the Red Sea is involved with Indian Ocean issues, more so since the reopening of the Suez Canal. Port Sudan provides its opening to the sea.

The superpowers have no formal treaty arrangements with Sudan but aid is received from China and the Western countries. The 1970's have been eventful for Sudan in foreign affairs, in 1971 the Soviet Embassy and Soviet military advisers were expelled having been blamed for being behind an attempted left wing coup. In 1973 relations with the U.S.A. deteriorated when the US Ambassador and other diplomats were murdered by Black September guerillas, but relations appear to be improving now.

Australia's relations with Sudan are cordial based on trade and aid. The Australian Ambassador in Cairo is also accredited to Khartoum on a non-resident basis. Australia has provided food aid to Sudan to overcome domestic shortages. Sudan has diplomatic relations with both superpowers and has not made any strong pronouncements on the superpowers' naval presence in the Indian Ocean.

## Egypt

Egypt's role in Indian Ocean affairs is one of major strategic significance because of its control of the Suez Canal. The 1970's have been turbulent years for Egypt, it signed in 1971 a treaty of friendship and co-operation with the Soviet Union; in 1973 the Yom Kippur war with Israel further aggravated stability in the region; in 1975 the Suez Canal was reopened and in 1976 Egypt unilaterally abrogated the 1971 treaty with the Soviet Union. Egypt has now approached Arabian states in an attempt to secure aid to overcome its economic problems and has signed a military protocol with China for military aid, primarily the supply of spare parts. The reopening of the Suez Canal has not seen sea traffic return in the same volume as prior to its closure. When the Canal reopened in June 1975 a daily average of 11 ships transitted the Canal compared to 68 before its closure. A target of 60 ships per day had been set for December 1975 but by May 1976 the daily average was 54 ships. The Canal is still vulnerable in an unstable area and the size of many of the ships now in use is too great to negotiate the Canal, consequently much of the oil tanker traffic continues to use the Cape route from the Arabian oil countries to Europe. Currently only about 25% of the world's tankers are small enough to use the Canal. When the Suez Pipeline becomes operational (from the town of Suez to the Mediterranean) it will reduce the traffic having to use the Cape of Good Hope.

Australian trade with Egypt is very much in Australia's favour, Egypt buying about one third of its imports of wheat from



Australia. In return Egypt exports cotton and rice to Australia. Since 1970 the Australian Wheat Board has sold 7 million tonnes of wheat to Egypt under an agreement negotiated that year. A new contract signed in October 1975 for the calendar year 1976-78 provides for the terms and conditions of sale to be negotiated annually and reviewed quarterly. Australia has diplomatic relations with, and trade representation in Egypt.

Egypt has diplomatic relations with the United States and the Soviet Union and supports the Zone of Peace proposal for the Indian Ocean.

### Kuwait

Kuwait is an Emirate with an economy almost totally dependent on oil as the source of revenue, and being oil rich, with a small population the country has one of the highest per capita incomes in the world. The Kuwait Government is embarking on projects to diversify the economy and reduce the dependence on oil. Incentives such as soft loans are offered to establish new industries. Industry is offered low rentals and cheap electricity, gas, water and port facilities. The principal trading partners are Japan, the U.S.A., West Germany and the U.K. Kuwait has diplomatic relations with both superpowers.

Australia has growing trade relations with Kuwait, the main exports being foodstuffs and some manufactured goods. Our imports are petroleum and petroleum products. There is no bilateral trade agreement but both are members of G.A.T.T. and Australia has in recent years been active in holding trade

displays and in sending trade missions to Kuwait. Australia has diplomatic relations with Kuwait with the Australian Ambassador in Saudi Arabia being accredited to Kuwait on a non-resident basis. Australia's trade interests are also represented from the Mission in Saudi Arabia.

### Iraq

Iraq is the fourth largest oil producing nation, after Saudi Arabia, Iran and Kuwait. Oil is the major revenue earner for Iraq but agriculture employs over 50% of the workforce. As with other oil producing countries in the region the Government has undertaken development projects to diversify and reduce dependence on oil. The socially oriented policies include rapid growth, full employment, equality in education and income distribution. Other programs include resources control, land reform and rural development. Iraq's principal suppliers of imports are the Soviet Union, Britain, France and Japan while exports go mainly to Middle East states and the Soviet Union. Australia has diplomatic relations with Iraq and the Australian Embassy was opened in Baghdad in September 1976. Australia also has trade relations with Iraq.

Trade with Australia is weighted in Iraq's favour, our principal exports being foodstuffs, agricultural machinery, motor vehicles and parts. Again petroleum and petroleum products are our imports from Iraq. There is strong potential for developing stronger commercial ties with Iraq as well as using Australian expertise in irrigation and livestock farming development projects. Iraq has made considerable use of selective

oil price cuts while Saudi Arabia and Kuwait have made only one cut in the price of heavy crude oil in November 1975.

Iraq's armed forces are large and Soviet equipped but are not projected into the Indian Ocean. Iraq is concerned with the security of the Gulf area and is working on overcoming traditional rivalries and antagonisms with its neighbours but relations with Saudi Arabia remain distant. Iraq's 1972 Treaty of Friendship and Co-operation with the Soviet Union does not contain the same Article 9 provision concerning action to remove military threats as do the Soviet Union's treaties with India and Somalia. Iraq has diplomatic relations with the Soviet Union and the Belgian Embassy looks after United States interests. Iraq supports the Soviet Union's naval presence in the Indian Ocean.

### Iran

Iran, is the second largest oil producing nation in the Gulf, after Saudi Arabia. Oil is the main source of income for Iran and the nation's development projects have been financed from oil earnings. In recent years the economy underwent rapid growth and after experiencing a slowdown and a deficit brought about by reduced oil demand, increased import costs and inflation, has now overcome that deficit in its balance of payments. Iran has argued against price cuts for oil but in March and June 1976 slight cuts were made to overcome reduced world demand. As a result oil revenues recovered and the substantial 1975 budget deficit had by July 1976 been overcome to show a current account surplus of \$US2,600 million. Apart from oil Iran's traditional exports are carpets, cotton and

dried fruits. West Germany, the Soviet Union, the U.S.A., Japan and the U.K. are Iran's major markets. In 1975 Iran's imports almost doubled, the main items being machinery, iron and steel, chemicals, pharmaceuticals and motor vehicles from West Germany, Japan, the U.S.A., the U.K., the Soviet Union and France.

Iranian and Australian trade relations are well established with good prospects for growth. Australia has a bilateral trade agreement with Iran, signed during the Shah's visit in 1974 and maintained through a system of committees aimed at promoting trade between the countries. Our major items of import are petroleum, textiles, ores and chromium concentrates from Iran. In return Australia exports wheat, live sheep, mutton, wool and chemicals to Iran, with the balance of trade being in Australia's favour. A joint venture company AUSTIRAN has been established to export Australian agricultural products and Iran has also expressed an interest in obtaining bauxite/alumina and uranium for the expanding Iranian industrial sector. Australia also has diplomatic relations with Iran.

Iran has developed into a regional power and there are strong indicators that this development is continuing. The armed forces have been strengthened by massive purchases of arms from the U.S.A. and Western Europe as well as limited purchases from the Soviet Union. It is important for Iran to have stability in the Gulf, the region and the Indian Ocean and the Shah has stated that if this cannot be achieved with the co-operation of other countries in the region, it will have to act unilaterally.

In 1964 Iran with Turkey and Pakistan formed the Regional Co-operation for Development plan and so far progress has been made in agreement on transport, trade, industry, social and cultural matters. Iran has declared that the R.C.D. is open to all countries of the region but Pakistan is apprehensive about the possibility of India joining.

In May 1976 the Shah of Iran while in Saudi Arabia gave an interview stating his nation's policies on the superpower presence, the security of the region, Iran's role in the region and the Zone of Peace in the following manner:-

"We share the view that no outside power should be present in this area in the Persian Gulf. It should be outside the rivalry of the other countries and for that the littoral states of the Persian Gulf must co-operate for the safety, the security, the stability of the region. We are on our part ready to co-operate as closely as the other countries of this region want from the closest alliance to the loosest form of collaboration. But I cannot hide from you that we cannot take any chances. The freedom of navigation in that stretch of water and free passage in the Straits of Hormuz for us is vital. It is really our jugular vein .....  
So Iran has decided to be so strong as to be able to secure the stability of the region, if necessary, alone. But we would prefer obviously to co-operate with all the other countries of the region even on an equal footing.

Beyond the Persian Gulf there is the Sea of Oman, then the Arabian Sea, then the Indian Ocean. All these seas are the continuation of each other. Our policy is to have the Indian

Ocean as the zone of peace. We wish that the two big powers will not show their presence with their warships and their military and physical presence. But again this will be only possible when all the countries of the Indian Ocean region will either become strong enough to assure the security of the entire Indian Ocean region by themselves. So a future understanding between all the riparian states of the Indian Ocean or at least all the countries who have a shore on the Indian Ocean will have to be reached. But two years ago or one and a half years ago, I proposed even a common market or commonwealth of the Indian Ocean countries in the sphere of economy. We have started; we have close relations with Pakistan and India; we have started also with Indonesia, we are ready to do it with all countries of the Indian Ocean region including and maybe now especially, the African countries having shores on the Indian Ocean. This is a long-term policy obviously. In the meantime, we are always, then, following the policy of advocating for the Indian Ocean to become a zone of peace and a de-nuclearized zone".

The importance to Iran of the Straits of Hormuz was demonstrated in June 1970 when Iran claimed the islands of Abu Musa and the Greater and Lesser Tumbs, (which belonged respectively to Sharjah and Ras al Khaimah (both of which became members of the U.A.E.)). In December 1971, the Sheikh of Sharjah agreed to share the island of Abu Musa with Iran, and the Greater and Lesser Tumbs were taken by force. Iran has been developing Abu Musa and the Tumbs as military bases to ensure, it claims, freedom of passage through the Straits of Hormuz.

Iran has diplomatic relations with the United States and the Soviet Union. In October 1976 Iran is reported as having signed a nuclear co-operation agreement with France involving France in building two nuclear reactors near Abadan at a cost of \$A900 million.

#### Democratic Republic of Madagascar

Madagascar is an independent large island state with an economy that is heavily dependent on agriculture with 80% of the workforce engaged in rural work. Madagascar hopes to be self-sufficient in food production within the next few years. The Government's development plans are directed at improving agriculture through rural reforms based on traditional communes and co-operatives.

World inflation and oil price increases have had a detrimental effect on the country's balance of payments but it has been successful in securing aid from France, the EEC, the World Bank and the United Nations.

The principal exports from Madagascar are coffee, meats, fish, sugar, sisal and petroleum products. Crude petroleum, iron products, transport equipment, rice and wheat products are the main imports. France, the U.S.A., West Germany, Japan and Italy are Madagascar's principal trading partners.

Australia has limited trade relations with Madagascar importing vanilla, gelatine, dried beans and cloves, while exporting agricultural machinery, non-electrical machinery and

foodstuffs to Madagascar. Australia has diplomatic relations with Madagascar with the Australian Ambassador in Tanzania being accredited to Madagascar on a non-resident basis.

Politically the island has had a turbulent period in the 1970's. A revolution in 1972 began with civil unrest and a military junta, Marxist in ideology but neither pro-Soviet nor pro-Chinese is in power. In 1972 the revolutionary regime expelled France from its base at Diego Suarez and broke off diplomatic relations with South Africa and Israel. Madagascar has diplomatic relations with both the United States and the Soviet Union but shows no intention to make its facilities available to either. Madagascar has been generally critical of United States activities in the Indian Ocean particularly the expansion of its facilities on Diego Garcia.

#### Mauritius

An island state, it became independent from Britain in 1968 and has remained in the Commonwealth. The economy is tied to sugar production which accounts for 89% of exports and provides employment for 28% of the labour force. Improved world sugar prices have helped the economy but in return rising world prices for imports have also given the island an inflation problem. Unemployment is high, 7.5% of the labour force. In an attempt to overcome these problems the Government has established the Mauritian Export Processing Zone to encourage overseas investment in Mauritius. The main exports are sugar, clothing, electrical components for office machines, processed diamonds, synthetic stones and fish products. Imports are cereals,



petroleum products, textile yarns, machinery, iron and steel. The principal markets for exports are Canada, the U.K., the U.S.A. and Iran. Imports come principally from Britain, South Africa, China, Iran and Australia.

Australian trade with Mauritius is expanding with several Australian firms establishing themselves there. Mauritius exports tuna and pet foods to Australia and imports foodstuffs and a variety of manufactured goods, with the balance of trade heavily in Australia's favour. Australia has diplomatic and trade relations with Mauritius. The Australian Ambassador in Tanzania is also accredited to Mauritius and an Australian Trade correspondent and Marketing Officer handle trade affairs.

Mauritius is very strategically based in the Indian Ocean and has a non-aligned foreign policy. The British military presence in Mauritius ended in March 1976 when the Vacoas telecommunications facility was vacated by the British. Mauritius has entered into agreements with the Soviet Union to provide airline facilities for transfers of fishing fleet crews and port facilities for the Soviet fishing fleet and will accept port visits from both superpowers' naval vessels. Mauritius has diplomatic relations with the United States and the Soviet Union but as a non-aligned nation does not favour superpower rivalry in the region.

### The Seychelles

The Seychelles, a group of 92 tropical islands off the east coast of Africa, became independent in June 1976 having

formerly been a British territory. The islands depend on agriculture for basic food requirements but also import foodstuffs. Coconuts are the main export and it is planned to develop tourism as an important industry. Britain is to give financial aid and technical assistance to develop the economy in the first two years of independence. Exports from the Seychelles go primarily to Pakistan, the U.S.A. and France. Imports of foodstuffs, mineral fuels and manufactured goods come in the main from the U.K., Kenya, South Africa and Singapore.

Australian trade with the Seychelles is primarily the export of foodstuffs, in particular rice, flour and dairy products, imports consist of spices and tortoise shells. Australia has no diplomatic relations or trade representation in the Seychelles.

The Seychelles Government has stated that it is not prepared to grant military base rights on the islands to any foreign nation. The Seychelles has diplomatic relations with the United States and the Soviet Union and while it wishes the Soviet naval presence to be matched by the United States, it hopes that no further rivalry will result.

#### The Republic of the Maldives

The Maldives, a group of 2,000 islands and atolls south of India is an independent republic. The islands' location is close to one of the major shipping lanes in the northern half of the Indian Ocean. The Maldives have no formal commitments

with any of the superpowers but if the former British staging post at Gan is offered to other nations it will be of particular interest not only to the superpowers but also to regional powers because of its strategic location.

### Comoro Islands

Formerly a French territory, have recently become independent, with the exception of the island of Mayotte which chose, after a plebiscite to remain under French rule.

The Comoros are among the least developed nations and have no significant ties with the superpowers. The islands are more linked with African and Arab states and profess to be non-aligned.

### India

India is the most populous and militarily strong littoral state in the Indian Ocean region but with an economy that is subject to shortages in foreign exchange and substantial internal pressure on resources.

After a series of adverse years for agricultural production the past year has seen record harvests in food grain production and general price stability in the country. Industry has also shown significant production increases in such items as coal, steel and cement and India now ranks 12th amongst the world's industrialised nations.

India has an overseas trade deficit, needing to import crude petroleum, wheat, machinery and fertilizers, mainly from the U.S.A., Iran, Japan, the Soviet Union and the U.K. Exports are jute and cotton manufactures, tea and leather. India's major markets are Japan, the U.S.A., the Soviet Union and the U.K. The continuing balance of payments problem makes India heavily dependent on overseas borrowing. In 1975/76 India has been forced to borrow for the third successive year for balance of payments financing. The borrowing included \$US375.6 million in oil credits from OPEC and \$US241.2 million from the International Monetary Fund Oil Facility. Consequently the debt service ratio which had decreased from 29.5% in 1970-71 to 17.8% in 1975-76 is expected to rise to 18.8% in 1976-77. India's total indebtedness as at March 1975 was \$US11,770 million.

India and Australia have significant trade relations with Australia exporting wheat, wool and minerals to India and importing woven cotton fabrics, hessians, tea, machinery and cashew nuts. A Trade Agreement between Australia and India was signed in August 1976. The Agreement provides for a most-favoured-nation treatment in goods exchanged and the encouragement of industrial co-operation between Indian and Australian enterprises. In 1974-75 Australian exports to India amounted to \$A83.3 million and imports from India to \$A57.7 million.

Australia has diplomatic relations with India as well as far reaching relations covering aid, cultural, scientific and trade agreements.

The 1970's have been troubled years politically for India. In 1971 the Indo-Pakistan war erupted, the outcome leading to the creation of Bangladesh and a strained relationship which has improved recently. In May 1976 India and Pakistan signed an agreement to restore diplomatic relations, severed in 1971. The agreement also made progress in restoring air and rail links, extension of trade and detainee repatriation. The Kashmir issue, however remains unresolved.

India and the Soviet Union signed a Treaty of Peace, Friendship and Co-operation in 1971, effective for twenty years, in which Article (IX) provides that in the event of a threat to either by a third country, they 'shall immediately enter into mutual consultations in order to remove such threat and to take appropriate effective measures to ensure peace and security of their countries'.

Relations between India and China have been strained since their war in 1962 but in April 1976 it was announced that full diplomatic relations would be resumed. China has been critical of India over Kashmir and Sikkim and has maintained close relations with Pakistan, supporting that country in the 1971 Indo-Pakistan war.

Internally India is currently in the midst of a political crisis, the National Congress has passed a resolution recommending that the emergency be continued to counter the danger of external and internal subversion. Parliament in January 1976 voted to extend the life of the lower house for a further year, thereby deferring elections at least until

February 1977. Legislative proposals have been put into effect for the centralisation of executive power, limits on the jurisdiction of the High Courts, removal of Constitutional rights and controls on political activity.

India has diplomatic relations with both superpowers but opposes their involvement in the Indian Ocean and supports the Zone of Peace proposal. India has been critical of the United States facilities on Diego Garcia but has made no mention of Soviet activities in the region.

### Pakistan

Pakistan, is basically an agricultural economy with the main crops being wheat, cotton and sugar cane. Manufacturing industries are mainly cotton, textiles, cement and fertilisers. Pakistan is heavily reliant on external aid. The aid funds are to assist with the development program and substantial amounts are provided by the oil producing Middle East states. Textiles are the major exports along with leather and furs and the principal markets are Hong Kong, Indonesia, the U.K. and Japan. Cereals, petroleum, machinery, transport equipment, iron and steel are the main imports with the U.S.A., Japan, West Germany, the U.K. and Saudi Arabia the principal suppliers.

Pakistan is also a member of the Regional Co-operation for Development scheme which after a meeting in April 1976 reviewed its aims and decided to establish a free trade area and an investment and development bank under a treaty redefining the alliance and placing it on a legal basis, to be known as the "Treaty of Izmir".

Australia's exports to Pakistan consist mainly of wheat, \$A71.7 million out of a total exports sales of \$A86.5 million in 1974-75. Some iron and steel and wool are also exported and it is hoped that our exports can be diversified by contracts to supply the industrial development projects being undertaken with aid funds. Imports from Pakistan amounted to \$A5.4 million, being in the main woven cotton fabrics, clothing, wool and animal hair. Australia has diplomatic and trade relations with Pakistan. A slight element of strain came into our relations with Pakistan when we were quick to recognize Bangladesh but relations have since improved.

Pakistan's relations with India are improving and Pakistan has recently established diplomatic relations with Bangladesh. Both the United States and the Soviet Union have diplomatic relations with Pakistan. Pakistan was originally a supporter of the Zone of Peace but now links the realisation of the proposal with the achievement of a nuclear non-proliferation agreement in the region. Pakistan has traditionally enjoyed good relations with the United States and while relations with the Soviet Union have occasionally been strained they are generally correct.

### Sri Lanka

Sri Lanka the second largest island nation in the Indian Ocean is predominantly an agricultural economy but not self sufficient in food production. Its export earnings come from tea, rubber and copra but are not adequate to balance the increased cost of world imports, leaving Sri Lanka with acute foreign exchange shortages. Major export markets are the U.K.,

China and Pakistan. The main imports are foodstuffs, mineral and chemical products from the U.S.A., Japan, France and China.

Australian exports to Sri Lanka are flour, wheat and dried milk while tea is our main import. The balance of trade is markedly in our favour although our export volumes are uncertain in the face of subsidised EEC competition. Australia has diplomatic relations with Sri Lanka and trade affairs are handled by a Marketing Officer at the Australian High Commission.

Internal politics are unsettled, the 1971 insurgency has left the United Front Government with continuing fears of a recurrence. A new constitution was adopted in 1972 and so far the coalition has resisted opposition attempts for an election due after a five year term of office. In 1975 the key industries of tea, rubber and coconut growing came under government control. The economy continues to be the biggest problem with limited growth and high unemployment.

Politically Sri Lanka is one of the non-aligned group of nations and the initiator of the Indian Ocean Zone of Peace proposal at the 1964 Cairo Non-Aligned States conference and subsequently at the U.N. It has no defence ties or treaties with the superpowers and maintains correct relations with both. Sri Lanka is critical of both superpowers' naval presence in the Indian Ocean.

### Bangladesh

A newly founded nation, Bangladesh came into existence



after the Indo-Pakistan war of 1971. Fundamentally an agricultural economy, Bangladesh produces jute, rice, sugar, wheat and tea with the large scale industry being government controlled jute and cotton mills. Economic progress has been severely hindered by natural disasters and political turmoil and therefore it depends very much on foreign aid and long-term loans. A lack of basic raw materials and managerial expertise are limiting development and even the good harvests in 1976 are no guarantee for prolonged improvement.

Australian trade with Bangladesh consists of exports of wheat, iron and steel and imports of jute from Bangladesh. Australia has good relations with Bangladesh based on the political support for Bangladesh in 1971 and Australian aid. Bangladesh is the third highest recipient of our aid after Papua and New Guinea and Indonesia. Australia maintains diplomatic relations with Bangladesh and trade matters are handled by a Marketing Officer at the Embassy.

Initially Bangladesh had close relations with the Soviet Union because of the latter's support during the 1971 war and assistance after the war on such undertakings as the clearing of Chittagong harbour. Bangladesh also reacted against the Chinese and United States support for Pakistan in the 1971 war. Relations between the United States and Bangladesh improved in the latter period of Sheikh Mujibur Rahman's Government and those with the Soviet Union cooled. The overthrow of that Government in August 1975 and subsequent coups in November of that year have clouded these alignments. China has established a diplomatic mission in Dacca. The Soviet Union in turn has

been critical of recent events in Bangladesh. Relations with India have deteriorated with Bangladesh accusing India of involvement in border incidents and no settlement over the sharing of the Ganges River waters has been reached. Bangladesh has asked for the dispute to be placed on the agenda of the UN General Assembly and Australia is supporting the request.

Bangladesh has diplomatic relations with both superpowers and as a supporter of the Zone of Peace proposal it has been balanced in its criticism of the superpowers' naval presence in the Indian Ocean.

### Malaysia

Malaysia's economy has been developing soundly and the ability to market its exports successfully has enabled it to avoid the serious effects of the world wide recession. The major exports from Malaysia are rubber, timber, tin and palm oil, the principal markets being Singapore, Japan and the U.S.A. The main imports are transport equipment, foodstuffs and mineral fuels; the principal suppliers are Japan, the U.S.A., the U.K. and Singapore. In 1975 Malaysia had a trade surplus and a recent increase in export commodity prices indicates improved trade prospects.

Malaysia is one of Australia's major regional trading partners based on a Trade Agreement exchanging preferential treatment on certain goods, mutual protection against dumped or subsidised competition for Malaysian tin and rubber and Australian wheat. Australian exports to Malaysia are in the

main sugar, wheat, manufactures, foodstuffs and minerals. In return Malaysia exports timber, crude rubber, textiles and fish preparations to Australia. Australia has diplomatic relations with, and trade representation in Malaysia.

Malaysia is one of the five member nations of the Association of South East Asian Nations which has developed into an effective regional forum with which Australia has close relations. Malaysia is very conscious of regional security and in 1976 established diplomatic relations with Vietnam and Cambodia. Malaysia as a member of ASEAN subscribes to the Zone of Peace, Freedom and Neutrality proposal advocated by the association in 1971 for South East Asia.

There is increasing concern and publicity in Malaysia over the continuing problems created by communist insurgents. Although the Communist Party of Malaysia is factionally divided into three its guerilla and terrorist activities are able to undermine public confidence and engage Government forces and resources. The activities of the C.P.M. are not considered a credible military threat to the Government. Malaysia is a member of the non-aligned movement. Malaysia has diplomatic relations with both superpowers and is critical of their naval presence in the Indian Ocean. Especially the United States facilities on Diego Garcia have been singled out for criticism.

### Singapore

The island of Singapore has developed in a relatively short period into one of the most prosperous and industrialised

countries in Asia. It has become a manufacturing, assembling, servicing and distribution centre, in addition it is the entrepot port for neighbouring countries. Singapore has built up new industries such as shipbuilding and repair, petroleum refining, electrical machinery and electrical components. Over 50% of Singapore's domestic output is for export and consequently the economy is subject to world trading fluctuations which in recent years have caused a drop in export sales especially to Japan and the U.S.A., Singapore's main markets. Tourism is also an important revenue earner for Singapore.

Australia's trade with Singapore is considerable with machinery, wheat, sugar, iron and steel as our main exports and petroleum, machinery and clothing as our principal imports. Australia maintains diplomatic and trade relations with Singapore.

Singapore is located near one of the main thoroughfares between the Indian and Pacific Oceans, the Malacca Straits. Its location makes Singapore a very convenient port of call for ships of both superpowers in transit from one ocean to the other. Singapore along with Malaysia and Indonesia is concerned with the heavy use made of the narrow Malacca Straits by the constant line of large oil tankers from the Middle East to Japan, in particular over the damage that could be caused to their shorelines if oil spillage occurred.

Singapore is a member of the non-aligned movement. Singapore has diplomatic relations with the United States and the Soviet Union and supports the ASEAN concept of a Zone of Peace, Freedom and Neutrality.

## Burma

Burma has abundant agricultural and forestry potential, however internal problems such as bad seasons, insurgency, a breakdown of the economic infrastructure and inefficient acquisition of rice crops, have limited development. Rice is the most important crop but declining exports and inefficient management of crops may turn Burma from a rice exporting country into a rice importer in the near future. A continuing balance of payments problems has restricted imports to all but essential items and consumer goods shortages have caused rationing and black marketeering. Manufacturing industry has been nationalised and is concentrated on processing primary products. Exports are rice, timber and cereals and have remained static over recent years. The main markets are Japan, Sri Lanka, Singapore and the U.K. Imports are motor vehicles, textiles and machinery, principally from Japan, the U.K. and West Germany.

Trade with Australia is very limited and in Australia's favour. Exports to Burma consist of coal and tallow, imports from Burma are almost exclusively teak timber. Australia has diplomatic relations with Burma and a Marketing Officer at the Embassy handles trade matters.

The military government of Burma is strictly committed to a policy of neutrality to preserve its independence, sovereignty and territorial integrity. Burma is pursuing relations with Laos because of its common border and with Vietnam because it regards Vietnam as a growing influence in the region. Burmese-Thai relations are not cordial and Burma's

relations with the other members of ASEAN are only developing slowly. Relations with China have improved but the continued support by China for the Burmese Communist Party places their relationship on a tentative basis. Burma has diplomatic relations with both superpowers but no close ties with either.

Japan and West Germany provide significant economic assistance to Burma. Australia provides aid to Burma under the Colombo Plan in the form of equipment and places in Australian academic institutions to Burmese students.

### Thailand

The economy of Thailand is generally regarded as resilient but as with other economies it is subject to the influence of world inflation and the rising cost of oil and other raw materials. Thailand has taken measures to attract foreign capital and investment to stimulate the economy. Exports from Thailand are cereals, rubber and tin while imports are petroleum, machinery, basic metals and chemicals. Thailand's major trading partners are Japan, the U.S.A., West Germany and the Netherlands.

Australia's trade with Thailand is balanced in our favour but negotiations for a bilateral trade agreement are at a stalemate. Our principal exports to Thailand include machinery, foodstuffs, minerals, chemicals and motor vehicles. In return we import timber, textiles, gemstones and clothing. Australia has diplomatic relations with Thailand.

Thailand has in the 1970's revised its foreign policy in an effort to adjust to the changed circumstances in South East Asia. It is not a member of the non-aligned group of nations but its actions in recent years have in effect established a posture of non-alignment. United States forces have been withdrawn from Thailand, relations with China and Cambodia have been formalised and Thailand acknowledges that the Soviet Union's participation in South East Asian affairs is required for peace and order in the region. Thailand is also working to establish correct relations with Laos and Vietnam, but differences remain. Thailand has diplomatic relations with the United States and the Soviet Union and agrees in principle with the Zone of Peace proposal.

Domestic issues in Thailand in recent years have had an unsettling effect. The Government has not been stable, being harassed by dissident worker and student groups, and rivalries among the multiplicity of parties in the National Assembly. A series of elections have resulted in coalitions forming a government. In October 1976 Thailand returned to military rule, three years of parliamentary government having failed to solve internal strife. The military rulers are avowed anti-communists and this now casts doubts on future relations with Thailand's neighbours. The activities of communist insurgents are spreading disquiet and unrest in the country areas and involving government forces on an increasing scale. Insurgency activities may well be stepped up in response to Thailand's new military government.

## Indonesia

Indonesia is a nation rich in natural resources but beset by economic and social problems which have to date restrained its full development potential. Indonesia is an exporter of oil, timber, rubber, tin, palm oil and coffee but a downturn in demand for its exports and repayment of Pertamina's (the state owned oil corporation) short term overseas loans has severely drained foreign exchange reserves. The main markets for Indonesia's exports are Japan, the U.S.A. and Singapore. Major imports include raw materials, capital goods and consumer goods, from Japan, the U.S.A., West Germany and Singapore.

Indonesia ranks twelfth in Australia's major markets with wheat our main export. Motor vehicles, machinery, iron and steel and foodstuffs are other major items. Our main imports from Indonesia are tea, coffee, rubber and timber. Since the discovery of oil in Australia our imports of Indonesian oil have been minor but if Australian production remains static oil could again become an important import. Australia has full diplomatic and trade relations with Indonesia.

In comparison to a number of the littoral states of the Indian Ocean, Indonesia in the 1970's has enjoyed relatively stable external relations. Relations with the superpowers are established and Indonesia is a recipient of aid from both. Publicly Indonesia supports the Zone of Peace proposal. Indonesia has not moved to resume diplomatic relations with China, frozen since 1967. Again like Singapore, Indonesia is vitally interested



in the outcome of the Law of the Sea Conference in particular the rules governing passage through straits and archipelagos.

Australian-Indonesian relations are sound, although there have been differences of attitude, for example East Timor. There is a fundamental understanding for co-operation and good relations in the long term.

CHAPTER 2

STRATEGIC IMPORTANCE OF THE INDIAN OCEAN

## STRATEGIC IMPORTANCE OF THE INDIAN OCEAN

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 continued .....assuming 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's ....we 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 GNP<sup>1</sup>, 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

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#### 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.

CHAPTER 3

BACKGROUND TO SUPERPOWER NAVAL INVOLVEMENT

## BACKGROUND TO SUPERPOWER NAVAL INVOLVEMENT

### Soviet Union

Within the past twenty years the Soviet Union has begun to expand the role of its Navy, moving from a strictly defensive posture with a force reserved for wartime contingencies to a more flexible one that is useful in a variety of peacetime missions. To achieve this about face the Soviet Navy has had to undergo considerable change. A realistic assessment of the significance of the Soviet naval presence in the Indian Ocean is not possible without some regard for the position of the Soviet Navy in the military hierarchy, the Soviet doctrine of a unitary military strategy and the broad outlines of Soviet post-war naval construction programs.

The modern Soviet Navy is a product of the post-Stalin period. During World War II the Navy played only a minor part in the war effort, with operations limited to the support of small amphibious landings, harassment of Axis shipping in the Baltic and provision of final-stage escort for some Arctic Ocean convoys to Archangel and Murmansk. Under Stalin's post-war rule, founded on old-fashioned continental Great Russian assumptions, the Navy aged and remained a coastal defence force : ill-equipped, ill-prepared to act, ill-informed about its role and ill-led to execute it. /

The advent of Krushchev led to changes. In 1956, he launched the anti-Stalin campaign with his "Secret Speech" to the XXth Communist Party Congress; the same year Admiral Gorshkov was appointed Commander of the Navy. He remains in that position

today and represents a continuous and comparatively unchanging influence on modern Soviet naval doctrine. He is the only naval representative on the Supreme Military Council which is dominated by ten Army generals and two from the Airforce. Soviet defence policy as a result is predominantly the product of a land-oriented politico-military hierarchy. One consequence of the hierarchical structure of the Soviet armed forces - in which the Navy remains the junior service, overshadowed in order of seniority by the Strategic Missile Troops, the Ground Forces, the Air Defence Forces and the Airforces - has been the past relegation of the Navy to an inferior role in Soviet military policy. It is remarkable then that Gorshkov has been able to achieve an upgrading of the Navy's position in defence policy from its role as a coastal defence force to one rivalling the US Navy as the world's most modern and powerful fleet.

In his long years in office, Gorshkov has consistently favoured the establishment of a balanced fleet, balancing strategic nuclear capability with conventional seapower and balancing the underwater and surface elements, the latter also being able to support state interests in peacetime. His designs for the Navy were frequently in conflict with the sentiments of his military and political superiors. In the 1950's and early 1960's Krushchev still relied heavily on nuclear missiles, particularly ICBMs, as fundamental to his grand strategy. It was not until Brezhnev and Kosygin assumed leadership that a truly comprehensive global military strategy was formulated. A traumatic nuclear confrontation was seen to be only one of a number of possible superpower conflict situations - and not the most probable. The way became clear to assign genuine strategic tasks to conventional forces.

In a series of articles in 1972 entitled "Navies in War and Peace", Gorshkov illustrated the significance of seapower in Russian/Soviet history. The series was intended to:

"foster the development in our officers of a unity of views on the role of navies under various historical conditions".

It is clear from the style of the articles and the way the arguments are developed that Gorshkov was addressing a wider audience in which the Soviet political leadership and the higher defence community were the most important targets.

The Gorshkov papers develop a number of points which are of particular importance in the present context:

- He advocates the creation of a significant Soviet naval tradition, and in particular a tradition of forward deployment. Gorshkov uses historical examples to demonstrate that a strong navy has helped in the past bring vast territorial gains - and is today "the most powerful weapon of Russia's foreign policy".
- He bitterly attacks "Czarists and fools" for ignoring Russia's need for a powerful offensive fleet. Everytime "Russia failed to properly emphasise development of the Fleet and its maintenance at a level necessitated by modern-day demands, the country either lost battles in wars or its peacetime policy failed to achieve designated objectives".
- He dismisses past naval armaments limitation treaties as worthless and of benefit only to the dominant naval powers because they perpetuate their superiority. Contained in this is an element of warning to the political leadership, particularly Brezhnev, who in a Moscow speech in June 1971

suggested to the United States a policy of mutual restraint in distant oceans.

- Gorshkov's analysis of the German and Japanese navies in World War II criticizes their one-sided emphasis on a simplistic defensive strategy (Germany), or an offensive strategy (Japan) to the detriment of other aspects. The German U-boat campaign failed, he maintains, because Germany ignored the importance of a protective surface fleet to combat enemy anti-submarine warfare (ASW). Conversely, the Japanese failed because the offensive fleet virtually ignored ASW. He is thus stressing the necessity for a 'balanced' navy.

In the final article of the series Gorshkov details four missions for the Soviet Navy:

Strategic Offence The marriage of nuclear powered submarines to ballistic missiles places the Navy in the forefront in this task.

Strategic Defence The Navy must be capable of denying the use of the seas in areas where hostile submarines or attack carriers could launch weapons against the Soviet Union and its allies.

Support of Ground Operations Gorshkov is not specific on how the Navy would support ground operations though it is assumed he contemplates maintenance of the sea lines of communication and denial to the enemy of its maritime support.



Naval Presence The presence of Soviet naval vessels in the oceans of the world is an impressive factor deterring any attempts at sudden aggression against the Soviet Union and its allies. Gorshkov refers specifically to the growing importance of sea bed resources to future economic development and the role of the Navy in guaranteeing the Soviet Union its rightful access to these.

The restructuring of the Soviet Navy in the 'Gorshkov model', having regard for its expanded role, has necessitated a vast ship-building program. However, the scrapping of obsolete vessels which had been built during the construction surge of World War II and the immediate post-war period has in some cases overtaken the procurement of more modern replacements in the various classes of naval shipping. In 1945 the main strategic task of the Soviet Navy in a future war was the repulsion of sea-borne invasions and carrier air attacks by the navies of the major maritime powers. The procurement program placed heavy emphasis on destroyers, medium range submarines, and land-based aircraft, while the deployment pattern placed the heaviest naval concentrations in the Baltic and Black Seas, the coastal areas closest to Soviet vital centres.

With the re-evaluation of defence policy in the mid-1950's at the time of Gorshkov's appointment, the perceived danger of a seaborne invasion had been replaced by that of a surprise nuclear attack. The new threat could not be met by the existing fleet, which by now was excessive in numbers but deficient in capacity because of its reliance on guns, torpedoes and mines and its weak anti-aircraft protection. The prime

reliance was to be placed on long-range cruise missiles. In 1956, the cruiser-building program was abruptly terminated, medium submarine production was reduced and a program for destroyer and smaller unit construction was postponed. At this time nearly half of the Navy's large ship building slipways were handed over to civilian construction. By 1957, procurement plans called for nuclear attack submarines capable of engaging aircraft carriers well away from Soviet shores. The recently completed Kotlin and Skory class destroyers were withdrawn from service to be refitted with improved anti-aircraft weapons to enable them to operate effectively in waters outside the range of the land-based air cover.

As details of the US Polaris submarine-missile system, to be introduced in 1961, became available it was necessary to strengthen the Soviet Navy's anti-submarine capability in Arctic waters, to counter the possible deployment of US submarines in that area. In response to this threat, plans were made for the procurement of a number of ASW helicopter carriers of the Moskva class. Two were under construction when the extended range of the modified Polaris missile (which had more than doubled by 1964) rendered the carriers obsolete, well before the first was completed. To engage Polaris submarines, Soviet ships would therefore need to be deployed to distant waters without the support of land-based air cover and as such would be vulnerable to air attack. Plans were then laid down for the construction of the larger Kuril class carriers which, as well as having ASW helicopters would also carry vertical/short takeoff and landing (V/STOL) aircraft for their own air defence. Unless this class too is rendered inadequate, at least six are likely

TABLE V  
SOVIET SURFACE COMBATANTS, 1974 AND 1980

Type and class	Number of ships	
	1974	1980
<u>CARRIERS FOR V/STOL AIRCRAFT AND HELICOPTERS</u>		
Kiev	0	3
Moskva	2	2
<u>CRUISERS</u>		
Kara/Follow-on class	1	9
Kresta II	5	8
Kresta I	4	4
Kynda	4	4
Sverdlov	12	8
Chapaev	2	0
Kirov	1	0
<u>DESTROYERS</u>		
Krivak/Follow-on class	5	29
Kashin	19	19
Kanin	6	8
Krupny	1	0
Kotlin (SAM-equipped)	8	8
Kildin	2	2
Kotlin	18	18
Skory	20	0
Tallin	1	0
<u>FRIGATES</u>		
Grisha/Follow-on class	13	26
Kola	5	0
Riga	35	0
Mirka	25	25
Petya	43	43
<u>OTHER TYPES (DISPLACING AT LEAST 200 TONS)</u>		
Nanuchka	8	20
Osa/Follow-on class	120	120
Poti/Kronstadt/So-1/Stenka	215	185

Source : B.M. Blechman, The Control of Naval Armaments :  
Prospects and Possibilities, Brookings Institution,  
Washington D.C., 1975.

to be built. The first, the 'Kiev', was launched in 1975 and two more are currently under construction.

Estimates of the current Soviet naval strength vary considerably. From evidence the Committee has received, the Soviet Navy consists of 227 major surface combatants (frigate size and above), 325 submarines of which more than 130 are nuclear powered, 85 amphibious ships and 1700 other vessels which include support ships and coastal defence craft. The major combatants are made up of 3 ASW carriers, 34 cruisers, 88 destroyers and 102 frigates. The number of submarines currently in service is considerably smaller than the total of nearly 500 in the late 1950's, resulting from the progressive retirement of large numbers of diesel submarines built during that time.

As to future Soviet naval force levels, projections available suggest that the major surface combatant force in 1980 will be 216 ships, consisting of 5 carriers, 33 cruisers, 84 destroyers and 94 frigates. These projections are made on the basis that current trends in building and scrapping rates will be maintained. This represents a slight reduction in the number of ships compared with present figures, exhibiting the block obsolescence problem of the Soviet Navy stemming from the severe curtailment in the construction programs for surface vessels at the end of the 1950's in favour of submarine construction. The trend is likely to be maintained until at least 1985 when the size of the surface combatant fleet will have declined to 163 ships with the largest reduction being in frigates which will be approximately half their present number. The

TABLE VI  
SOVIET SUBMARINE FORCES, 1974 AND 1980

Type and class	Number of Submarines			
	1974		1980	
	Nuclear- powered	Diesel- powered	Nuclear- powered	Diesel- powered
<u>STRATEGIC</u>	45	22	62	12
Delta	3		28	
Yankee	33		34	
Hotel	9		0	
Gulf		18		12
Zulu		4		0
<u>NONSTRATEGIC</u>	74	178	120	76
Cruise missile				
Charley/Papa/Follow-on class	13		29	
Echo II	27		27	
Juliet		16		16
Whiskey (conversions)		9		0
Cruise missile, total	40	25	56	16
Attack				
Alpha/Victor/Follow-on class	19		42	
Echo I/Hotel	3		12	
November	13		10	
Foxtrot		56		50
Zulu		25		0
Whiskey		36		0
Romeo		12		0
Bravo		4		10
Quebec		20		0
Attack, total	35	153	64	60
TOTAL	120	200	182	88

Source : B.M. Blechman, The Control of Naval Armaments :  
Prospects and Possibilities, Brookings Institution,  
Washington D.C., 1975.

Note : NATO designators are used to describe the various  
classes of Soviet submarines rather than the  
Soviet nomenclature.

tables in this section are included to give an indication of the relative size of the US and Soviet fleets and their projected size in 1980.

The submarine force in 1980 will have approximately 270 boats, of which, more than 180 will be nuclear-powered. The undersea fleet will have 74 submarines equipped with strategic nuclear missiles, 72 non-strategic boats carrying cruise missiles and a further 104 attack submarines. Again, these figures reflect the reduction in naval craft from present levels as large numbers of diesel submarines are retired and replaced with fewer, though more formidable, modern vessels.

Since World War II, Soviet naval deployments have been in line with its desire to match the deployments of Western navies, particularly that of the United States. In 1961, President Kennedy introduced new defence programs which provided for sharp increases in the procurement of strategic weapons systems. Provision was also made for the deployment of the newer, longer-range, version of the Polaris missile to the Mediterranean (in 1963) and to the Pacific (in 1964). These developments accentuated the Soviet need for forward deployments to counter the increasing numbers of US nuclear weapon carriers at sea and the sea areas in which they would have to be sought. Hence the deployment of a permanent force to the Mediterranean (1964), the Indian Ocean (1968) and the Caribbean (1969), in addition to more intensive activity in areas where Soviet naval forces were already deployed, such as the Atlantic and Western Pacific.

Thus the Indian Ocean deployment is part of a process of forward deployment which began in a modest fashion in 1945, with the maintenance of submarine surveillance in the Arctic Ocean, and has been pushed further out as the ranges of adversary weapons systems have increased. In the case of the Indian Ocean, evidence of a US strategic submarine presence has not been reported and the deployment of aircraft carriers to the region is sporadic. But a reaction to it has consistently been justified by Soviet naval strategists because the period in which successively improved versions of the Polaris missile were being introduced was also the period of the agreement on the establishment of the communications station at North West Cape and the Anglo-American surveys of Aldabra and Diego Garcia as sites for the possible establishment of future naval facilities.

#### United States

The assumption of greater international commitments by the United States after World War II necessitated the projection of its military power well beyond the North American landmass. The Navy is an important element of this power projection. The superiority of the US Navy permitted the supply from continental America for "Truman doctrine" operations in Korea and the protection of Nationalist Chinese forces which had been established on Taiwan in 1949. The value of superior naval forces was also demonstrated in President Kennedy's blockade of Cuba in 1962 and more recently it was this seapower that permitted President Nixon to mine the approaches to Haiphong harbour during the closing stages of the Vietnam war.

The overall US position on seapower has changed little since 1945. Even though the involvement in Indochina tended to overshadow the Navy's continuing role, it is doubtful the huge effort mounted there in 1968-70 could have been maintained without control of the sea. Since the peak of its Vietnam war strength, the Army has been significantly reduced in size (1.6m in 1968 to 0.8m in 1976) and capability, the Airforce's size and share of budgetary allocations has also fallen steadily. In comparison, the Navy has emerged well ahead experiencing the smallest reduction in personnel and increasing its share of the defence budget. The relative importance of the Navy in long-range projection of force has actually increased despite the general rundown in the US forces.

The US Chief of Naval Operations has established the Navy's role and 'raison d'etre' to be four mission areas:

Strategic Deterrence To deter an all-out attack on the United States or its allies by ensuring a "second strike" capability. The Navy's Polaris/Poseidon/Trident strategic submarine forces are fundamental to this deterrence because of their high nuclear survival probability. These same forces have the ability also to respond to a limited strike by the Soviet Union or smaller nuclear power by rapid changes in targetting. The strategic force must also maintain a "balance of power" image to reassure third countries that the US is at least the equal of the USSR in strategic weapons capability.

Sea Control With present force-levels and technology, it is not possible to guarantee complete control of the sea at all times. The Sea Control mission is then to control particular sea areas for specific periods to ensure industrial supplies



and reinforce/resupply military forces abroad. Additionally, it is to provide wartime economic and military supplies to allies and provide safety for naval forces engaged in the Projection of Power Ashore role.

Projection of Power Ashore An important strategem of the US Navy, the mission describes the impact of naval forces on land forces, through amphibious assault, to establish a beachhead from which further air and land operations can be launched and supported. This mission also encompasses naval bombardment and the tactical projection of naval airforces against land targets or in support of land force operations.

Naval Presence The use of naval forces to achieve political objectives through demonstrations of naval power to deter actions inimical to the interests of the United States and its allies and to encourage actions that are in accord with those interests.

At its present strength, the US Navy consists of some 500 ships, of which approximately 300 are combatants, together displacing nearly 6 million tonnes. Its establishment presently includes 540,000 naval personnel and 200,000 marines. The aircraft carrier, the mainstay of the US fleet in providing a flexible deployment capability consistent with the projection-of-power-ashore mission, remains the principal element of the naval arsenal. There are 2 nuclear-powered carriers, each of about 80,000 tonnes and carrying 90-100 aircraft, and 11 smaller conventionally powered carriers, 3 of which are of World War II construction and soon to be retired. As well, there are 7 helicopter carriers of 17,500 tonnes for use in conjunction with amphibious operations. It is envisaged that the 1980's carrier

TABLE VII  
US AIRCRAFT CARRIER AND AMPHIBIOUS FORCES, 1974 AND 1980

Type of vessel and designation	Class	Number of ships	
		1974	1980
<u>Full-size aircraft carriers</u>			
CVN	Nimitz (nuclear-powered)	0	2
CVN	Enterprise (nuclear-powered)	1	1
CV	Forrestal and Kitty Hawk	8	8
CVA	Midway	3	1
CVA	Hancock	2	0
<u>Helicopter carriers</u>			
LHA	Tarawa	0	5
LPH	Iwo Jima	7	7
<u>Command ships</u>			
LCC	Blue Ridge	2	2
AGF	LaSalle	1	1
<u>Cargo ships</u>			
LKA	Charleston	5	5
LKA	Tulare	1	0
<u>Transports</u>			
LPA	Paul Revere	2	1
LPD	Austin	12	12
LPD	Raleigh	2	0
<u>Landing ships</u>			
LSD	Anchorage	5	5
LSD	Thomaston	8	0
LST	Newport	20	20

Source : B.M. Blechman, The Control of Naval Armaments :  
Prospects and Possibilities, Brookings Institution,  
Washington D.C., 1975.

TABLE VIII  
US SURFACE COMBATANTS, 1974 AND 1980

Type of vessel and designation	Class	Number of ships	
		1974	1980
<u>CRUISERS</u>			
CGN	Long Beach (nuclear-powered)	1	1
CA	Salem	1	0
CG	Albany	3	0
CGN	Virginia (nuclear-powered)	0	4
CGN	California (nuclear-powered)	1	2
CGN	Truxtun (nuclear-powered)	1	1
CGN	Bainbridge (nuclear-powered)	1	1
CG	Belknap	9	9
CG	Leahy	9	9
<u>DESTROYERS</u>			
DD	Spruance	0	30
DDG	Adams	23	23
DDG	Sherman	14	14
DDG	Decatur	4	4
DG	Farragut	8	10
DD	Mitscher	2	0
DD	Fram I and II	55	0
<u>FRIGATES</u>			
FFG	Guided missile frigate	0	24
FF	Knox	44	46
FFG	Brooke	6	6
FF	Garcia	10	10
FF	Bronstein	2	2
FF	Jones	2	0
<u>PATROL COMBATANTS</u>			
PG	Asheville and Tacoma	15	10
PHM	Pegasus	0	30
SES	Surface effect ship	0	3

Source : B.M. Blechman, The Control of Naval Armaments :  
Prospects and Possibilities, Brookings Institution,  
Washington D.C., 1975.

force will consist of 12 major vessels (4 nuclear-powered) and 12 helicopter carriers.

In the late-1960's, the Navy increased its procurement rate for surface combatants. Additions by 1980, some of which have already been completed, include 6 nuclear-powered cruisers, 30 destroyers, 24 guided-missile frigates and 30 missile-equipped hydrofoil patrol boats. Matched to the present rate of retirement for older vessels, these additions should slightly expand the surface combatant force to approximately 240 ships. Qualitatively, however, the force will be much improved. In 1980, the average age of surface combatants will be ten years compared with the present average of more than fourteen years. There will be nine nuclear-powered cruisers and ships equipped with surface-to-air missiles will increase by 60 percent; those with antisubmarine rocket systems by 25 percent; and with helicopter support facilities by 50 percent.

The 1980's will witness a major improvement in the US submarine fleet, though the numbers of boats will decline. In the interim the underwater force will become entirely nuclear-powered as the remaining diesel units are retired. The first two strategic submarines of the new Trident class are due to be commissioned in 1980, increasing the strategic fleet to 43 boats. Designed to supplement the existing Polaris/Poseidon boats, the new vessels displacing more than 18,000 tonnes - twice the size of their predecessors - will carry missiles with a reported range of 9,000 kilometres, significantly increasing the sea areas in which the boats may be deployed. Attack submarine numbers will remain at 71 though their composite capability will

TABLE IX  
US SUBMARINE FORCES, 1974 AND 1980

Type and class	Number of submarines	
	1974	1980
<u>STRATEGIC SUBMARINES</u>		
Trident	0	2
Lafayette	31	31
Ethan Allen	5	5
George Washington	5	5
Total strategic	41	43
<u>ATTACK SUBMARINES</u>		
Nuclear-powered		
Los Angeles	0	9
Sturgeon	34	37
Permit	13	13
Skipjack	5	5
Skate	4	4
Other	3	3
Total nuclear-powered attack	59	71
Diesel-powered		
Various classes	12	0
TOTAL	112	114

Source : B.M. Blechman, The Control of Naval Armaments :  
Prospects and Possibilities, Brookings Institution,  
Washington D.C., 1975.

improve considerably with the introduction of the Los Angeles and Sturgeon class boats which are primarily designed and equipped to counter other submarines.

### Comparisons

A comparison of the development of the Soviet and United States navies in the thirty years since World War II reveals some noteworthy differences in naval policies. US policy in regard to the role of its fleet has changed little and fairly consistent construction and scrapping rates have been maintained. The USSR on the other hand, has substantially altered the role of its fleet from that of a coastal defence force to the present one of a very formidable blue water fleet, in so doing the position of the Navy in overall Soviet military policy has been substantially enhanced. As a result of this, and changes in the leadership's appreciation of the role of the Navy, Soviet naval construction and retirement programs have vacillated considerably during the period.

Since 1958, the United States has lagged behind the Soviet Union in the number of ships commissioned, 377 against 722, while in terms of displacement the total tonnage delivered to the US Navy exceeded that to its Soviet counterpart by 26 percent (3.3 m tonnes to 2.6m tonnes). For the period 1969 to 1976, deliveries to the US Navy exceeded deliveries to the Soviet Navy by 12% in the number of ships and 72% in tonnage. Soviet nuclear ship deliveries for this period, however, exceeded deliveries to the US Navy by 54% in numbers and 90% in tonnage. Since 1958, both navies have built submarine forces to take

advantage of the revolution in undersea warfare conveyed by nuclear power technology. Both have married the ballistic nuclear missile to the nuclear-powered submarine to produce a strategic weapon system with a high degree of combat survival potential. The US applied nuclear power to its major surface combatants while the Soviet application to surface ships has been confined to ice-breakers. The Soviet Navy replaced large numbers of its conventionally powered submarines as the older vessels were retired, the US Navy did not. The US Navy did replace its amphibious force, acquired during World War II, with a modern higher speed force and continued to maintain a balanced fleet of aircraft carriers, cruisers, destroyers and support ships. The Soviet Navy has acquired a modest amphibious capability and modernised its cruiser/destroyer force.

A general examination of the two navies reveals that fleets of comparable size and capability are now maintained by the two superpowers. Dissimilarities that are apparent may be explained by differences in geography, national policy and alliance systems that dictate differing US and Soviet naval force structures and deployment patterns. The national strategy of the United States is a forward strategy, driven by the basic considerations of world geopolitics. The Soviet Union is entirely located within the Eurasian landmass and its principal allies, the nations of the Warsaw Pact, are contiguous to its western border. The most probable adversaries of the USSR are the NATO forces in Western Europe and the Chinese, both located on the Eurasian continent and on the flanks of the USSR. The Soviet Union can defend itself, support its allies, or strike

its most threatening adversaries without necessarily crossing a major body of water. In contrast, the United States is characterised by its insular position on the North American continent where there are no potential enemies on its borders. Two of the States, Alaska and Hawaii, are remote from the continental United States. In this situation, the support of its allies as well as defence against attacks on the United States itself must be overseas operations. Because of their geographical positions (all are maritime states), the United States and its allies depend fundamentally on the use of the seas for their commerce and trade in peacetime, and for their lines of communication in war. The USSR and its allies, a number of which are continental landlocked states, currently do not. Because of this basic asymmetry, the primary conventional missions of the two superpowers and their respective allies differ in several respects. The US places emphasis on sea control and the projection of power ashore through attack carriers and amphibious forces while Soviet naval policy stresses defence against US power projection efforts and interdiction of US and allied economic and military support shipping on the open seas, particularly through the deployment of ASW forces.



CHAPTER 4

NAVAL PRESENCES

## NAVAL PRESENCES

### Superpowers

It has not been the Committee's intention in this Report to make more than a passing reference to the concept of a naval "balance of power", measured in terms of ship days, weighted ship days, firepower or port visits of all naval forces in the region. In the context of superpower naval roles in the Indian Ocean, the relative strength of the naval forces present defies measurement due to differences in naval tasks, ship displacements, weapon systems, logistic support and conflict-survival potential. In a less than illuminating reference to the measurement of naval power balances, the Soviet Navy's Commander-in-Chief, Admiral Gorshkov has said:

"Today, the criterion of comparability of naval capabilities is the relative strength of their combat might calculated by the method of mathematical analysis, by solving a system of multicritical problems for various variants of the situation and different combinations of heterogeneous forces and means".

To reiterate what is said elsewhere in this Report, the Committee has favoured the term "matching presence"<sup>1</sup> as a fitting description of superpower naval involvement in the Indian Ocean.

Having considered the general strategic situation, the recent history of each superpower's naval development and doctrine, the competing political ambitions and interests, it is necessary to examine the aims and consequences of their naval activities in the region. Soviet naval activity in the area had

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1. See explanatory note on page viii.

its origins in oceanographic expeditions begun in 1955 and communications support for the space program with ships from the Black Sea fleet. After the Six Day war closed the Suez Canal in 1967, the Soviet Navy continued its research effort in the region. At about the same time, the decision had apparently been taken to maintain a low profile military presence, escalating as required when crises occurred. Reasons for the increased Soviet interest can be deduced from consideration of the overall roles assigned the Soviet and United States Navies by their respective Governments. The following factors appear to be the chief determinants of the Soviet Indian Ocean naval posture:

- Provide support for Soviet foreign policy objectives throughout the region and especially for diplomacy designed to reduce United States and Chinese influence while increasing the prestige of the Soviet Union;
- Counter the offensive capability of US naval vessels which may be deployed in the area, particularly missile-firing submarines;
- Ensure the security of Soviet sea lanes between its western and eastern ports;
- Provide training and testing of equipment in these waters and collect standard naval intelligence information;
- Research the fishing and seabed resource potential of the region and support the space program.

The emergence of the USSR from the position of a strong regional power to that of a global superpower carried with it an obvious impetus, if not actual requirement, for a more

comprehensive deployment of its military capability. Such conditions would appear to have prevailed in the decision to maintain a permanent presence in the Indian Ocean. The incentives for continued deployment appear to be twofold: firstly, the Soviet Union would wish to retain and consolidate gains made on the Indian subcontinent during the Bangladesh crisis, in which the Navy played some part. Secondly, the Navy would wish to discourage or at least be able to counter in a crisis situation, any possible future deployment of US strategic nuclear submarines (SSBNs). The northern Indian Ocean, particularly the Arabian Sea and Bay of Bengal, provide potential launching areas for Polaris/Poseidon submarine-launched ballistic missiles (SLBMs) - and as the Trident system is introduced virtually the entire Ocean will offer this potential. Though the presumption is considered reasonable, the threat remains hypothetical as there is no evidence of SSBNs having been deployed in the area. It has been suggested that Admiral Gorshkov used the threat of a US submarine presence in the Indian Ocean to justify initial Soviet deployments there, thus claiming larger naval budgets with which to enlarge the surface navy in order to reap the political benefits of a peacetime naval presence. This explanation is lent credence by the 1973 publication of the 'Gorshkov Papers' in which he refers at length to the diplomatic utility of naval power in peacetime.

A significant part of the evidence taken by the Committee gave precedence to the naval support of Soviet diplomatic initiatives as the reason for the increased naval presence. In line with apparent Soviet aims to extend its influence in Southern Asia, South East Asia, the Middle East and Africa, visits of naval vessels are used to exhibit the

military and industrial strength of the USSR. Such a role for the Navy in the Indian Ocean was not utilised until after the withdrawal of the Royal Navy from the region. Following the announcement in July 1967 of British intentions to withdraw all its forces east of Suez, a small 'flag showing' contingent of the Soviet Navy entered the Indian Ocean in March 1968 for a four month cruise. Comprising three combatants and two auxiliaries from the Pacific fleet at Vladivostok, the flotilla visited ports in India, Pakistan, Sri Lanka, Iran, Iraq, Somalia and the Yemens. Two further cruises of smaller scope were made later that year.

Since 1969, the Soviet Navy has maintained a permanent presence in the Ocean. In that year, ships from the Pacific and Black Sea fleets united for the first time to conduct joint manoeuvres in these waters and by the end of the year Soviet vessels had visited nearly twenty Indian Ocean ports. Since then the number of ships present has fluctuated considerably. At times of crisis, such as the Indo-Pakistan war of 1971, the Yom Kippur war in 1973 and the 1974 Kuwait-Iraq border dispute, up to thirty ships have been on station with half that number being combatants. From the figures available (Appendix A) and excluding space-research, oceanographic and hydrographic vessels, in June 1976 there were sixteen Soviet ships on station including six combatants. The typical deployment in recent years has consisted of a guided-missile destroyer, two destroyer escorts, attack submarine, two minesweepers, intelligence collector, tank landing ship and support vessels including three oilers, support ship and barracks ship.

Against the need to preserve the 1971 gains on the subcontinent and to deter the United States from taking up the SSBN option, must be set a number of factors which act as disincentives to any further Soviet buildup in the Indian Ocean. Not least among these is the law of diminishing returns. For a relatively small effort in the area since 1967, the USSR has been handsomely rewarded. The naval presence was of considerable encouragement to India in its confrontation with Pakistan. Despite the fact that the United States deployed a large force in moral support of Pakistan - with the tacit approval of China, the common foe of India and the USSR - the US history of comparative disinterest in the region relative to the Soviet history of activity meant that the belated US effort was much less credible. The outcome of the affair, a severe weakening of the US-Chinese position on the subcontinent as India and Bangladesh at that time 'tilted' toward the Soviet Union, was such that little more could have been achieved by the USSR short of actually entering the conflict. It would appear therefore that little could be gained by the Soviet Union from the maintenance of a more substantial force in the region.

Additionally, should war break out between the super-powers any realistic scenario for naval warfare would concede greater importance to the North Sea/Baltic, Mediterranean, Atlantic and Pacific operations than to operations in the Indian Ocean. For the Soviet Union and the United States with its NATO allies, the crucial theatre is likely to be the waters around Europe. Moreover, naval contingents of both sides would be the hostages of fortune in combat operations in the Indian Ocean, unable to escape from the area without risking certain detection and remote from sources of logistic support.

In efforts to improve the cost-effectiveness of its Indian Ocean flotilla and the ability to sustain a larger force for certain periods through increased logistic support, the Soviet Union has established a naval support facility at the Somali port of Berbera on the Gulf of Aden. There, despite claims to the contrary by both the Somali and Soviet Governments, aerial photographic reconnaissance and a US Congressional inspection team invited by Somalia has confirmed that the Soviet Union has constructed a substantial facility which includes:

- Port facilities with associated berthing, warehouses and workshops;
- Shore barracks and a barracks ship, together capable of accommodating 1550 personnel;
- Long range, high frequency naval communications stations;
- Fuel storage, approximately 170,000 barrels;
- Airfield with runway of 4800 metres, capable of handling any aircraft in the Soviet inventory;
- Storage and handling facilities for SSN-2 Styx and SSN-3 Shaddock naval missiles.  
(SSN-2 - maximum range 40 km;  
SSN-3 - range 840 km - capable of delivering both conventional and nuclear warheads).

Recently, an 8000 tonne dry-dock was moved to Berbera. Capable of slipping any ship in the present Indian Ocean contingent, the new dock obviates the necessity for ships to return to home ports for routine maintenance. The Soviet Union is also developing facilities at two other Somali ports. At Kismayu on the south coast near the Kenyan border, naval

facilities including a fuel storage dump nominally for the use of Somali patrol boats have been constructed, as have an airfield, radar station and missile storage bunkers. Ammunition, missile and fuel storage facilities have also been established at Mogadishu.

The reopening of the Suez Canal enhanced the strategic importance of Berbera due to its proximity to the eastern exit of the Canal route to the Indian Ocean through the Bab-el-Mandeb Straits. In this regard, Soviet use of the former British naval base at Aden combined with facilities it has established on the island of Socotra give the Soviet Navy a commanding position over the sea routes between the Indian Ocean and Red Sea. This is seen as an important consideration in view of the reduction of Soviet influence in the area of the Suez Canal rendered by the Egyptian abrogation of its treaty with the USSR in March 1976.

As has been noted previously, the Soviet Government has denied the existence of its facilities in Somalia, or elsewhere in the Indian Ocean. L.I. Brezhnev in his Report to the XXVth Congress of the Soviet Communist Party in February 1976 has said:

"Of late, pronouncements have been proliferating in many countries against any of the powers setting up military bases in the region of the Indian Ocean. We are in sympathy with these pronouncements. The Soviet Union has never had, and has no intention now, of building military bases in the Indian Ocean. And we call on the United States to take the same stand".



From the evidence available, it would appear that the Soviet naval presence is unlikely to increase significantly unless new factors emerge. At present, there does not seem to be grounds for any unusual deployment, as opposed to logistical improvements such as those in Somalia, the existing level of effort having been effective in recent years in discharging the naval functions mentioned above. Developments having the potential to induce an expansion above present levels would include a political upheaval in one of the littoral states or confrontation between the states; new weapons technology increasing the survivability of the Soviet Indian Ocean contingent; or initiatives on the part of the United States which are judged to be prejudicial to Soviet interests.

Further justification of the Soviet naval presence is contained in its desire to ensure the security of the sea lanes between its western and eastern ports. The Arctic route to Vladivostok is open only for three months of the year. The Indian Ocean provides the only practical warm water route. In normal circumstances the Soviet Far East's trade with the rest of the Soviet Union is overwhelmingly dependent on rail, and the sea routes are of almost negligible importance. Only about one half of one percent of the traffic goes by sea, and some of that uses the Arctic route. Most of the trade of the Soviet Far East is with Central Asia and West Siberia, not the European USSR. However, the proportion of this internal trade carried by sea is likely to increase as traffic pressure on the railway increases. The section of the Trans-Siberian line west-bound between Novosibirsk and Omsk is considered the most heavily worked railway anywhere in the world, carrying a gross load of 8,000 tonnes an hour 24 hours a day.

A major problem with the Trans-Siberian railway, from the Soviet viewpoint, is its extreme vulnerability to Chinese interdiction at any of a number of points close to the Sino-Soviet border. A relief line several hundred miles further north (the Baikal-Amur main line) is under construction, but far from completion at this stage. On completion it will reduce the vulnerability, not eliminate it. In the event of a Sino-Soviet conflict, which may be prolonged through a mutual reluctance to resort to nuclear weapons, the sea routes between the European and Far Eastern USSR could become vital. The alternative sea route through the Panama Canal suffers from both excessive length compared with the Suez route and the need to depend on United States' goodwill in the use of the Canal which might not be forthcoming in the event of a Sino-Soviet crisis.

The Soviet merchant marine has expanded significantly in the last twenty years and continues to carry an increasing proportion of the expanding Soviet seaborne trade. Since 1955, the fleet has more than quadrupled in size, totalling over 14 million gross registered tonnes in 1970 and is expected to reach 20 million gross tonnes by 1980. In 1968 about half of all Soviet imports and exports were carried by sea and of these half were shipped in Soviet vessels.

In the evidence, reference is also made to the affinity and co-operation amongst the Soviet merchant, fishing and naval fleets. Different to Western maritime practice and due to the Soviet system of state ownership and centralised control, naval personnel may be transferred to the merchant and fishing fleets for tours of duty. Fishing boats frequently have as a secondary, or even primary, task the collection of

intelligence information. The Soviet Navy also plays an important part in oceanographic and space research as well as in investigations of fishing and seabed resource potentials. The Soviet Government has stressed the importance of this research and is apparently eager to ensure that the USSR is well able to exploit the maritime and seabed resources of the world's oceans.

Currently, the fishing industry in the Indian Ocean is not very significant by world standards providing less than 4% of the world total catch though this proportion may increase as the fishing potential of the region is more fully exploited in the future. The Soviet fishing fleet has operated in the area since 1964 though its catch represents less than 1% of the Soviet total. It appears that the USSR is more concerned to develop local fishing industries by providing vessels and shore facilities for processing rather than fishing entirely to satisfy its own domestic needs. In 1970 the Soviet Union entered an agreement with Mauritius which provides up to fifteen Soviet trawlers a year with docking rights and for aircraft landing rights to facilitate crew transfers for the fishing fleet. Vessels operating in the Indian Ocean are presently drawn from the Vladivostok fleet, the distances involved justifying the use of local facilities for crew replacements and repairs.

Stemming from the fact that the western Indian Ocean north of Madagascar lies on the polar orbit which passes over the Soviet Union's space control centre at Plesetsk, satellite tracking and space research vessels have operated in the area during space missions. Soviet naval vessels have conducted intensive atmospheric and meteorological research throughout

the region. Among other things, oceanographic research ships have gathered information about subsurface currents, changes in water density and salinity and temperature gradients which is valuable in allowing submarines to use 'blind zones' where techniques of sonar location are rendered inaccurate and ineffective. Soviet naval intelligence vessels have also operated in the region for the apparent purposes of collecting information on maritime activities and monitoring diplomatic and military communications systems.

The United States permanent naval force stationed in the Indian Ocean is small by comparison with its Soviet counterpart. Since 1948, the US naval presence, designated Middle East Force (MIDEASTFOR), has consisted of three ships, a converted World War II seaplane tender as the command ship and two destroyer/frigates operating from Bahrain in the Persian Gulf under an agreement with the Government of Bahrain. The agreement provides the Bahrain Government with the option to terminate the lease of facilities by the United States at anytime by the issue of a year's notice. The option was exercised in October 1973 as an expression of opposition to US support for Israel during the Middle East war. The decision has since been postponed indefinitely, though future US tenure must be regarded as doubtful.

The United States has preferred to maintain the small MIDEASTFOR presence in the region and periodically demonstrate its naval power with a much larger force, particularly during local crises. The biggest US effort came during the 1971 Indo-Pakistan war when a carrier task force from the Pacific fleet demonstrated in the Bay of Bengal, remaining there until January

1972. Another task force entered the Indian Ocean during the Yom Kippur war in 1973. Since then there have been intermittent visits to the area by US naval forces, the most recent being a carrier task force in support of Kenya in its contention with Uganda following the former's supporting role in the Israeli raid on Entebbe airport.

To improve the cost-effectiveness and operational efficiency of its periodic naval deployments to the region, the United States has established naval communications stations at Asmara in Ethiopia and at North West Cape in Western Australia. It is also in the process of developing a naval support facility on the island of Diego Garcia in the Chagos Archipelago capable of accommodating a carrier task force. In support of this development, the former US Commander-in-Chief in the Pacific, Admiral Gayler has said:

"Our strategy.....is not to maintain a large force in the Indian Ocean at all, but occasionally - once in a while go in there with a sizeable naval force in order to demonstrate that the Indian Ocean is no one's lake. And here is where the tiny atoll of Diego Garcia comes in. It's right in the middle, and an ideal place for communications and for observation, potentially a fleet anchorage, a storage place for oil, a few spare parts and a runway to support heavy logistic and patrol aircraft - nothing more. It's a big convenience and a cost avoidance, and it makes sense but it can in no way be considered to be a major operating base".

In the late 1950's, the United States and Australian Governments began negotiations on the proposed North West Cape communications station. After agreement was reached, construction

began in 1963 and the station was opened in 1967. Jointly operated by Australian and United States personnel, the station's function is defence communication and its very low frequency transceiver can communicate with submerged submarines. The communications station at Asmara is soon to be phased out, having been overtaken by recent technological developments and the construction of more modern communications equipment at Diego Garcia.

In December 1966, the United States and British Governments agreed that Diego Garcia in the British Indian Ocean Territory should be available for the defence purposes of both nations for an initial period of fifty years. In 1971, the United States constructed a limited communications facility on the island designed to replace the Asmara station. After a slow passage through both houses of Congress, approval was granted for substantial extensions to the facilities on the island, construction of which is still in progress. It is intended that on completion, Diego Garcia will have the following facilities:

- Dredged anchorage to accommodate a carrier task force;
- Pier and 180 metres of berthing;
- Fuel oil storage, 320,000 barrels;
- Ammunition storage;
- Workshops and general warehousing;
- Long range, high frequency communications station;
- Living quarters for 600 personnel;
- 4000 metre runway;
- Aviation fuel storage, 380,000 barrels;
- Aircraft hangers and servicing areas.

Concern has been expressed in some quarters, particularly by the littoral states supporting the Zone of Peace concept and more recently at the Fifth Non-Aligned Conference held at Colombo in August 1976, regarding the US development of Diego Garcia. At the same time, no criticism has been voiced by those states of the Soviet naval facilities in Somalia.

Mention has previously been made of a possible SSBN Indian Ocean deployment option open to the United States. Since North West Cape with its ability to communicate with submerged submarines opened, a number of technological advances have been translated into US strategic weaponry of extended range and hitting power. Chief among the effects of these advances in the present context is the greatly increased area of the Indian Ocean from which SLBMs can be launched against targets in the Soviet Union. Presently under development is the Trident submarine and missile system, which if fully deployed, could launch against the USSR even from San Diego harbour in California. When this system is introduced, the US strategic submarine force will acquire greatly increased flexibility of deployment and the evidence suggests that worldwide deployment cannot be ruled out as dispersal of the force would make the Soviet antisubmarine task much more onerous. The enhanced capability of the US strategic submarines in the 1980's make the Indian Ocean, and any facilities for submarines located around it, potentially more important. Equally, however, the extended range of the Trident missile system may make these facilities less relevant as the areas of potential deployment are increased.

Also important are considerations of the more conventional strategic and diplomatic factors involved in the

United States' growing interest in the Indian Ocean. The US would view with concern any development towards Soviet naval dominance in the area, and would act to counterbalance any such trend. Further, there is likely to be continuing efforts to overcome the difficulties which arose for the US during the Indo-Pakistan war. It is clearly unacceptable to a superpower whose conventional means of power-projection is seapower to have no efficient means of doing so in the Indian Ocean.

On the part of the United States there is also a long recognised requirement, as evidenced by the existence of MIDEASTFOR, to maintain surveillance of developments in the Gulf. At present, there can be only small cause for concern in the area as the dominant regional power, and one that is establishing significant military forces, is pro-Western Iran. Nevertheless, the sensitivity of the oil question requires that the US show a greater interest in that corner of the Indian Ocean than it has had to do in the past. As well as seeking to keep the SSBN deployment option open, it would appear that the United States also wishes to keep a conventional intervention option open. In such a potentially volatile situation, to expect that MIDEASTFOR at its present force level or intermittent visits by larger forces would be enough to achieve these objectives is unrealistic. Consequently, an increased level of US activity as seen in the Diego Garcia project and indications of more frequent naval visits is not surprising.

Further justification of the US presence and particularly the development of Diego Garcia stems from concern expressed in the United States regarding a future conflict in the Middle East. During the 1973 war, the US used an airfield



in the Portuguese Azores as a staging point for transport aircraft in the airlift of supplies to Israel. At that time, and under threat of Arab oil embargoes, all European governments that were approached, with the exception of Portugal, refused the use of facilities for this purpose. However, recent changes of government in Portugal raise doubts as to future US use of the Azores in the event of another Middle East war. In these circumstances, Diego Garcia may be the only airfield from which the United States would be able to provide logistic support to Israel.

This Report has attempted to show that both superpowers have what appears to each adequate justification to protect their interests in the Indian Ocean. Due to the implications for the future security of the region, the consequences of these interests must now be considered. A major part of this consideration depends upon each superpower's perception and interpretation of the other's motives and intentions. In many United States and pro-US justifications for the development of Diego Garcia, there was an implicit assumption that the reopening of the Suez Canal would induce the Soviet Union to substantially increase its Indian Ocean force because of the reduced logistic burden afforded by the shorter distance from Soviet Black Sea ports. To date this assumption has not been supported by the event, and the recent abrogation by Egypt of its treaty with the Soviet Union may have implications for future Soviet use of the Canal. Accordingly, it was held necessary that the US should increase its own capabilities in the area consistent with the worldwide power balance thesis. Hence the Diego Garcia proposal, which would make it possible for larger US contingents to operate in the Ocean for longer

periods. A suggested justification for SSBN deployment to the Ocean is that the preservation of this course may dissuade the Soviet Union from making strategic force deployments to other areas which the United States would regard as directly threatening its own security.

Similar consequences apply to Soviet perceptions of US intentions. The announcement of the Diego Garcia project prompted response from the Soviet Government that the United States was intent on supremacy in the Indian Ocean. The Soviet argument was that though the USSR had not escalated its forces the US move would necessarily require immediate counter measures. There is evidence of Soviet concern that the US is intent on basing a submarine tender at Diego Garcia to service patrolling SSBNs. Moreover, the USSR will certainly perceive the need to hold gains made on the Indian subcontinent in 1971, just as the United States wishes to confirm its role in the area. This clash of interests has been aptly described in the report of the United Nations Ad Hoc Committee on the Indian Ocean, May 1974:

"The United States perceives that elements of its national interest are involved in the Indian Ocean area and, consequently, it feels justified in extending its base facilities in the area to defend those interests. On the other hand, the Indian Ocean area has security implications for the Soviet Union, as Soviet targets are within range of submarine ballistic missiles and carrier-borne aircraft launched from the Ocean".

The same Report speaks of a "potential arms race" between the superpowers in the area. However, factors limiting Soviet deployment levels have already been noted - particularly the low wartime survivability of Indian Ocean units - and

similar considerations apply to the United States. Unless the US perceived it necessary to mount a major military operation in the area, in circumstances such as threats to oil supplies, it is likely that it will be content to counter the Soviet presence. Reactions from many littoral states to current US moves have been so hostile that deploying forward more than the minimum force needed could work against, rather than for, US interests. For these reasons, if there is to be a so-called "arms race" it will be one with a comparatively low ceiling.

It would appear that though there are various incentives pushing both powers toward some form of Indian Ocean involvement, there are deterring factors noted above which should serve to restrict their capabilities in the region to moderate levels.

#### Other Nations

The navies of littoral states and other extra-regional powers also operate in the Indian Ocean, however, these are regarded as having little influence in the region other than in particular localised areas. A brief review of these navies follows:

United Kingdom - Since the cessation of the Beira patrol - in support of economic sanctions against Rhodesia - in June 1975 and the withdrawal of British Forces from Singapore, Britain does not maintain a permanent naval presence, although retains the British component of the communications facility at Diego Garcia and a survey ship operates in the Gulf. Responsibility for the former British base at Simonstown in South Africa was

passed to South Africa in 1955 under the Simonstown Agreement. In June 1975, Britain withdrew from the agreement which had given it continued access to the facilities at Simonstown. A Royal Navy task group including six combatants was deployed east of Suez in 1975 and operated in the Indian Ocean for several weeks.

France - The permanent French naval presence comprises a command-ship, a repair ship, 3 escort-frigates, 3 patrol vessels and 12 assorted landing vessels. This force is supplemented by groups of ships, normally two, on six-monthly deployments from France and currently includes 2 submarines. The French presence, whilst numerically the largest of the extra-regional states, is probably the least powerful of these, comprising as it does mainly minor surface combatants and auxiliaries.

South Africa - The combat strength of the South African Navy consists of 2 elderly British destroyers, 3 modern anti-submarine frigates, 3 older frigates and 3 new but small French submarines. Simonstown Naval Base is the main base for the South African Navy. Already capable of supporting a major naval force, the South African Government announced in 1975 a program of extensions to Simonstown which will treble the present size of the base and its facilities. The South African Defence Minister, Mr P.W. Botha, has said that South African naval facilities would be available to "every country in the free world which is willing to co-operate with South Africa". To date, none has made use of the facilities.

India - The Indian Navy has 90 vessels, mainly of British and Soviet origin. These include an aircraft carrier, 2 cruisers, 3 destroyers, 26 frigates, 8 submarines, 8 minesweepers and 25 patrol boats. Apart from the Royal Australian Navy, it is the only naval force in the region which has an aircraft carrier, although her carrier-borne aircraft are obsolescent. Although the Navy is primarily a defensive force, it has a modest offensive capability in its aircraft carrier and submarines. It is capable of conducting effective offensive operations, for a limited period, against any country in the northern Indian Ocean.

Pakistan - The Pakistani fleet comprises some 40 ageing ships which include 1 cruiser, 4 destroyers, 4 frigates, 3 submarines, 8 minesweepers and a number of patrol boats. The Navy is attempting to update its fleet but is having little success in acquiring the necessary funds.

Iran - The Imperial Iranian Navy has some 61 ships, all supplied from Western sources. Current strength includes 3 destroyers, 8 frigates, 25 patrol boats, 5 minesweepers and 14 recently acquired hovercraft. Iran has announced intentions to expand the Navy's area of operations to include the Arabian Sea, and has embarked on an ambitious equipment-purchase program for the Navy. However, the Iranian Navy is not expected to be a factor in naval competition in the Indian Ocean in the immediate future.

Saudi Arabia - The Saudi Navy is very small with only 3 fast patrol boats although 6 more are on order. Naval operations are confined mainly to coastal patrols in the Gulf.

Israel - The Israeli Navy has 78 vessels, including 5 submarines, 20 fast patrol boats equipped with surface-to-surface guided missiles, 10 landing craft and 43 smaller patrol boats. It deploys a number of guided missile patrol boats to the Red Sea.

Egypt - Egypt has more than 100 naval ships including 12 ex-Soviet submarines, 5 destroyers, 3 escorts, 13 missile-equipped fast patrol boats, 36 motor torpedo boats and has 3 hovercraft on order. It also deploys a number of destroyers, patrol boats and submarines to the Red Sea.

Iraq - The Iraqi Navy currently has 38 vessels; 3 submarine chasers, 8 modern Soviet-supplied fast patrol boats with Styx surface-to-surface missiles, 12 torpedo boats, 2 minesweepers and 3 patrol boats. The role of the Iraq Navy is restricted to coastal operations in the Gulf.

Indonesia - The Indonesian Navy has 108 ships including 3 submarines, 9 frigates, 20 coastal escorts, 9 Soviet missile-equipped fast patrol boats and 10 amphibious vessels. These vessels have been acquired from a variety of sources and many are approaching obsolescence. Indonesia has a limited capability for deployment into the Indian Ocean at any distance from its home waters.

Australia - The Royal Australian Navy has 40 ships including 4 submarines, 1 aircraft carrier, 6 destroyers, 6 frigates, 3 minesweepers and 12 patrol boats. The RAN has the capability to deploy to the Indian Ocean a naval task-group which could comprise an aircraft carrier, destroyers and frigates, submarines and supporting logistic units. Its capacity for Indian Ocean deployment will be enhanced by the development of the naval support facility at Cockburn Sound.

The naval forces of other countries in the region are relatively insignificant and generally comprise patrol boat forces for local operations only.

CHAPTER 5

MULTINATIONAL UNDERTAKINGS AND PROPOSALS  
INVOLVING THE REGION



## MULTINATIONAL UNDERTAKINGS AND PROPOSALS INVOLVING THE REGION

### Zone Of Peace

As far back as 1964, at the Cairo Non-Aligned Heads of State Conference Sri Lanka (then Ceylon) put forward the proposal that the Indian Ocean be declared a Zone of Peace. It was again mooted at the Lusaka Conference of Non-Aligned States in 1970 and at the 1971 Singapore Conference of Commonwealth Prime Ministers.

At the 1971 Session of the United Nations General Assembly Sri Lanka again put the proposal and the General Assembly resolved - ...."calling upon all States to consider and respect the Indian Ocean as a zone of peace from which great Power rivalries and competition as well as bases conceived in the context of such rivalries and competition should be excluded, and declaring that the area should also be free of nuclear weapons".

The United Nations General Assembly during its 1972 Session adopted a resolution establishing an Ad Hoc Committee on the Indian Ocean with 15 nations as members "..... to study the implications of the proposal, with special reference to the practical measures that may be taken in furtherance of the objectives of the resolution.....".

The 15 members of the Ad Hoc Committee are Australia, China, India, Indonesia, Iran, Iraq, Japan, Madagascar, Malaysia, Mauritius, Pakistan, Sri Lanka, Tanzania, Yemen Arab Republic and Zambia. In 1974 the Ad Hoc Committee was enlarged to 18 member nations with the inclusion of Bangladesh, Kenya and Somalia.

The Ad Hoc Committee under Sri Lanka's chairmanship met during 1973 and has reported to the General Assembly in subsequent years. In 1973 the General Assembly asked for "a factual statement of the great Powers' military presence in all its aspects, in the Indian Ocean, with special reference to their naval deployments, conceived in the context of great Power rivalry". The first report in 1974 was criticised by the superpowers and a number of littoral states over content and assessments, a subsequent revised report showing the sources of references was accepted later that year. The report requested that the littoral and hinterland states of the Indian Ocean enter into consultations to decide on the convening of a conference on the Indian Ocean, and invited the superpowers to co-operate with the Committee. At the 1975 Session of the General Assembly it was agreed that such a conference should be held but did not stipulate where, when or who the participants should be. Recently a circular letter from the Chairman of the Ad Hoc Committee on the continuation of consultations on the convening of the conference was replied to by Australia in the following terms:-

"The Australian Government welcomes the opportunity, which you have presented to continue consultations with other Indian Ocean littoral and hinterland states which last year's General Assembly requested in its Resolution 3468 (XXX).

These consultations to date have been marked by the wide recognition of the need to seek the co-operation of all groups of states with a legitimate interest in the region. The Australian Government believes that the shared objective of reduced tension and greater security within the region can only

be achieved if the agreement and co-operation of the Great Powers and major maritime users, as well as that of the littoral and hinterland states, is assured. We believe that it would be counterproductive and damaging to this objective to proceed with the convening of a conference on the Indian Ocean until a basis for such agreement had been firmly established through preliminary consultations. As yet, no such basis exists. We believe, however, that the Ad Hoc Committee on the Indian Ocean, in which Australia will continue to seek to play a constructive role, should continue to concentrate its endeavour towards defining and formulating realistic proposals that might constitute the basis of such agreement".

The United States and the Soviet Union have shown no inclination to enter into consultations with the Ad Hoc Committee.

It is evident that while the concept of a Zone of Peace is a fine ideal, in practical terms there are overriding considerations which will continue to inhibit the concept from becoming a reality. Evidence received by this Committee clearly indicates that few of the littoral states would wish to see the withdrawal of one or the other of the superpowers from the Indian Ocean, if one is there they feel the other should be present. At the same time no state has expressed a desire to see an escalation of superpower presence. An added point of concern to the littoral states, in the unlikely event of a joint superpower withdrawal from the Indian Ocean, is the vacuum that it would create. A number of the littoral states harbour suspicions that a regional escalation of military strength would

ensue with nations such as India and Iran competing to fill the vacuum and dominate the region.

The Committee has received evidence to suggest that while the Zone of Peace proposals demonstrate the assertions of the littoral states for a right to express their opinions on what happens in the region, there are no cohesive tangible plans to implement the concept.

The August 1976 Non-Aligned Summit Conference in Colombo again called for a Zone of Peace for the Indian Ocean but apart from that no firm plans for its implementation were put forward. Until there is agreement among the proponents of the concept it will in effect remain shelved, in fact the Committee in evidence has had put before it a contention that India's explosion of a nuclear device in 1974 has destroyed the Zone of Peace concept as a possibility among the littoral states at this stage.

It is not the Committee's intention to be critical of the attempts to establish the Indian Ocean as a Zone of Peace, but to point out the very complex issues that have a bearing on achieving the result. Australia as a member of the Ad Hoc Committee supports the principle and seeks to assist regional nations in presenting their views and in formulating proposals that, it is hoped, could alleviate the problems of security and clear doubts existing in the Indian Ocean region.

## Law of the Sea

The Third United Nations Conference on the Law of the Sea which concluded its Fourth and Fifth Sessions in 1976 vitally concerns not only the nations of the Indian Ocean littoral but has international ramifications. The need for a successful conclusion is paramount with its ambition being the establishment of a convention defining the orderly use of oceans.

The Third Session in 1975 produced a Single Negotiating Text, the revised form of which was the basis for negotiations in the 1976 Sessions. The Text makes provision for a 12 mile territorial sea, a further 188 mile economic zone and a continental shelf extending to the outer edge of the continental margin or 200 miles,<sup>(1)</sup> whichever is the greater. Effectively this gives coastal states and islands:-

- (a) sovereignty over the territorial sea, subject to the right of innocent passage;
- (b) the exclusive right to exploit the non-living resources of the continental shelf subject to the possible sharing of certain of the revenues;
- (c) the exclusive right to fish in the economic zone subject to an obligation to allow other states access to the surplus of the allowable catch;
- (d) some control over scientific research conducted in the economic zone;

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(1) The Negotiating Text describes distances in nautical miles.

- (e) responsibility to protect and preserve the marine environment in the economic zone.

Although the Fifth Session made some progress in negotiations a basis for the convention was not concluded and the recommendation is to hold a further session in 1977. The convention will greatly increase the rights and responsibilities of coastal states and the whole international community will be able to participate in the exploitation of ocean resources beyond national jurisdiction through the proposed International Seabed Authority. However, basic differences remain between developing and developed countries over the powers of the Authority.

Another area of vital concern is the rights of passage for ships and craft through straits and archipelagos. This issue is of particular significance to the relevant areas of the Indian Ocean and their importance as the most convenient points of entry and exit for shipping. Major maritime states support the concept of free transit passage for ships and aircraft passing through and over straits used for international navigation. The states bordering the straits call for certain restrictions including the requirement for submarines to pass through straits on the surface.

The complexity and multiplicity of issues involved along with diverging views from participating states have not allowed the 1976 Sessions of the Conference to make the progress that was anticipated. The longer the Conference takes the less likelihood there is of negotiating a convention. If the Law of

the Sea Conference is unsuccessful in reaching final agreement there is a very real danger that participating states will take unilateral action and extend their own zones of sovereignty in the waters off their coasts. There is already a growing tendency among some nations to declare a 200 mile economic zone, Iceland and Mexico having already enforced a 200 mile fisheries declaration. The United States will have a 'fishery conservation zone' of 200 miles coming into force by March 1977 and it is reported that India, Norway, France, Canada and South Pacific nations have plans for extending their interests to a 200 mile zone. Where fisheries are concerned it appears that the sovereign states are prepared to negotiate with other states wanting to fish within such zones.

Australia is hoping for a successful outcome to the Law of the Sea Conference, if this does not eventuate it may be necessary to act unilaterally but in consultation with neighbouring nations. It may be that the trend towards unilateral action could act as an incentive for participating nations at the Conference to expedite their efforts to reach an acceptable result.

### Antarctica

The Indian Ocean is bounded in the south by Antarctica. The continent is geographically remote from the remainder of the Indian Ocean littoral. An objective of the Antarctic Treaty of 1961 was to ensure that Antarctica did not become the scene or object of international discord. The Consultative Parties to that Treaty include both the US and the USSR, all the claimants of territory in Antarctica and a number of other countries such as

Japan. Under the Treaty the continent is to be used for peaceful purposes only and all measures of a military nature and the testing of all types of weapons is prohibited. The Treaty also provides a framework for co-operation in scientific research among the twelve Consultative Parties. Another provision in the Treaty is for "freezing" claims to national sovereignty over territory in Antarctica. These provisions have worked to isolate the continent from national rivalries which prevail elsewhere. However, the interest which has been shown in recent years in the possibility of exploiting the living and non-living resources of the continent suggests that Antarctica may not always remain remote from international politics.

Australia's main interest in the Antarctic revolves around its claim to the Australian Antarctic Territory which covers almost half of the continent. The Territory has been administered by Australia since 1936. Australia has established a number of permanent bases in the Territory from which it conducts exploration activity and pursues a scientific program.

#### ASEAN and ZOPFAN

The Association of South East Asian Nations (ASEAN) in 1971 signed a declaration calling for a Zone of Peace, Freedom and Neutrality (ZOPFAN) in South East Asia. ASEAN and the ZOPFAN concept refer to South East Asia and therefore geographically have connotations for the Indian Ocean region.

Australia has close ties with ASEAN countries and regards the association as a significant contributor to regional development and stability. We have provided financial assistance to foster economic co-operation between ASEAN as an entity and



Australia. The underlying principles of ASEAN and the ZOPFAN concept are the same, peaceful development, regional harmony and stability, and while Australia agrees with these aims the concept in itself is not sufficient to guarantee stability and the evolution of a region where external powers will restrain their involvement. In August 1976 at the Fifth Non-Aligned Nations summit conference Laos and Vietnam spoke against ASEAN and when calling for peace in the region omitted any reference to ZOPFAN. That rejection of ASEAN by Laos and Vietnam indicates that an improvement of relations between these countries may take time or would be more feasible and acceptable to those communist countries on a bilateral basis. A further example of the uncertainties affecting the stability in South East Asia and the differing concepts that prevail for a zone of peace.

As far as Australia's role with ASEAN is concerned the Committee supports our efforts at strengthening relations, but on a more cautious note, cannot see that at this time it would be wise for ASEAN to identify too strongly its affinity with Australia while trying to improve its relations with the newly established communist regimes in Vietnam, Laos and Cambodia. We are too well known as an established member of the Western alliance.

CHAPTER 6

INVOLVEMENT OF NON-REGIONAL POWERS

## INVOLVEMENT OF NON-REGIONAL POWERS

The naval presence of the superpowers in the Indian Ocean and their influence in the region invariably captures the limelight in commentaries on the subject. There are, however, other nations which are not located on the Ocean's littoral but which have a significant role in the affairs of the region and manifest their presence in a variety of ways. Nations such as Japan, China, France and other European nations spread their influence in the littoral in pursuit of political and economic aims but their efforts do not attract the publicity or notoriety that is attributed to the actions of the superpowers. Yet in contrast the Indian Ocean region is for some of these countries far more vital economically and politically than it is for the superpowers. An examination of the issues prevailing in the region is not complete without reference to the activities of these non-regional nations.

### Japan

A major economic power which has vital interests in the security of the Indian Ocean region and in maintaining good relations with the nations therein. Japan obtains 85% of its oil and some 70% of its iron ore from the Indian Ocean littoral as well as having markets there for its manufactures. The security of shipping in the Indian Ocean is critical to Japan as is access through the narrow Malacca Straits and the straits of the Indonesian archipelago, to enable oil tankers to travel the most direct route to Japan. A graphic demonstration of Japan's

vulnerability in the event of a cut off in oil supplies was evidenced by its economic downturn during the 1973 oil crisis. Japan therefore maintains very active economic and diplomatic policies throughout the littoral.

Militarily, confined to a Self Defence Force, Japan looks to the United States for assurance but pressures within Japan and the shift of United States policy, as witnessed by the 'Guam or Nixon' doctrine, may require it to take a more self reliant defence posture in the near future. Japan is also not able to remain aloof or detached from Sino-Soviet rivalry and its military alignment and economic ties with the United States affects its relations with the other two.

The Soviet Union's relations with Japan have been in many ways stalemated since the end of World War II. The two nations have not been able to conclude a formal peace treaty with unsolved matters such as the return to Japan of the southern Kurile Islands, fishing rights in the waters separating the two countries and other contentious issues. On the other hand the Soviet Union recognises Japan's wealth and technological prowess and would like to use these to exploit Siberia's natural resources even to the extent of permitting joint Japanese-American participation. Japan in turn would benefit from such ventures but with the peace treaty issues outstanding and some financial and practical problems hindering the projects it seems unlikely that a quick solution is available.

Japan also has an unsigned peace treaty with China and negotiations in 1975 and this year have failed to overcome Japanese objections to certain wording in the treaty.

It has been reported that increased Soviet naval and air activity around Japan have been interpreted by China as attempts to dissuade the Japanese from accepting the anti-hegemony (anti-Soviet) clauses in the Sino-Japanese peace treaty. Whatever the short term hinderances to growing economic ties with China and the Soviet Union, Japan's need for natural resources will lead to increasing ties with both, especially if uncertainties of supply such as the 1973 oil crisis set a precedent. Japan being deficient in many natural resources needs to develop as many market options as become available on reasonable terms. Japanese economic interest throughout the Indian Ocean littoral is widespread and penetrating and as a consequence involves it inextricably in the issues affecting the region. It is too early to predict whether nations rich in natural resources will attempt to form cartels along the same lines as the oil producing nations have, or with the same amount of success. However, there are possibilities for such moves.

### China

In October 1971 China became a member of the United Nations and in the years since has increased its

global standing and has formalised or developed numerous government to government relations. Considerable steps towards improving relations with the United States have been a feature of China's foreign policy in the 1970s as have diplomatic relations with Australia and a number of South East Asian countries. Rapprochement with India and Bangladesh and the replacement of the arch rival the Soviet Union in Egypt are other foreign policy gains by China recently. The Soviet Union remains in Chinese eyes the main threat to its security but apart from some clashes on their common border the struggle between the two is for influence, primarily in the Third World and also in Japan and Europe. China has denounced both the United States and the Soviet Union as competitors for world hegemony and for practising economic imperialism.

The Committee has heard evidence that China does not see the Indian Ocean as the primary area of confrontation between the Soviet Union and the West. China believes that Europe is the potential flashpoint and that the Indian Ocean is only an attendant area of struggle. Europe with its concentration of forces and security systems is believed by the Chinese to be the main source of eventual conflict.

To China the Indian Ocean region is also an area of contradictions caused by superpower rivalry, local Third World nations vying for hegemony in the region and the class struggles within the littoral nations where bourgeoisie leaders need to be replaced by the dictatorship of the proletariat. It is towards this class war, to bring about the dictatorship of the proletariat, that China is

seeking to promote in the Third World countries through aid and assistance but without a military presence. The Chinese line in the littoral is at present essentially anti-Soviet. China actively promotes the growth of groups that will deny raw materials to the two superpowers with the long term goal of bringing about the collapse of their systems of government. In the Indian Ocean region, China sees the oil rich States of the Middle East as the most contentious area of future conflict between industrial powers, with other raw material exporting countries to follow.

Until recently the Chinese Government was not critical of the US naval presence in the Indian Ocean, nor of other nations such as Australia supporting that presence, accepting that as a counter to possible Soviet domination of the Ocean. In August 1976, in time for the Colombo meeting of Non-Aligned Nations the editorial in the Peking People's Daily, the official newspaper, called for the expulsion of both Soviet and US navies from the Indian Ocean and for the establishment of the Zone of Peace. This change of attitude to the US presence is new and probably designed for the conference, however it remains to be seen if it will be reiterated.

The death of Mao Tse-tung has raised issues that have been the subject of conjecture for some time. It is only when these are resolved that we will have some indication what internal changes and foreign policy changes may be expected from China. Recent reports indicate that there have been internal changes in the government hierarchy with the "moderate" elements suppressing the "radical".

## France

France is the only other non-littoral nation that maintains a permanent naval force in the Indian Ocean.

The Indian Ocean is strategically important to France in particular the sea lanes via the Cape which are used to carry oil supplies to France. Approximately 80% of French oil supplies come from the Gulf States, mostly passing through the Mozambique Channel and around the Cape but using the Suez Canal as well.

Apart from Re-union Island France has facilities on Fromelin and Kerguelen Islands and the strategically located Territory of Afars and Issas on the Gulf of Aden. The island of Mayotte also elected to remain French after the other Comoro Islands became independent. The Territory of Afars and Issas is due to become independent late 1976 or early 1977 and is at present of concern to France because of the frictions that exist between the Somalian backed Issas and the Ethiopian backed Afars. The strategic location of the territory makes it important to both factions and vital to Ethiopia as the only rail link it has to the sea. After independence France is agreeable to leaving a military task force in the territory to ensure that some degree of peace can be maintained.

France has expressed some concern over the stability of the Indian Ocean region and possible future unrest in the area, sufficient to warrant the stationing of a permanent naval fleet in the area with the main



interest directed towards the Gulf and the sea lanes from there to Europe. The French Indian Ocean fleet has a good working relationship with the US navy and is watchful of Soviet naval activities.

### The United Kingdom

The United Kingdom no longer maintains a permanent naval presence in the Indian Ocean. Economically the region is still of vital importance to the United Kingdom, being the source of some 40% of its oil supplies and an important supplier of non-ferrous metal imports. There is no stated British intention of resuming a naval presence in the Indian Ocean but concern has been shown over the stability of the region and a watchful attitude is maintained. The United Kingdom is a member of the Five Power Defence Arrangement to protect Singapore and Malaysia but unlike Australia and New Zealand it maintains no military forces in the area.

CHAPTER 7

AID AND ASSISTANCE TO THE INDIAN OCEAN REGION

## AID AND ASSISTANCE TO THE INDIAN OCEAN REGION

The Indian Ocean region is characterised by the number of littoral states which have underdeveloped economies and great disparities in both national and personal incomes. There are nations such as Australia and South Africa which have developed economies and others such as the oil rich Middle East States but generally the bulk of the region's littoral is composed of aid and development assistance recipient nations. The aid and assistance donors are, apart from Australia and the OPEC nations, from without the region.

### Australia

Australia has an ambition of achieving an allocation of 0.7% of its Gross National Product for disbursement as overseas development assistance. The Organisation for Economic Co-operation and Development set this target for its member countries and their figure at present is approximated at 0.36%. Australia, as pointed out by the Minister for Foreign Affairs in September 1976, is giving approximately 0.5% of the GNP in overseas aid. The Minister stated that Australia is reviewing its aid programs which are tied to internal economic factors and subject to the growth of the economy.

Australian aid is given on a bilateral and multilateral basis. The main avenue for bilateral aid to South and South East Asia is the Colombo Plan and for East African Commonwealth countries it is the Special Commonwealth African Assistance Plan. Some multilateral aid to the South Asian and South East Asian

countries in the Indian Ocean region is directed through Australia's membership of the Asian Development Bank, a contribution of \$A30 million over three years. In addition Australia committed \$A5 million to ASEAN supported economic development projects. Australia also contributes to other regional agencies such as the Economic and Social Commission for Asia and the Pacific (ESCAP) and the South East Asian Ministers for Education Organisation (SEAMEO).

As a contributing member to other international organisations and programs Australia's aid is applied to the Indian Ocean region, indirectly. Within the United Nations Australia contributes to its major organisations such as UNDP, UNICEF and UNHCR which have assistance programs in the region. Other Australian contributions go to the World Food Program, the FAO International Fertiliser Supply Scheme, the International Labor Organisation and the World Bank Group comprising of the International Bank for Reconstruction and Development, the International Development Association and the International Finance Corporation. For the 1976-77 period Australia has allocated \$A61.3 million for multilateral aid, 15% of total overseas development aid and a 37% increase over the 1975-76 multilateral expenditure. The net allocation for Australia's official overseas development assistance in 1976-77 is \$A398,504,000.

Bilateral aid continues to be the cornerstone of Australia's aid program. Excluding Papua and New Guinea it is estimated that the 1976-77 bilateral aid expenditure will be \$A110.87 million with Indonesia as the principal recipient of Australian aid. The Australian Government in April 1976 pledged

a total of \$86 million in aid to Indonesia over a period of three years to June 1979. South East Asia continues to receive the bulk of the remainder of Australia's bilateral aid along with South Asia and a number of developing African countries. Aid is given in the form of food aid, bilateral projects, technical assistance and training for students in home countries and Australian training institutions. A breakdown of bilateral Australian aid to the Indian Ocean region for the period 1972-73 - 1974-75 appears in Appendix B. The number of Australian sponsored overseas students and trainees in Australia in 1974-75 from the Indian Ocean littoral is shown in Appendix C.

Historically Australian aid to the Indian Ocean region has been concentrated on South East Asia and South Asia with minor contributions to East African littoral states. Australia's proximity to our immediate north and the desire to see this area stable and developing should not preclude aid initiatives by Australia in other areas of the littoral over and above the token amounts that are presently made available. There exist on the East African coastline and in the Indian Ocean newly independent nations in need of development assistance and prepared to accept it from any quarter. Australia should, in its own interests and in the interests of regional stability, play a more active role in developing not only aid but better and less restrictive trade relations with these nations. It has become evident that it is not the amount of aid that can have the most significant impact on relations between donor and recipient countries but rather the type of aid and how it is applied. The Committee has heard evidence of the success of

modest Australian technical assistance given to meet a specific need or to complement an on-going project. This has resulted in more mutual benefit than straight out cash grants or gifts of goods and equipment given for no pre-determined reason or for an ill conceived purpose. Aid in the form of grants is not always the most effective and may never be used for what it was intended, often aid in the form of long term soft interest loans can be more effective if the undertaking for which the loan is intended has been appraised and on-going assistance is maintained on a consultative basis.

It has become obvious that the scale of aid is not necessarily the most important factor and where multilateral aid is somewhat impersonal, bilateral aid even on a modest scale can have immediate and tangible benefits and be well received.

The Committee has heard from representatives of recipient countries very appreciative reports on the effectiveness of small scale projects at the village or job site level where assistance and training are combined, catering for an existing need. Wherever possible Australian aid should seek to provide assistance in the fields where we have the expertise e.g. technical training, agriculture and animal husbandry, and we should also have the flexibility to redirect our type of aid if priorities alter in recipient countries. Australia can continue to broaden its aid potential through trade aid, namely by keeping under review tariff levels and restrictive quotas which may stifle trade with underdeveloped countries. While this trade may not be significant by Australian standards it can be of considerable benefit to less developed countries and the returns

to Australia more worthwhile than the monetary concessions we would make. Australia's overseas aid initiatives will make their most effective contribution by assisting the promotion of sound technology and expertise appropriate to needs in less developed countries, in so doing we help these countries in their progression to balanced and viable economies. The resulting benefits will lead to greater stability around the littoral and strengthen the prospects towards long term peaceful development.

#### United States

The United States Agency for International Development (AID) is responsible for the distribution of most US aid to the Indian Ocean region. The region in 1974 received approximately 17% of the total US bilateral official development assistance amounting to \$US486.72 million. South Asia accounted for about 70% of this aid with Bangladesh receiving 27%, India 21% and Pakistan 21%. East Africa and South East Asia received 14% each. Aid in grant form amounted to 40% and loans 60% and the loans contained a grant element of 68% giving a total grant component of 88% for US official development assistance in the Indian Ocean region.

US aid is directed into "development assistance programs" conducted by AID and PL 480 food aid (Public Law No. 480, the Agricultural Trade, Development and Assistance Act 1954). The AID programs give priority to food production and nutrition, population planning and health, education and human resources. The PL 480 food aid is used to make foodstuffs available to food deficit countries through a system of sales and donations. The program is directed towards needy countries although recent balance of payments support has gone to developing countries. When relations deteriorated between the US and India in 1975 aid was limited to the PL 480 form.

In the Indian Ocean region the major recipient of US aid in recent years has been Bangladesh, followed by Pakistan and India. In Eastern Africa it has been Ethiopia, Kenya and Tanzania. Indonesia has been the recipient of the most US aid in South East Asia, although the amounts have declined since Indonesia's oil sales earnings increased.

### Japan

Japanese bilateral official development assistance to the Indian Ocean region in 1974 amounted to \$US889.24 million or 54% of its total bilateral aid. It is significant that aid to Indonesia increased and was directed in loan form for petroleum related activities. Japanese bilateral aid is mainly in loan form with an overall grant element of 58% in the region. In 1974 South East Asia was the recipient of 75% of Japan's aid to the region with Indonesia receiving 44% of that allocation, yet in 1973 South East Asia received less than half of Japan's bilateral aid. It may be expected that with the experience of the



1973 oil crisis Japanese aid could be directed increasingly to the Middle East and the East African littoral states.

By 1974 project assistance accounted for 80% of total Japanese bilateral aid and most of that was used for the development of public works, mining, industry and construction. The major recipients of Japanese aid in the South East Asian littoral of the Indian Ocean are Indonesia, Thailand and Malaysia. In South Asia, India, Bangladesh and Pakistan. In the East African littoral states Ethiopia, Tanzania and Kenya but East Africa's allocation in 1974 amounted to less than 2% of the regional total.

### Soviet Union

The Soviet Union's aid program is almost entirely bilateral and is predominantly composed of long term soft loans bearing around 2.5% interest. Trade credits are another form of assistance. While grants are not a significant feature of aid to non-communist countries, they make up a substantial amount of the aid given to communist countries. Soviet aid concentrates on industry, energy and transport with technical assistance provided for capital projects. Grants are for relief aid, education and medicine. The aid is tied to procurement and expert services from the Soviet Union. Loan agreements do not stipulate a grace period which depends not on the commitment date, but on the actual disbursement of funds.

In the Indian Ocean region India and Bangladesh have been the largest recipients of net disbursements of aid in the period 1972-74 receiving \$US184 million and \$US65 million

respectively. However in 1973 it is of interest to note that net disbursements of aid by the Soviet Union for the Indian Ocean region in 1973 amounted to -\$US37.1 million showing that recipients repayed a greater amount in principal and interest than was disbursed, yet the commitment for the same year was \$US600 million, exclusively to India and Pakistan. After a period of relative inactivity in South East Asia as an aid donor, the Soviet Union has agreed to aid Indonesia with the development of power plants and a bauxite project amounting to \$US100 million and \$US300 million respectively.

### China

Chinese bilateral aid differs from that of the Soviet Union in that it is almost exclusively in the form of grants and interest free long term loans. Where 90% of the Soviet Union's aid is tied to projects only around half of Chinese aid to non-communist countries is tied to project assistance. This proportion increases to two thirds if commodity assistance which is used to finance local project costs, is included. The remaining proportion of Chinese aid is used for budget support, relief assistance and for covering trade deficits with China.

In African countries typical Chinese aid projects are pilot farms and small-scale light industrial plants, although in Tanzania the Chinese built Tanzam railway is one of the major construction projects in Africa. The Chinese use large numbers of Chinese workers on their projects as well as local workers all existing under the same living conditions and using little modern technology. In Asian countries Chinese aid projects tend

to concentrate on road construction and the building of power stations. In 1973 total Chinese net disbursements of aid to the Indian Ocean region amounted to \$US107.2 million with South Asia receiving \$US46.5 million and East Africa \$US60.7 million. In 1975 Pakistan was the principal recipient of Chinese loans and grants, receiving \$US45.0 million. Somalia received \$US30.0 million and Tanzania \$US35.0 million. Allocations of \$US5.0 million or less were received by Burma, Sri Lanka and the People's Democratic Republic of the Yemen.

In general Chinese bilateral aid has decreased since 1973 and especially notable is the reduction of aid to Vietnam which since 1970 had consistently been the highest recipient. The completion of the Tanzam railway will probably mean a reduction of aid to that country. The total amount of Chinese aid has reduced from \$US426 million in 1974 to \$US379 million in 1975 and could serve as an indicator to an overall slowing down of the Chinese aid program.

### East European

Aid from East European countries follows a similar disbursement pattern to Soviet aid, it is almost entirely bilateral and directed to industrial and energy development projects. Both tend to give assistance to establishing export oriented undertakings especially where the production is for export to the donor countries. Aid to the least developed nations is concentrated on upgrading human resources and infrastructure with emphasis on agriculture and communications. East European aid is also tied to procurement and expert services from the donor countries.

In 1973 East European bilateral aid commitments to the Indian Ocean region totalled \$US185 million with India and Bangladesh the main recipients. In that same year net disbursements to the region amounted to \$US19.3 million, mainly to Bangladesh while East Africa received \$US0.9 million.

#### Canada

Canada has a bilateral aid program which concentrates on giving assistance throughout the entire developing world and the Indian Ocean littoral nations thereby receive approximately 63% of Canada's total bilateral contributions. Distribution is determined by need, consequently South Asian nations are large recipients. There is an above average concentration on agricultural development with Canadian aid programs.

#### West Germany

German aid programs are directed towards industrial development. The Indian Ocean region receives approximately one third of Germany's bilateral aid disbursements, directed mainly to South Asia and Indonesia.

#### United Kingdom

In contrast to the Canadian aid program the U.K. concentrates on giving assistance to Commonwealth countries and those in the Indian Ocean region receive around one half of the total U.K. bilateral aid commitment. India is the main recipient followed by Pakistan, Bangladesh, South East Asian countries, Kenya, the Seychelles and Mauritius.

## France

French aid is directed to assisting former colonies and the Indian Ocean region receives less than 10% of its total bilateral aid. Most former French colonies are situated on the West African coast.

## Scandinavia

The Indian Ocean region receives approximately one half of total aid contributions from Scandinavian countries. Their aid programs in the region concentrate on India, Bangladesh and Tanzania, little is directed to South East Asia. The aid emphasis is on social welfare and agriculture.

## Netherlands

The Netherlands directs one half of its bilateral aid to the Indian Ocean region. Indonesia with its former colonial ties is the main recipient, others are India, Pakistan and Bangladesh.

## Italy

Italian aid to the Indian Ocean region is balanced by the recipients repaying previous Italian loans.

## OPEC Countries

The increased earnings from higher oil prices in recent years have enabled the OPEC group of countries to become aid

donors. Their contributions are concentrated mainly on Arab and Moslem nations although Iraq and Iran have given assistance to India. Pakistan and Bangladesh are major recipients while in East Africa Somalia is the major recipient.

### Regional Development Organisations

There is considerable scope for the establishment of regional development organisations within the Indian Ocean littoral. Such organisations comprising of regional member countries with local contributions and mulilateral contributions from non-regional countries can initiate and administer aid programs and development projects in member countries. The work of such organisations in member countries is often better received by the recipient and is also less offensive to national pride than a donor-recipient form of aid can be in certain circumstances.

The success of the Asian Development Bank in such undertakings is a prime example of how multilateral aid can be effectively used amongst member countries both in the form of technical assistance and soft loan oriented projects. The work of the A.D.B. in the Indian Ocean region is limited to South and South East Asian member countries but the growth of similar organisations such as the East African Development Bank and the African Development Bank should be supported and encouraged to enable them to make an effective contribution to development in their member countries. Even if our contribution is modest it can provoke commitments, and stimulate participation, from other nations.

CHAPTER 8

AUSTRALIA'S INVOLVEMENT WITH THE INDIAN OCEAN  
AND THE REGION

## AUSTRALIA'S INVOLVEMENT WITH THE INDIAN OCEAN AND THE REGION

The Indian Ocean has been significant to Australia since our earliest history. The recent trend is for an increasing Australian interest and involvement not only in the Ocean but also with the littoral states. Australia's role in the Indian Ocean has many facets including politics, trade, aid, cultural and scientific co-operation, our national defence and an awareness of the need to have stability and security in the area.

### A Significant Trade and Communications Link

As a trade route the Indian Ocean is significant to Australia, demonstrated by the fact that well over 50% of our total trade, by tonnage, passes through the region. But our trade with the region itself amounts to only 13.5% of total Australian trade, valued in 1974/75 at \$A2,271 million. Oil is Australia's biggest import from the Indian Ocean region and the balance of trade is in the favour of those oil exporting states. The balance of trade with the other littoral states is in Australia's favour, our principal exports being foodstuffs.

### Air Transport

As well as the importance of the Indian Ocean sea lanes to shipping to and from Australia the littoral is vital to air transport. Australia has Air Services Agreements with seven littoral states, namely, Indonesia, Malaysia, Singapore, Thailand, India, Sri Lanka and South Africa. The purpose of the Air Services Agreements is to provide regular air services between



. Australia and the other contracting country. Australia also operates through Iran and Mauritius by special commercial arrangements.

An important consideration in addition to the Air Services Agreements is the granting of overflight rights to aircraft of Australia's national carrier (in all cases Qantas). Without the permission of overflight rights to the airspace of Bangladesh, Burma, Oman, Pakistan and Saudi Arabia it would be very difficult to conduct a viable air transport operation on existing patterns. The need for favourable relations with such states is important and as additional air routes are devised the co-operation of the littoral nations concerned will be required. The requirement for stability in the region was illustrated in 1973 when the Yom Kippur war forced Qantas to divert around Bahrain, Saudi Arabia, Syria and Lebanon and use a route over India, Pakistan, Iran and the northern Mediterranean to Europe.

### Shipping

Australia has no bilateral shipping arrangements with the littoral states of the Indian Ocean but is a signatory to the 1958 Geneva Convention on the High Seas which affirms that the high seas are open to all nations and no state may validly subject any part of them to its sovereignty and that every state has a right to sail ships under its flag on the high seas.

An important method of carrying high value goods is liner shipping and although the littoral states account for only 5% of our liner cargoes the major sea route to Europe via the Cape of Good Hope carries around 30% of our liner cargoes. If

the southern Indian Ocean route around the Cape were to be disrupted the Panama Canal or the Suez Canal would need to be used. The long term closure of the Suez Canal and the advent of containerisation has reduced the importance of the Suez route, with the exception of cargoes to and from eastern Mediterranean ports. Only one in seventeen container vessels on the UK/Europe route uses the Suez route, the distance advantage being offset by canal dues and the higher insurance charges applicable to that area.

Australia's dependence on the viability and security of Indian Ocean sea lanes is demonstrated by the fact that 77% of our bulk imports and 87% of our oil and oil product imports originate from the littoral states. Only 2.5% of our bulk cargoes are exported to the littoral states but with a large proportion of our bulk exports consisting of Western Australian iron ore as well as other minerals, these cargoes need to use the Indian Ocean for a part of their journey. Our coastal iron ore shipments, in the same way, need to use the Indian Ocean.

#### Australian Participation in Regional Transport Bodies

Air, sea and land transport affairs of the Indian Ocean region are considered by organisations which are regional offshoots of parent United Nations specialised agencies. Civil aviation matters are handled by the Far East and Pacific office of the International Civil Aviation Organisation which deliberates on such topics as future international air routes, communications facilities, meteorological networks and air navigation requirements.

Land and sea transport matters are the responsibility of the Economic and Social Commission for Asia and the Pacific (ESCAP), one of the commissions of the United Nations Economic and Social Council. The Transport and Communications Committee of ESCAP considers highway matters, inland water transport, railways, telecommunications and shipping services in the area.

#### Australian Aid and Assistance in the Transport Field

As part of Australia's general aid program assistance is given to regional nations, on a continuing basis, in the transport field. Australian experts have been seconded to states to give advice and training in civil aviation fields. Trainees from regional countries come to Australia for training in air traffic control and related subjects and grants of funds and equipment are made to assist transport development in the region.

Australia as an active supporter and participator in the aforementioned regional organisations and conferences is able to contribute both expertise and assistance to the development of improved facilities and better understanding of regional problems in transport matters.

#### Immigration to Australia from the Indian Ocean Region

Australia has no separate or distinct immigration policy in regard to the countries of the Indian Ocean littoral, including the Commonwealth countries. Citizens of former Commonwealth countries in the region no longer have the status of British subjects under Australian law and are regarded as aliens.

Persons from the Indian Ocean region, including those from Commonwealth countries, who have resident status in Australia may apply for the grant of Australian citizenship under identical conditions, usually three years residence here, good character, a knowledge of English and of the responsibilities and privileges of citizenship. Immigration from the Indian Ocean region countries to Australia has declined since 1971/72 from 10,851 to an estimated 5,918 in 1975/76. The main source countries have been India and South Africa but the numbers from those countries have also declined. Malaysia and Thailand are two sources of migration to Australia from where the number of immigrants has increased in the last five years. Appendix shows the countries of origin for settlers from the Indian Ocean littoral who have arrived in Australia in the period 1971/72 to 1975/76.

The Indian Ocean region is a traditional source of private overseas students who come to Australia for study or training which may not be readily available in their home countries. The Australian Government has a ceiling limit of 10,000 overseas private students in Australia at the one time. The majority of overseas private students come from Malaysia, Indonesia, Thailand and India. Until 1974 Singapore was the second highest source of overseas private students but at a meeting of the Australian and Singaporean Prime Ministers the latter requested that Singaporean private students be no longer permitted to study in Australia. The policy of taking overseas private students is not an aid undertaking nor a backdoor migration policy. Entry is on a temporary basis with the expectation that applicants are expected to return home at the completion of studies. Successful students may however apply

for resident status and be assessed against immigration criteria.

### Control and Surveillance Against Smuggling

A real problem confronting Customs authorities is the increasing illicit trafficking in narcotics to a growing Australian market for such merchandise. Although the majority of drug importers and traffickers arrive at international terminals using recognised routes, considerable use is made of ships' cargo and air cargo for concealment. The risks of detection and the ensuing penalties are high and have led to smugglers making use of the large tracts of Australia's remote and sparsely settled north and north-western coastline for the importation of drugs. Light aircraft, yachts and small surface vessels are used in the areas to land illicit drugs. International drug traffic to Australia began with marihuana and hashish from the Middle East and the Indo-Pakistan subcontinent. These areas are still a source of supply but now Thailand, Malaysia and Indonesia are also major sources of supply to the Australian market.

While there are no indications of trafficking in drugs from Australia there is active smuggling of Australian fauna and gemstones to the Indian Ocean region and elsewhere. The most popular and lucrative traffic is in parrots, finches and reptiles which command prices ranging from hundreds to thousands of dollars overseas. Australia's strict quarantine laws have resulted in a degree of two way traffic being established for some exotic birds and reptiles. Singapore is the usual entrepot for such trafficking and there are indications of a growing trend

to smuggle fauna from Western Australia to South Africa. There is also a market for Australian gemstones in South East Asia, mainly Thailand. The gemstones are purchased legally but undervalued for export permits and either smuggled into their country of destination or introduced at their undervalued prices. The low labour costs in South East Asia make the finished gemstones attractive for smuggling back to Australia, thereby avoiding sales tax, or reimporting at the declared undervalued price and avoiding duty and sales tax at the true value of the item.

Australia's sparsely populated and vast west and north-western coastline with its proximity to the traditional sources of illicit drugs and markets for our fauna make it particularly vulnerable to smuggling operations but exceedingly difficult to police.

This Committee has received the following evidence from the Department of Business and Consumer Affairs on the problems of effective controls against smuggling on our Indian Ocean coastline:

"The remoteness of this coast and the impracticability of providing a permanent Customs presence in such areas indicates a need for a Customs surveillance reaction capability. But three launches, unresolved proposals for more, a communications network, a CASOS Group of five men, and utilization of Defence vehicle resources where practicable doesn't even provide adequate surveillance, let alone the reaction capability necessary to effectively counter smuggling by small seagoing craft and light aircraft.

As matters stand, Customs enforcement in remote coastal areas is a problem which will continue to increase rather than begin to diminish. There is a pressing need to continue the development of Customs enforcement resources for air/sea surveillance and reaction. The Bureau of Customs will continue to provide argument for the priority of this development".

The Committee fully endorses the need for improved and expanded resources to be made available for the effective surveillance and interdiction of craft and vessels engaged in illicit practices or unauthorised incursions into Australian territorial waters and coastline.

Australia is a member of the United Nations Commission on Narcotic Drugs and a party to the United Nations Single Convention on Narcotic Drugs, as well as a contributor to the United Nations Fund for Drug Abuse Control. In 1973 Australia was elected to chair a United Nations Ad Hoc Committee on Illicit Traffic in the Far East Region, founded to foster bilateral co-operation in data exchanges and law enforcement techniques. The Australian Narcotics Bureau also co-operates with counterpart policing agencies overseas, particularly in South East Asian countries. The Australian Government also provides Customs training courses in Australia for trainees from developing countries as part of our overseas aid scheme and is investigating the development of foreign in-country training courses in developing countries. A joint U.S.-Australian team conducted such a course in Customs techniques in Djakarta in 1975 and a similar program in Malacca the same year. The Bureau of Customs provides 'on the job' training for overseas officers by attachment to its offices for up to three months, and a number

of Indian Ocean regional countries have sent officers for this form of training.

The Committee considers that it is vital to encourage and support the efforts being made to stem the increasing flow of illicit drugs into Australia. In this regard support and assistance should be given to multilateral and bilateral co-operation between countries attempting to curtail not only the entry but also the export of drugs from one country to another.

#### Scientific and Oceanographic Research in the Indian Ocean

Australia participates in some bilateral and multilateral scientific and oceanographic research in the Indian Ocean.

In 1975 Australia and India signed an agreement for co-operation in science and technology with priority to be given to agriculture and food technology, earth and environmental sciences, energy and radioastronomy. So far no work has been undertaken. Australia is also a member of the Indo-Pacific Fisheries Council, the Indian Ocean Fisheries Commission and the International Whaling Commission, on an active and contributory basis. Fisheries research is also carried out on a national and international interest level. The CSIRO Division of Fisheries and Oceanography conducts studies of the waters and currents off the Western Australian coast and uses satellite tracked buoys for ocean current and sea surface temperature studies. The Ionospheric Prediction Service, a part of the Department of Science, conducts ionospheric research in the Indian Ocean region and co-operates with a number of nations, including the Soviet Union



in work such as ionospheric measurements, conjugate points experiments and radio wave propagation conditions.

Generally there has not been a great deal of Australian scientific activity in the Indian Ocean but interest in marine science and the sea as a source of resources is increasing. If the 200 mile economic zone proposal is adopted either as a result of the Law of the Sea Conference or by unilateral action, Australia will need to become more involved in resources management within the zone.

### Political Implications for Australia

During the Committee's deliberations it became increasingly apparent that the Indian Ocean region is an area of the world which is in a state of flux and instability. The eventual outcome of the unsettled condition of the region is far from clear and Australia as a member country of the littoral cannot disassociate itself from the events that will determine the history of the region.

At present Southern Africa holds the focus of world attention in the region and it is to be hoped that the potentially volatile situation there can be resolved with moderation prevailing and not a solution by bloodshed. It is still too early to forecast the outcome of political developments in Southern Africa and what relations will ensue with other African states and the superpowers. The recently independent island states such as the Seychelles, Madagascar and Mauritius are trying to establish their economies and as yet it is unclear what direction their political development will take.

The Horn of Africa is another potential flashpoint where differences between Ethiopia and Somalia may erupt over the independence of the French Territory of Afars and Issas. The Gulf States including Iran with their newly acquired oil wealth are transforming their economies to an industrial base and developing their armed forces. The shadow of the unsolved Israel-Arab dispute spreads to the Gulf States and involves the superpowers in the region. India, Pakistan and Bangladesh have differences and a recent history of conflict which holds no guarantees of having been settled. South East Asia's stability cannot be taken for granted, with Thailand, Malaysia and Burma confronted with continuing insurgency problems.

The presence of the superpowers in the region is decried by many of the Third World states but accepted by other states who feel that dominance by one superpower is less desirable, or they are apprehensive of future struggles amongst the larger littoral states to be the dominant powers if both superpowers withdraw.

The 1970s have seen the strategic importance of the Indian Ocean increase significantly, especially for the littoral nations and the non-littoral nations which are dependent on oil from the Gulf states. Unfortunately this importance has brought added uncertainties and pressures to the region including an escalation in the procurement of arms and more sophisticated weaponry by littoral states from the superpowers and other external sources. The potential for an outbreak of regional conflicts exists but the overriding awareness among the leaders of the littoral states for peace and stability is prevailing, at least in the short term.

It is then in this atmosphere of regional uncertainties and complexities that Australia, as a member nation of the littoral is seeking to develop and strengthen its political, economic and social relationships. In the countries of the region where Australia has formal relations these relations are for the most part cordial or at least correct and where we do not have relations we are interested in pursuing their establishment. However there are limitations to the extent to which relations can be established, it is easier with countries where a commercial basis for relations exists but more difficult where there is no such common interest. In Australia's case the latter is true with many of the African littoral and island states and we would need to adopt the role of an aid donor country to develop relations. At this particular time there are severe restrictions on the amount of aid our economy is able to allocate and while the sentiment is there, the available resources do not cover the potential demand.

Irrespective of which major party has been in government in Australia during the 1970s, the Indian Ocean region has presented a dilemma for our foreign policy. We recognize the importance of the ANZUS treaty and retain close ties with the United States. On the other hand we seek good relations with the Indian Ocean littoral states many of which support the Zone of Peace concept or profess to be non-aligned and want the Ocean free of superpower presence. Therefore Australia is faced with the contradiction of being aligned with the United States, supporting its presence in the Indian Ocean and sharing military facilities in Australia while serving as a member of the United Nations Ad Hoc Committee seeking to establish the Indian Ocean as a Zone of Peace.

Australia's close links with the United States are well known to the littoral states and are accepted as such. Over-emphasis of Australia's posture on the United States presence in the Indian Ocean carries with it the possibility of misinterpretation by other states and may not be in the best interests of furthering and developing good relations, particularly around the littoral and generally on a world-wide basis. Various littoral states share Australia's views on the United States presence and facilities in the Indian Ocean but their support is expressed in guarded terms or privately, being mindful of their regional and global position. Other states are opposed to a United States presence. The general consensus of the littoral states is that the Indian Ocean should be kept free from superpower rivalry but how or when this can be achieved remains the issue without a solution.

#### The Soviet Presence in the Indian Ocean - Australia's Reaction

Since 1968 when the Soviet Union first established what has now come to be regarded as a permanent naval presence in the Indian Ocean, respective Australian Liberal Governments have commented on that presence with varying degrees of apprehension. The Labor Government did not single out the Soviet naval presence, instead it supported the Zone of Peace proposals for the Ocean and spoke out against the two superpowers escalating their military presence and promoting their rivalry in the Indian Ocean.

The present Government's stand on the Indian Ocean was given by the Prime Minister on 1 June 1976:

"The Indian Ocean is of considerable political and strategic importance to Australia. It is crossed by sea and air communication routes vital to Australia. Much of the vital flow of oil to our neighbours, friends, and trading partners passes through it. The entrance to the Persian Gulf has become a major focus of international attention. The objective of a neutral zone in the Indian Ocean, while admirable, has little chance of success with the U.S.S.R. significantly increasing its permanent presence in the vital north west sector of the Ocean. It is clearly contrary to Australia's interests for the balance in this area to move against our major ally, the United States.

It is also against our interests for both superpowers to embark on an unrestricted competition in the Indian Ocean. We seek balance and restraint. We have supported the United States development of logistic facilities at Diego Garcia so that the balance necessary to stability in the area can be maintained. It cannot be maintained without those facilities. We also strongly support the recent appeal by the United States Administration for restraint so that the balance can be maintained at a relatively low level."

In reply the Leader of the Opposition said:

"The Australian Labor Party is as concerned as anyone else about military build-ups - Soviet or otherwise - in nations or waters adjacent to Australia. But if we are going to base our whole defence and foreign policy on such assertions let us at least have the evidence for them. Let us keep the facts in perspective. The Americans themselves refuse to be panicked on this issue. They see no threat to themselves or anyone else.

Dr Kissinger stated on 22 March this year in a speech in Dallas:

'We will not be deflected by contrived and incredible scenarios, by inflated versions of Soviet strength'.

The focus of Soviet attention has always been in the northwest of the Indian Ocean in the area around Somalia and Aden. It would be absurd to base Australia's defence efforts on developments at such a distance from us. The distance by sea from Aden to Fremantle is 4914 nautical miles. The distance from New York to Leningrad is slightly less, about 4600 nautical miles. Does the Australian Government suggest that the United States Coast Guard should base its planning entirely on local developments in the Baltic? The Prime Minister knows - as every other head of government knows - that the presence of Soviet shipping in the Indian Ocean is inevitable. The Indian Ocean is the shortest warm weather route linking the eastern and western sections of the Soviet Union. Geography alone ensures that the Soviet navy will remain in the Indian Ocean as long as the Soviet Union remains a maritime power".

It is an accepted fact that the superpowers have established a continuing presence in the Indian Ocean and any realistic measures to remove that presence depends on the inclinations of the two superpowers to vacate the Ocean. This Committee does not see the Soviet Union's naval presence in the Ocean as a direct threat to Australia and recognises this presence as an example of the projection of a global power manifesting its interests in a secondary area, compared to the other oceans, by means of a moderate naval commitment and a land commitment, e.g. Somalia, where invited. The number of naval vessels present is not so important as what these vessels represent in the areas and states where they are

seen. This consideration can in times of peace be used very effectively to avoid any criticisms of escalation or undue influence. By these means it is possible for the Soviet Union to maintain a visible but moderate presence, without causing alarm, and yet be able to state as Brezhnev has, "The Soviet Union has never had, and has no intention now, of building military bases in the Indian Ocean. And we call on the United States to take the same stand". The facilities enjoyed by the Soviet Union on Somalian territory at Berbera, Kismayu and Mogadishu, do not qualify in the strict sense as Soviet owned facilities. Although Soviet built and manned, Berbera may not have, using the Egypt-Soviet Union break-as an example, the permanency of tenure that the United States has on Diego Garcia. Nevertheless under existing circumstances these facilities, others in Aden, on Socotra Island and elsewhere in the north western region of the Indian Ocean provide the Soviet Union with back-up facilities which can effectively support a much larger deployment of naval vessels and aircraft, if necessary. The lack of any bases or facilities on Soviet territory, ignoring any facilities on client states' territories, is also a useful propaganda weapon against any establishments such as Diego Garcia.

The Committee has received a great deal of material, heard evidence and read official and news media pronouncements referring to the need for, or conjecture about, whether there is a "balance of power" between the two superpowers in the Indian Ocean. From the outset the Committee decided that the pursuit of an assessment of whether a "balance of power" exists or how it can be measured would be a futile and hypothetical exercise in the Indian Ocean context and to use the size of the existing

United States, Soviet Union, French and littoral states' navies, ship days, weighted ship days, port calls or respective fire power, present in the Indian Ocean at any given time, would not be a worthwhile undertaking. In a crisis situation or general war conditions these fleet sizes would not remain static and so many other factors vital to such events would come into consideration. The Committee has therefore not undertaken any such assessment and has not concentrated on measuring whether a "balance of power" exists or does not. Instead there is a general consensus among the members of the Committee that if a description of the superpowers naval and military deployments is necessary, the term a "matching presence" most befits the current situation. The sophistication of modern weaponry together with the relative strategic unimportance of the Indian Ocean to the superpowers would inhibit them turning the area into a focal point of major naval deployment in the event of a generalised global conflict. The restrictive points of quick access to the Ocean, the lack and vulnerability of supporting facilities further detract from the viability of the region as a theatre of war.

The Committee acknowledges the vital political, commercial and cultural importance of the Indian Ocean region to Australia and the value of our ties with the United States but in this regard it is also very aware of the reality that Australia's interests in the region do not always coincide with those of the United States. Australia is a member of the Indian Ocean littoral, the United States is not, and it is therefore necessary for Australia to formulate and pursue active foreign and defence policies suited to what we see as a constructive contribution to the promotion of stability and security in the region. The



pronouncements of the Nixon or Guam doctrine and the United States withdrawal from South East Asia are a strong indication of the United States expectation for its allies to accept more responsibility.

Generally Australia's relations with the Soviet Union are satisfactory and with particular reference to the Soviet naval presence in the Indian Ocean this Committee reiterates that under current circumstances it can see no direct threat to Australia or interdiction of Australia's ocean trade routes by the Soviet navy. The findings of the 1971 Report of the Joint Committee on Foreign Affairs on the Indian Ocean Region were that "the Soviet naval presence in the Indian Ocean represented no direct threat to Australian security or our lines of communication unless under the possibility of a situation of general war or just short of general war". These findings are still true today and this Committee concurs with that conclusion. While there is some disquiet or unease over the Soviet presence its over-emphasis, whether from official sources or through sensationalism by the news media, can only exaggerate the issue and serves to assist the cause of Soviet propaganda. That is not to say that we should ignore or dismiss the Soviet presence in the region. It is in Australia's interests to be vigilant of Soviet activities.

Australia regards the Soviet presence in the Ocean and its activities in the littoral as one of strategic concern but it must be realised that we are in no position that can unilaterally influence or diminish its status quo in the region. The Soviet presence is a matter of strategic concern to Australia because our interests do not coincide with Soviet political philosophies

and motives for developing their influence in the region. Australia can lend its voice to any regional aspirations or manifestations that will give emphasis to the need for stability and an avoidance of superpower rivalry in the area, apart from that it would be unrealistic to expect us to have a greater influence. It is in this way that Australia should work to increase its standing as a member of the littoral, seeking to foster a cohesive approach from member states which are genuinely committed to the welfare and advancement of the region as a whole. The Indian Ocean region may be secondary in strategic importance to the superpowers at the present time, as witnessed by the size of their deployments, but viewed on a regional basis its security can be threatened by limited conflicts among member states acting independently or as clients of the superpowers. The superpowers can enhance or inhibit the security and stability of the region by restraining their client states or by supporting local ambitions on extra-territorial ventures.

The Indian Ocean region is one area where the Soviet Union and China compete for influence and the propagation of their respective brands of communism. Again the Sino-Soviet dispute and its export to the Indian Ocean littoral is a dispute that Australia cannot influence and yet by appearing to align with one or the other of the disputants could do considerable harm to its own relations with the other, and even further afield. China's recent switch of foreign policy calling for the expulsion of both the superpowers from the Indian Ocean, instead of just the Soviet Union, suggests the dilemma that exists in its foreign policy. The Soviet Union accepts Australia's ties with the United States but any

inclination towards China in a dispute that does not involve Australia can be of no benefit to Australia and could stimulate a reassessment by the Soviet Union of its relations with Australia.

Australia should concentrate on contributing to its alliance with the United States by continuing to support United States' efforts to maintain a presence with the Soviet Union in the Indian Ocean to encourage mutual restraint.

### Australia's Defence Role

Australia has been fortunate that the crises which have affected the Indian Ocean region over the years have been, in terms of distance, far removed from our territory. It may well be that this situation will continue or even improve with a growing awareness among the leaders of the littoral states for the need to curb instability and concentrate on the peaceful development of their nations. Unfortunately many uncertainties still prevail and mutual suspicions in the region have yet to be quelled. The increasing economic importance of a number of the regional countries, particularly as sources for oil and raw materials, adds to their status which in turn brings with it a growth in their military capacity. The acquisition of power backed by sophisticated new weaponry can heighten tensions in areas of the region which are presently unstable and can lead to other nations in these areas turning to the superpowers for assistance to offset the weaponry of their wealthier neighbours. In such instances the superpowers can act to either lessen or aggravate these tensions without being able to necessarily control the initial outburst of hostilities. Evidence received by the

Committee shows that there is a growing number of littoral states which appreciate the presence of the superpowers as a counter-vailing measure against the aspirations of the stronger regional powers and as a moderating influence on potential local conflicts. However any mutual escalation of this presence would destroy the benefits their existing levels have and generate regional suspicions and hostilities.

The withdrawal of firstly the United Kingdom and then the United States forces from the Asian mainland has confronted Australia with the reality that a dependence on "great and powerful friends" is no longer sufficient to guarantee an effective defence of Australia and its territories. As a consequence Australia must develop and sustain a much greater responsibility for its defence. In the Indian Ocean context the growing importance of our sparsely settled yet mineral wealthy western and north western region adds to our defence requirements. The island territories of Cocos (Keeling) and Christmas Islands are our responsibility and if the concept of a 200 mile economic zone as proposed at the Law of the Sea Conference becomes effective, our surveillance commitment will virtually be doubled.

It is not possible to discuss in detail Australia's Indian Ocean defence requirements in isolation from our overall national defence requirements and the latter is beyond the scope of this current examination. It has however been pointed out to the Committee, both in evidence and during field visit briefings, that apart from other shortcomings that there may be in our defence deployments, our Indian Ocean foreshores are lacking in defence manpower and equipment. Australia's Indian Ocean coastline is remote, sparsely settled, economically and

strategically important but vulnerable. Possible incursions into Australian coastal waters, land, territories and airspace can come in a variety of ways; illegal entry and smuggling in isolated locations; politically motivated guerilla attacks on isolated settlements or installations; attacks on population centres, defence establishments and industrial sites; and the interdiction of shipping and aircraft. Even though a number of these possibilities appear remote under present circumstances the responsibility to meet such threats rests with Australia and the ability to counter them cannot be attained nor implemented at short notice if the means do not exist. If the defensive capacity does not exist near or on site, the time lost in marshalling forces from elsewhere to serve such isolated areas as the west and north west of Australia may be critical and mean the failure of the operation. While it is possible to deploy defence units from such centres as Perth, Learmonth, Darwin, Cocos (Keeling) and Christmas Islands as well as HMAS Stirling when completed, the Committee recommends that there is an immediate requirement for the stationing of permanently based units at defence establishments in Western Australia, and for providing them with an increased capacity to effectively conduct naval patrols and maritime aerial surveillance. Where gaps are found in the efficient coverage of patrolling capacity plans should be implemented to establish additional locations from which these operations can be undertaken.

As a nation genuinely concerned with the development and stability of the Indian Ocean region Australia should demonstrate that it is prepared to undertake the responsibilities for its own defence and in so doing will work and co-operate with all other nations interested in achieving the same goals.

Australia is involved with SEATO and the Five Power Defence Arrangements and has bilateral defence co-operation programs with Malaysia, Singapore and Indonesia.

CHAPTER 9

SUMMARY AND CONCLUSIONS

## SUMMARY AND CONCLUSIONS

### The Character of the Region

The Indian Ocean is the third largest of the world's oceans with a littoral of over 30 nations, with less developed, developing and developed economies. The economic diversity is carried through to diversities in race, religion, population growth, culture and politics. The Indian Ocean region is not a cohesive unit with a single voice in world affairs, in contrast its membership is characterised by regional differences and rivalries which influence events within and outside the region and in turn are influenced by events from without the region. The region contains the bulk of the world's newly founded nations and representatives of the Third World group.

### Economies of the Region

The economies of the littoral states have in most cases suffered from world inflation and yet the oil rich nations have increased their wealth and given impetus to a movement for a new international economic order which many of the resources rich nations are responding to while reassessing the importance of their natural resources and their significance in the future. The region is rich in oil and other natural resources and in so being its economic and political importance is apparent and vital to external nations.



## External Powers

The presence of the superpowers in the Indian Ocean captures the limelight but the region is of far greater significance to the economies of Western Europe, Japan and other nations as the source of oil and other natural resources, as demonstrated by the 1973 oil crisis and the impact it had around the world.

## Military Significance

Militarily the Indian Ocean and its region is of secondary importance to the superpowers and others as witnessed by the size of their respective fleets. In a conflict situation access to the Ocean can be made difficult by eliminating the narrow points of entry, which could be a more inhibiting factor to the U.S.S.R. than the U.S.A. The lack of supporting facilities for a protracted conflict is evident and the vulnerability of fleets in the Ocean would be high. Modern weaponry has reduced the importance of the Ocean in a conflict situation between the superpowers.

## Superpower Presence

The presence of the superpowers in the Ocean is to project their image and ideologies as global powers, oversight their political and economic interests and those of their allies. The existing and potential wealth of the region and the manifold ramifications this has for the extra-regional powers is what makes it a region of strategic importance to them.

While many littoral states object to the presence of the superpowers in the region and want to see it become a Zone of Peace free from superpower rivalries etc., there is no united practical plan between them which is persuasive enough to put into effect such a concept. Many do not want just one superpower to dominate the region and there are other states which fear that the withdrawal by both superpowers will create a void and start a competition between the strongest regional powers to dominate the region and threaten its security and stability.

#### Australia's Dependence on the Region

Australia is a member nation of the Indian Ocean littoral and as such is dependent on the viability of the Ocean and the region for sea and air communications links, trade, cultural and political relations, and regional progress to ensure our own development. Any disruptions to the security and development of the region will have repercussions in Australia.

CHAPTER 10

RECOMMENDATIONS

## RECOMMENDATIONS

### Australia's Role in the Region

The Committee recommends that Australia should continue to work through political, diplomatic, trade, aid and cultural initiatives to ensure the peaceful development and stability of the region. Even if the size of our contribution is limited by virtue of our human and physical resources, economic factors and lack of common ground with some nations, this should not inhibit our attempts to demonstrate a genuine concern and a willingness to work for the welfare of the region. Australia's national interests can best be served by ensuring that our role in the region is one of affinity with other nations which are striving to reduce tensions and eliminate existing human and economic disparities.

### Zone of Peace

While the Committee endorses the concept of a Zone of Peace in the Indian Ocean it is difficult to foresee its inception while there is no inclination on the part of the superpowers to leave, while there is no concise agreement among member nations in what form or criteria such proposals should be consolidated, and while regional suspicions over the superpowers' successors persist.

### Superpower Presence

The Committee agrees that the Indian Ocean and the region should ideally be free from superpower rivalry, however it

would not be in the best interests of the region to have one superpower left to dominate if the other withdraws. In the light of the modest numerical naval strength of the superpowers the Committee concludes that it is meaningless to attempt an assessment of whether a "balance of power" exists between them in the Indian Ocean. In a peacetime situation comparisons of ship days, weighted ships days, port visits, fire power etc., cannot clarify the question. The presence of other navies, such as France, Iran and India does not affect that assessment. The "balance of power" remains a hypothetical ponderance and the Committee accepts that a "matching presence" exists between the superpowers in the Indian Ocean and the likelihood of an arms race developing is limited.

### Disputes

The Committee agrees that Australia's best interests are not served if we are seen both regionally and globally to take sides in such issues as the Sino-Soviet dispute, events of that nature are not of Australia's making and we cannot expect to influence their outcome without prejudicing our relations with one or the other disputants, or with others.

### The Soviet Naval Presence

It is the Committee's finding that no direct threat to Australia exists at present from the Soviet Union's naval presence in the Indian Ocean, nor is there a threat of Soviet interdiction to the multinational merchant fleets that ply their trade throughout the region. That is not to say that at some

future time this situation cannot alter but currently an over-reaction to the Soviet presence only serves to enhance the cause of Soviet propaganda in vulnerable areas.

### Aid and Assistance

Australia should continue its bilateral and multilateral aid programs and seek new initiatives and directions for providing assistance to the countries of the region. There should be a constant review of the type of assistance we are able to give particularly to meet the requirements of recipients. The scale of aid and assistance is not as important as its effectiveness, but efforts should be made to extend our program of assistance wherever this can be done in a way which serves the needs of recipients.

### Defence

The Committee recommends that increased attention be given to the efficient naval and maritime air surveillance capabilities of Australia's defence forces in the north and north western region of Australia. As a nation Australia must demonstrate that it is prepared to accept increased responsibility for its own defence. We should continue to share our defence facilities and engage in defence co-operation with our allies and friendly nations as a contribution to securing the stability of the region.

## Drug Trafficking and Smuggling

The Committee recommends that added resources be made available to Australian Customs authorities to increase their capacity to interdict smuggling and drug trafficking activities by seacraft and aircraft along our remote coastline. Possible forms of closer co-operation between Customs and Defence authorities should be pursued to increase the effectiveness of measures against illegal trafficking and incursions.

## ACKNOWLEDGEMENTS

At the commencement of the inquiry the Committee sought and received written submissions from Commonwealth and State Departments, academic experts, interested organisations and individuals. The Committee wishes to express its sincere gratitude for the time and effort donated by all the individuals involved in preparing submissions and giving verbal evidence whether as members of Departments, organisations or in a private capacity. In addition the Committee expresses its appreciation to those members of the overseas Diplomatic Corps who gave valuable assistance to our deliberations. Appendix F lists those from whom written and verbal evidence was received and the Diplomatic Missions which made information available.

The Committee through the good offices of the Minister for Defence, thanks the Commander 5th Military District, the Officers and Staff at Swan Barracks, the Special Air Service Regiment at Campbell Barracks, the Naval Officer in Charge, Western Australia, Officers and Staff H.M.A.S. Stirling and the Department of Construction in Western Australia, for their most informative briefings and demonstrations during our field visit to these establishments.

Public hearings commenced on 28 May 1976 and the Committee met on six occasions to hear evidence from witnesses. Whenever possible the Committee took evidence in public and only two in camera sessions were held. The hearings took place in Canberra, Melbourne and Perth and included a field visit to Western Australia. Public hearings concluded on 26 August 1976.



The Committee, from the outset of its examination of the reference has taken care not to isolate the Indian Ocean region as something unique or separate from the overall world situation. To the contrary we have been very aware that the region is an integral part of the whole complex and as well as contributing to the global situation is subject to influences prevailing throughout the world.

Throughout its inquiry on the reference the Committee has been aware of the great importance and sensitivity of the events in the Indian Ocean region and Australia's role in these events. It is evident that the Indian Ocean and its littoral is an area of rapid changes which have an ever increasing global significance. The growing importance of the region has been impressed on the Committee throughout our public hearings and the constant coverage it receives in the news media. The Committee received varied evidence on the issues involved and although in some instances opinions on the subject differed it is gratifying to see a broadening of public interest in the region and particularly in Australia's role and presence in the Indian Ocean.

The Senate Standing Committee on Foreign Affairs and Defence has the honour to present this Report.

J.P. Sim  
Chairman

The Senate,  
Canberra  
November 1976

APPENDICES

APPENDIX A

SUMMARY OF SOVIET NAVAL DEPLOYMENTS IN THE INDIAN OCEAN  
(excluding Space, Hydrographic, and Oceanographic vessels)

June 1971 to June 1976

	Arrival	Departure	Time Present (months)		Class	Type	Number Name	Ports Visited
	<u>1971</u>							
	29 Jun	3 Jan 72	6		Kotlin	Destroyer	407	Berbera, Aden
	30 Jun	26 Dec	6		T-58	Minesweeper	335	Berbera, Aden, Singapore
	3 Jul	12 Dec	6		Uda	Tanker	Vishera	Berbera, Aden, Singapore
	20 Jun	23 Jul 72	13		Oskol	Repair ship	24	Umm Qasr, Aden, Berbera, Basra
	29 Aug	31 Oct	2		Mayak	Small cargo	Ulma	Berbera, Singapore
	9 Sep	27 Jan 72	4		Kazbek	Tanker	Burgus-Uslan	Berbera, Port Louis
	24 Sep	25 Nov 72	13		Amur	Repair ship	40	Mauritius, Berbera, Aden
	30 Sep	30 Jan 72	4		F	Submarine	NK	Port Louis
	19 Oct	26 Mar 72	5		Alligator	Landing ship	343	Berbera, Aden
	2 Nov	25 Jan 72	3		Kazbek	Tanker	Zhitomir	Singapore, Port Louis

Arrival	Departure	Time		Class	Type	Number Name	Ports Visited
		Present (months)	Present				
23 Nov	4 May 72	6	Mayak	Small cargo	Ishim	Singapore	
4 Dec	4 May 72	5	Mod-Kotlin	Destroyer	448	Umm Qasr	
1 Dec	26 Mar 72	4	T-58	Minesweeper	330	Aden	
19 Dec	2 Mar 72	2	Kynda	Guided missile cruiser	835	Mogadishu	
22 Dec	21 Feb 72	2	E-II	Guided missile nuclear sub- marine	NK	Berbera	
22 Dec	4 May 72	5	J	Guided missile diesel sub- marine	NK	NK	
22 Feb	11 Jan 72	1	Altay	Tanker	Izhora	Singapore	
1 Dec	3 Mar 72	3	Polyarnik	Tanker	Polyarnik	Umm Qasr, Singapore	
24 Dec	22 Feb 72	2	Kresta I	Guided missile cruiser	565	Mogadishu	
24 Dec	8 May 72	5	Kashin	Guided missile destroyer	564	Massawa, Mogadishu, Berbera, Colombo	

Arrival	Departure	Time		Class	Type	Number Name	Ports Visited
		Present (months)					
27 Dec	15 Mar 72	3	F	Submarine	NK	NK	
<u>1972</u>							
1 Jan	15 Mar	2	F	Submarine	NK	Berbera	
1 Jan	17 Jun	6	F	Submarine	NK	Berbera, Bombay	
2 Jan	15 Mar	2	Don	Submarine tender	944	Berbera, Colombo	
1 Jan	23 Feb	2	Komsomlets	Tanker	Ukrainy	Aden, Basra	
2 Feb	4 May	3	Leningrad	Tanker	Zhitomir	Singapore	
25 Jan	18 Jun	4	Kazbek	Tanker	Vladimir	Umm Qasr	
16 Mar	16 Aug	5	Kashin	Guided missile destroyer	194	Bombay, Colombo, Port Louis, Aden, Mogadishu	
16 Mar	16 Aug	5	T-58	Minesweeper	331	Bandar Abbas, Colombo, Berbera	
16 Mar	3 Jun	3	Alligator	Landing ship	341	Umm Qasr, Bandar Abbas, Berbera	
4 Apr	4 May	1	Kazbek	Tanker	Chenovtsky	Singapore	
24 Apr	14 May 73	13	Vanya	Minesweeper	730	Chittagong	
21 Apr	21 Mar 74	23	Vanya	Minesweeper	731	Chittagong	
21 Apr	25 Mar 74	23	Vanya	Minesweeper	739	Chittagong	

Arrival	Departure	Time		Class	Type	Number	Ports Visited
		Present (months)	Present				
9 Apr	13 May 74	26		Naryat	Torpedo recovery	74	Chittagong
9 Apr	30 Apr 73	13		Okhtensky	Tug	175	Chittagong
13 Apr	6 Apr 73	12		Sura	Heavy lift	27	Chittagong
27 Apr	23 Oct	6		Mayak	Small cargo	Ulma	Mogadishu, Singapore, Aden, Chittagong
27 Apr	19 Nov 73	19		Amur	Repair	140	Berbera, Mogadishu, Umm Qasr, Basra, Singapore
27 Apr	18 Aug	4		J	Cruise missile diesel sub- marine	NK	NK
20 Mar	16 Jun	1		Altay	Tanker	Yegorlyk	Singapore, Chittagong
12 Jun	25 Oct	4		Kotlin	Destroyer	408	Colombo, Port Louis, Mogadishu
12 Jun	15 Aug	2		Altay	Tanker	Izhora	Colombo, Singapore, Port Louis

Arrival	Departure	Time Present (months)		Class	Type	Number Name	Ports Visited
10 Jun	24 Oct	4		Kazbek	Tanker	Kradnovodsk	Mogadishu, Colombo, Singapore, Port Louis
28 Apr	14 May 73	11		Vanya	Minesweeper	739	Chittagong
10 Jul	18 Nov	4		T-58	Minesweeper	332	Possibly Port Sudan, Umm Qasr, Basra, Berbera
10 Jul	29 Apr 73	11		Khobi	Tanker	Tunguska	Chittagong
14 Aug	22 Oct	3		Kazbek	Tanker	Vladimir	Umm Qasr, Port Louis, Singapore
12 Aug	27 Apr 73	8		T-43	Minesweeper	325	Berbera, Aden, Mogadishu, Mombasa
12 Aug	4 Jun 73	10		T-43	Minesweeper	314	Berbera
17 Aug	21 Jun 74	22		YTR	Tug	44	Chittagong
14 Sep	1 Feb 73	4		F	Submarine	NK	NK
5 Oct	12 Feb 73	4		Mayak	Small cargo	Ishim	Singapore, Berbera
Oct	Current	40		PKZ	Barracks/repair	98	Berbera (permanent)

		Time Present (months)		Class	Type	Number Name	Ports Visited
Arrival	Departure						
10 Oct	4 Jun 73	8	Sofia	Tanker	Akhtuba	Berbera, Mogadishu, Port Louis, Aden	
26 Nov	30 Apr 73	5	Sverdlov	Command cruiser	052	Mogadishu, Berbera, Umm Qasr, Bombay	
26 Nov	4 Jun 73	6	Kotlin	Guided missile destroyer	447	Mombasa, Colombo, Bombay, Massawa, Berbera	
3 Dec	10 Feb 73	3	Kazbek	Tanker	Krannovodsk	Nil	
<u>1973</u>							
2 Jan	28 Dec	12	Sura	Heavy lift buoy tender	21	Chittagong, Singapore, Berbera	
Feb	29 Apr	3	Chilikin	Replenishment	Kolyechski	Mombasa, Umm Qasr, Berbera, Basra	
23 Jan	26 Feb	1	Prut	Submarine support	83	Port Louis, Singapore	
23 Jan	13 Aug	6	Mayak	Stores	Neman	Mombasa, Berbera, Colombo, Chittagong, Singapore	



		Time		Class	Type	Number Name	Ports Visited
Arrival	Departure	Present (months)					
8 Feb	26 Apr	3	Kazbek	Tanker	Molodechno	Mombasa	
20 Mar	11 Apr 74	13	Petya	Frigate	802	Umm Qasr, Basra, Aden, Berbera	
19 Mar	24 Mar	$\frac{1}{4}$	Altay	Tanker	Yegorlik	Nil	
1 Apr	7 Oct	6	Altay	Tanker	Ilim	Singapore, Umm Qasr, Berbera	
12 Apr	13 Jun 74	14	Konda	Tanker	Rossosh	Chittagong	
15 Apr	20 Jun 74	14	NK	Tug	24	Chittagong	
19 Apr	3 Sep	5	Pevek	Tanker	Araks	Aden, Berbera	
14 May	26 May 74	12	T-58	Minesweeper	349	Umm Qasr, Basra, Berbera	
13 May	25 May 74	12	Alligator	Landing ship	344	Umm Qasr, Aden, Berbera	
13 May	26 May 74	12	T-58	Minesweeper	300	Berbera, Aden, Umm Qasr	
20 May	21 May 74	12	F	Submarine	NK	Berbera, Umm Qasr	
20 May	25 May 74	12	Kotlin	Destroyer	450	Massawa, Aden, Madras, Colombo, Umm Qasr, Berbera	

Arrival	Departure	Time Present (months)		Class	Type	Number Name	Ports Visited
20 May	23 May 74	12	Petya	Frigate	803	Berbera, Colombo, Madras, Umm Qasr	
20 May	20 Oct	5	Altair	Tanker	Alejsk	Aden	
20 Jul	13 Jan 74	7	Mayak	Small cargo	Ulma	Singapore, Berbera, Chittagong, Colombo	
23 Aug	12 Feb 74	6	Altay	Tanker	Yegorlik	Madras, Umm Qasr	
24 Sep	27 Feb 74	5	Polyarnik	Tanker	Polyarnik	Singapore, Umm Qasr	
12 Nov	22 Feb 74	3	Sverdlov	Command cruiser	832	Port Louis, Berbera, Bombay	
12 Nov	22 Feb 74	3	Kashin	Guided missile destroyer	109	Aden, Bombay, Port Louis	
12 Nov	8 Mar 74	4	Kazbek	Tanker	Chernovtsky	Colombo, Singapore	
30 Nov	26 Feb 74	3	F	Submarine	NK	Nil	
1 Dec	11 Feb 74	3	E-II	Cruise missile nuclear submarine	NK	Berbera	
30 Nov	23 May 74	6	F	Submarine	NK	Port Louis	

Arrival	Departure	Time Present (months)		Class	Type	Number Name	Ports Visited
30 Nov	14 Aug 74	8		Sura	Heavy lift	27	Chittagong, Singapore, Hurghada
28 Dec	24 May 74	5		Kazbek	Tanker	Gorkiy	Singapore, Port Louis
<u>1974</u>							
20 Feb	23 May	3		Kresta II	Guided missile cruiser	511	Port Louis, Berbera
20 Feb	11 Apr	2		Kazbek	Tanker	Grozny	Port Louis
20 Feb	10 Jul 75	5		Amur	Repair ship	129	Basra, Berbera, Mogadishu, Singapore
5 Mar	23 Dec 75	22		Mayak	Stores ship	Neman	Singapore
22 Feb	20 Apr	2		C	Cruise missile nuclear submarine	NK	Berbera
22 Feb	20 Apr	2		V	Nuclear attack submarine	NK	Berbera
12 Mar	4 Dec	9		Sofia	Tanker	Akhtuba	Port Louis, Aden, Mogadishu
14 Apr	14 Sep	5		Pamir	Intelligence collector	Gidrograf	Berbera
13 May	5 May 75	12		F	Submarine	NK	Berbera

Arrival	Departure	Time Present (months)		Class	Type	Number Name	Ports Visited
12 May	4 Dec	7		Kotlin	Destroyer	434	Male, Mombasa, Mogadishu, Berbera
11 May	16 May 75	12		Petya	Frigate	801	Berbera, Aden, Madras
12 May	15 May 75	12		Petya	Frigate	804	Aden, Male, Mogadishu, Berbera
11 May	5 May 75	12		T-58	Minesweeper	304	Umm Qasr, Hodeida, Hurghada
11 May	6 May 75	12		T-58	Minesweeper	306	Basra, Umm Qasr, Berbera, Aden
12 May	6 Aug	2		Altay	Tanker	Izhora	Singapore
28 May	11 Sep	4		Kazbek	Tanker	Komsomolets Primorye	Aden
19 Jun	17 Dec	6		T-43	Minesweeper	364	Hurghada, Aden
20 Jun	17 Dec	6		T-43	Minesweeper	320	Hurghada, Aden
19 Jun	17 Dec	6		Vanya	Minesweeper	755	Hurghada
20 Jun	17 Dec	6		T-43	Minesweeper	313	Hurghada
20 Jun	17 Dec	6		Vanya	Minesweeper	759	Hurghada

Arrival	Departure	Time Present (months)		Class	Type	Number Name	Ports Visited
20 Jun	24 Dec	6		Okhtensky	Tug	175	Hurghada
19 Jun	17 Dec	6		Uda	Tanker	Dunay	Hurghada
26 Jun	17 Dec	6		T-43	Minesweeper	312	Hurghada
29 Jun	17 Dec	6		Yurka	Minesweeper	323	Hurghada
2 Jun	15 Oct	4		Kresta II	Guided missile cruiser	225	Colombo, poss Aden
7 Jul	26 Oct	3½		Moskva	Helicopter cruiser	Leningrad	Port Louis, Hurghada
7 Jul	26 Oct	3½		Kashin	Guided missile destroyer	166	Hurghada, Port Louis
7 Jul	26 Oct	3½		Chilikin	Replenishment ship	Boris Chilikin	Hurghada, Port Louis
1 Aug	2 Apr 75	8		Polyarnik	Tanker	Polyarnik	Mogadishu, Mombasa, Singapore, Male
21 Aug	15 May 75	9		Alligator	Landing ship	397	Berbera, Aden, Basra, Umm Qasr
20 Sep	19 Mar 75	6		Mayak	Small cargo	Ishim	Berbera, Hurghada, Basra, Singapore
20 Sep	1 Mar 75	5		Altay	Tanker	Ilim	Basra, Singapore, Hurghada

Arrival	Time		Class	Type	Number Name	Ports Visited
	Departure	Present (months)				
21 Oct	15 Mar 75	5	Kazbek	Tanker	Gorkiy	Karachi, Aden
28 Oct	6 May 75	6	Okean	Intelligence collector	Deflektor	Berbera
19 Nov	15 May 75	6	Sverdlov	Cruiser	837	Mogadishu, Port Louis, Aden, Berbera, Madras
26 Nov	18 Feb 75	3	E-I	Nuclear submarine	NK	Berbera
24 Nov	19 Feb 75	3	Ugra	Submarine support	970	
22	30 Dec	4	Kazbek	Tanker	Alatyr	Bombay
22	<u>1975</u>					
21 Feb	27 Dec	10	Kanin	Guided missile destroyer	998	Kismayu, Port Louis, Bombay, Berbera, Mogadishu
24 Feb	16 Aug	6	Mayak	Small cargo	Ulma	Berbera, Basra
1 Mar	5 Nov	8	Alligator	Landing ship	554	Berbera, Basra, Umm Qasr
16 Mar	28 Dec	10	F	Submarine	NK	Berbera

Arrival	Departure	Time Present (months)	Class	Type	Number Name	Ports Visited
15 Mar	28 Dec	10	Chilikin	Replenishment ship	Kolyechit-skiy	Mogadishu, Port Louis, Kismayu, Berbera, Colombo, Vishakhapatnam
22 Mar	28 Dec	9	T-58	Minesweeper	306	Umm Qasr, Mogadishu, Hodeida
22 Mar	6 Jan 76	11	T-58	Minesweeper	305	Berbera
30 Mar	20 Dec	9	Petya	Frigate	811	Berbera
2 Apr	28 Dec	9	Petya	Frigate	812	Mogadishu, Berbera, Kismayu, Bombay
25 Apr	17 Sep	5	Mayak	Intelligence collector	Kursograf	Berbera
10 May	16 Nov	7	Krivak	Guided missile destroyer	221	Berbera, Kismayu
10 Jul	6 Sep	2	Pevek	Tanker	Vilyusk	Mogadishu, Berbera
23 Jul	12 Aug	1	Alligator	Landing ship	412	Berbera
31 Jul	23 Dec	5	Mayak	Small cargo	Neman	
1 Jun	9 Aug	2	Pevek	Tanker	Pevek	Aden

		Time						
Arrival	Departure	Present (months)	Class	Type	Number Name	Ports Visited		
16 Aug	26 Oct	2	Pevek	Tanker	Pevek	Aden, Colombo, Berbera, Kismayu		
27 Aug	5 Mar 76	6	Altay	Tanker	Izhora	Berbera, Bombay, Colombo, Umm Qasr, Singapore		
7 Sep	21 Apr 76	7	Sura	Heavy lift buoy tender	Kil-21	Berbera		
7 Sep	Current	-	Amur	Repair ship	140	Berbera		
13 Oct	29 Mar 76	5	Krivak	Guided missile destroyer	209	Berbera, Port Louis		
13 Oct	28 Dec	2	Ropucha	Landing ship	507	Berbera		
18 Oct	7 Jan 76	3	Ropucha	Landing ship	514	Berbera, Colombo, Male		
21 Oct	10 Jan 76	3	E-II	Cruise missile nuclear sub- marine	NK	Berbera		
21 Oct	9 Jan 76	3	Ugra	Submarine support	968	Berbera		
31 Oct	31 Mar 76	5	Mayak	Small cargo	Ishim	Berbera, Singapore		
2 Nov	Current	-	Kazbek	Tanker	Gorkiy	Berbera, Colombo		



Arrival	Departure	Time Present (months)	Class	Type	Number Name	Ports Visited
15 Dec	21 Apr 76	4	Alligator	Landing ship	356	Berbera, Kismayu, Port Louis, Aden
15 Dec	Current	-	Petya	Frigate	831	Berbera
15 Dec	Current	-	Petya	Frigate	828	Berbera
15 Dec	Current	-	T-58	Minesweeper	853	Umm Qasr, Berbera
15 Dec	Current	-	T-58	Minesweeper	854	Berbera, Umm Qasr, Aden
15 Dec	27 Dec	-	Sofia	Tanker	Akhtuba	Port Louis, Singapore
<u>1976</u>						
20 Jan	9 Jun	4	F	Submarine	NK	Berbera
20 Jan	Current	-	Kotlin	Destroyer	400	Berbera, Aden
20 Jan	25 Feb	1	Khobi	Tanker	Yegorlik	Singapore
27 Jan	25 Feb	1	Altair	Tanker	Iman	Berbera
11 Jun	Current	-	F	Submarine	NK	Berbera
6 Jan	Current	-	Sofia	Tanker	Akhtuba	Berbera
24 Feb	Current	-	Mayak	Small cargo	Ulma	Berbera, Hodeidah

Arrival	Departure	Time Present (months)		Class	Type	Number Name	Ports Visited
13 Mar	Current	-		Polyarnik	Tanker	Polyarnik	Berbera
3 Mar	21 May	2		NK	Intelligence collector	Barograf	Berbera
27 Apr	5 Jun	1		Krivak	Destroyer	220	Berbera
14 Apr	NK	NK		Alligator	Landing ship	560	Berbera, Mogadishu
27 Apr	Current	-		Ropucha	Landing ship	561	Berbera, Mogadishu
27 Apr	26 May	1		Sura	Heavy lift buoy tender	Kil-32	Berbera
27 Apr	9 Jun	1		NK	Tanker	Irkut	Berbera
27 Apr	Current	-		NK	Intelligence collector	GS-117	Berbera
15 May	Current	-		Oskol	Repair ship	PM-26	Hodeidah
16 Jun	Current	-			Tanker	Frunze	Nil

APPENDIX A (Cont.)

SUMMARY OF UNITED STATES NAVAL DEPLOYMENTS IN THE INDIAN OCEAN

May 1973\* to June 1976

Arrival	Depart	Time Present (months)	Class	Type	Number/Name	Remarks/ Ports Visited
<u>1973</u>						
1 May	13 Jul 74	14	Ex LPD-3	Command ship	Lasalle AGF3	Karachi, Muscat, Colombo, Bahrain, Abu Dhabi, Dubai, Bandar Abbas, Doha, Jask, Seychelles, Mombasa, Victoria, Berbera, Hodeidah, Aqaba, Sharjah.
1 May	Jun	1	Gearing	Destroyer	Fiske DD842	MIDEASTFOR
1 May	Jun	1	Gearing	Destroyer	Noa	MIDEASTFOR
Jun	Sep	3	Gearing	Destroyer	Stribling DD867	MIDEASTFOR
Jun	Sep	3	Forrest Sherman	Destroyer	Jonas Ingram DD938	MIDEASTFOR
Aug	Aug	1	Knox	Frigate	Reasoner FF1063	Colombo, Geraldton

\* In May 1973 the United States commenced regular deployments to the Indian Ocean in addition to its Middle East Force (MIDEASTFOR), which has been deployed in the area since 1948.

Arrival	Depart	Time Present (months)	Class	Type	Number/Name	Remarks/Ports Visited
Sep	Dec	3	Charles F. Adams	Guided missile destroyer	Charles F. Adams DDG2	MIDEASTFOR
Sep	Dec	3	Knox	Frigate	McCandless FF1084	MIDEASTFOR
Oct	Oct	1	Knox	Frigate	Cook FF1083	Western Australian Ports
29 Oct	Dec	1½	Hancock	Attack carrier	Hancock CVT19	7th Fleet Task Gp.
29 Oct	Dec	1½	NK	Support ship	NK	
29 Oct	Dec	1½	NK	6 x destroyers	NK	
29 Oct	Jan 74	2½	NK	Nuclear powered attack submarine	NK	
Dec	9 Apr 74	4	Garcia	Frigate	Brumby FF1044	MIDEASTFOR
Dec	9 Apr 74	4	Garcia	Frigate	Koelsch FF1049	MIDEASTFOR
23 Nov	3 Dec	½	NK	2 x Frigates	NK	-
23 Nov	3 Dec	½	NK	Support ship	NK	-
Dec	Jan 74	1½	Hancock	Carrier	Oriskany CVS34	7th Fleet Task Gp.
Dec	Jan 74	1½	NK	Several escorts	NK	
Dec	4 Mar 74	3	Bainbridge	Nuclear powered frigate	Bainbridge CGN25	-

Arrival	Depart	Time Present (months)		Class	Type	Number/Name	Remarks/ Ports Visited
		1974	1975				
Dec	4 Mar 74	3	NK	NK	Guided missile destroyer	NK	-
<u>1974</u>							
5 Apr	30 Jul	3½	Forrest Sherman	Destroyer	Mullinnix DD944	MIDEASTFOR	
5 Apr	30 Jul	3½	Knox	Frigate	Paul FF1080	MIDEASTFOR	
2 Mar	13 Apr	½	Kitty Hawk	Carrier	Kitty Hawk CV63	7th Fleet Task Gp.	
2 Mar	13 Apr	½	NK	2 x Escorts	NK		
29 1 Jun	12 Jun	½	NK	Oiler	Taluga TA062		
29 6 Jun	Feb 75	8	NK	Oiler	Marias TAO-	Bandar Abbas, Djibouti, Bahrain, Massawa, Karachi, Mombasa, Port Louis	
1 Jul	2 Sep	2	Albany	Guided missile cruiser	Chicago CG11	Colombo, Mombasa	
1 Jul	2 Sep	2	Knox	Frigate	Fanning FF1076	Bandar Abbas, Karachi	
1 Jul	2 Sep	2	Gearing	Destroyer	George K. Mackenzie DD836	Port Louis, Djibouti	

Arrival	Depart	Time Present (months)	Class	Type	Number/Name	Remarks/Ports Visited
1 Jul	2 Sep	2	-	Oiler	Passumpsic TAO107	
26 Jul	9 Nov	3½	Gearing	Destroyer	Hawkins DD873	Bandar Abbas, Bahrain, Karachi, Colombo, Seychelles, Assam, Mombasa, Port Louis
26 Jul	9 Nov	3½	Knox	Frigate	Aylwin FF1081	Djibouti, Massawa, Bahrain
12 Sep	22 Apr 76	-	Ex LPD-3	Command ship	Lasalle AGF3	
5 Nov	Feb 75	3	Charles F. Adams	Guided missile destroyer	Lawrence DDG4	Bandar Shapur, Bandar Abbas, Damman, Djibouti, Mombasa, Port Louis, Karachi, Dubai, Bahrain, Massawa
5 Nov	Feb 75	3	Knox	Frigate	Elmer Montgomery FF1082	Hodeidah, Jeddah, Aqaba, Massawa, Mombasa, Port Louis, Karachi, Djibouti
Nov	Dec	1	Kitty Hawk	Carrier	Constellation CV64	Task Group

Arrival	Depart	Time Present (months)	Class	Type	Number/Name	Remarks/ Ports Visited
Nov	Dec	1	-	3 x Destroyers	NK	
Nov	Dec	1	-	Nuclear powered torp-attack submarine	NK	
Nov	Dec	1	-	Oiler	Poss. Macas	Massawa, Djibouti
<u>1975</u>						
12 Jan	21 Feb	1½	Enterprise	Nuclear powered carrier	Enterprise CVAN65	Task Group
12 Jan	21 Feb	1½	Long Beach	Guided missile cruiser	Long Beach CGN9	
12 Jan	21 Feb	1½	Charles F. Adams	Guided missile destroyer	Benjamin Stoddert DDG22	
12 Jan	21 Feb	1½	Knox	Frigate	Rathburne FF1057	
12 Jan	21 Feb	1½	-	Combat support ship	Camden AOE-2	
12 Jan	21 Feb	1½	-	Oiler	Mars AFS1	
12 Feb	11 Jun	4	Knox	Frigate	Trippe FF1075	Hodeidah, Mombasa, Bandar Abbas, Jask, Karachi, Jeddah, Khargis, Bandar Abbas, Djibouti, Port Louis

Arrival	Depart	Time		Class	Type	Number/Name	Remarks/ Ports Visited
		Present (months)					
12 Feb	11 Jun	4	Knox	Frigate	Joseph Hewes FF1078	Kharg Is, Bahrain, Rasel Kaimah, Bahrain, Colombo, Mombasa, Bandar Abbas, Jask, Karachi, Male, Djibouti, Jeddah, Port Louis	
24 Feb	14 Sep	3½	Gearing	Destroyer	Brownson DD868	Port Louis, Karachi, Muscat, Bandar Abbas, Mombasa, Khorramhan, Bahrain, Assab, Massawa, Ras Tanura	
24 Feb	14 Sep	3½	Gearing	Destroyer	New DD818	Port Louis, Reunion, Mombasa, Djibouti, Jeddah, Mombasa, Colombo, Karachi, Bandar Abbas, Bahrain, Dammam, Assab, Massawa, Berbera	
17 Jul	5 Sep	2	Leahy	Guided missile cruiser	Reeves CG24	Penang, Port Louis	



Arrival	Depart	Time		Class	Type	Number/Name	Remarks/ Ports Visited
		Present (months)					
17 Jul	5 Sep	2	Knox	Frigate	Harold E. Holt FF1074	Victoria, Mombasa	
17 Jul	5 Sep	2	Knox	Frigate	Badger FF1071	Karachi, Colombo	
17 Jul	5 Sep	2	-	Oiler	Mispillon TA0106		
Sep	31 Jan 76	5	Knox	Frigate	Valdex DE1096	Kuwait, Sharjar, Muscat, Karachi, Assab, Masawa, Jeddah, Mina Sulman, Djibouti, Bandar Abbas, Bahrain	
Sep	31 Jan 76	5	Knox	Frigate	Jesse L. Brown	Mombasa, Karachi, Dammam, Assab, Massawa, Mina Sulman, Jeddah, Djibouti, Bandar Abbas, Bahrain	
27 Oct	8 Dec	1½	Midway	Carrier	Midway CV41	Task Group	
27 Oct	8 Dec	1½	Coontz	Guided missile cruiser	Worden CG18		
27 Oct	8 Dec	1½	-	2 x Frigates	NK		
27 Oct	8 Dec	1½	-	Oiler	NK		

Arrival	Depart	Time Present (months)		Class	Type	Number/Name	Remarks/ Ports Visited
<u>1976</u>							
1 Jan	31 Jan	1		Garcia	Frigate	Brown FF1089	MIDEASTFOR
1 Jan	31 Jan	1		Garcia	Frigate	Valdez FF1096	MIDEASTFOR
17 Jan	10 Mar	2		Belknap	Guided missile cruiser	Fox CG33	Task Group
17 Jan	10 Mar	2		Knox	Frigate	Gray FF1054	
17 Jan	10 Mar	2		Knox	Frigate	Hepburn FF1055	
17 Jan	10 Mar	2		-	Oiler	Passumpsic TAO107	
24 Jan	21 Jun	5		Charles F. Adams	Guided missile destroyer	Semmes DDG18	Kuwait, Jeddah, Assab, Victoria, Djibouti
24 Jan	21 Jun	5		Garcia	Frigate	Garcia .FF1040	Mina Sulman, Jeddah, Bandar Abbas, Khorramshahr, Djibouti, Mombasa, Assab, Massawa
31 Jan	Current	-		-	Combat stores ship	San Jose AFS 7	Detach 7th Fleet

Arrival	Depart	Time		Class	Type	Number/Name	Remarks/ Ports Visited
		Present (months)					
11 Jun	Current	-		Knox	Frigate	Beary FF1085	MIDEASTFOR
11 Jun	Current	-		Knox	Frigate	Capodanno FF1093	MIDEASTFOR
11 Jul	1 Aug	½		NK	Carrier	Ranger CV61	Task Group
11 Jul	1 Aug	½		Charles F. Adams	Guided missile destroyer	Preble DDG46	
11 Jul	1 Aug	½		Charles F. Adams	Guided missile destroyer	Goldsbrough DDG20	
11 Jul	1 Aug	½		Knox	Frigate	Ouellett FF1077	
11 Jul	1 Aug	½		-	Oiler	Navasota TAO106	
18 Jul	1 Aug	½		-	-	Wabash AOR5	
18 Jul	1 Aug	½		-	-	White Plains AFS4	

APPENDIX BBILATERAL AID TO INDIAN OCEAN COUNTRIES

1972/73 - 1974/75

A\$'000

	1972/73	1973/74	1974/75
<u>SOUTH ASIA</u>			
Afghanistan	421	82	166
Bangladesh	5,691	10,598	15,453
Burma	873	1,763	2,983
India	1,312	1,358	10,732
Maldiv Islands	52	68	87
Pakistan	1,688	2,617	4,606
Sri Lanka	1,601	3,067	6,747
Sub Total	11,638	19,553	40,774
<u>SOUTH EAST ASIA</u>			
Indonesia	23,248	21,367	22,866
Malaysia	3,418	2,876	3,858
Singapore	495	602	662
Thailand	3,724	3,119	4,423
Sub Total	30,885	27,964	31,809
<u>EAST AFRICA</u>			
East African Community	24	18	18
Ethiopia	16	850	411
Kenya	107	108	451
Malagasy Rep.	-	-	-
Mauritius	272	623	776
Mozambique	-	-	-
Seychelles	-	-	-
Somalia	2	2	515
Tanzania	67	417	1,803
Uganda	58	72	101
Sub Total	546	2,090	4,312
TOTAL	43,069	49,607	76,895

APPENDIX C

AUSTRALIAN SPONSORED OVERSEAS STUDENTS AND TRAINEES IN AUSTRALIA

INDIAN OCEAN COUNTRIES - 1974/75

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SOUTH ASIA

Afghanistan	68
Bangladesh	68
Burma	92
India	82
Maldive Islands	27
Pakistan	58
Sri Lanka	97

Sub Total 492

SOUTH EAST ASIA

Indonesia	462
Malaysia	490
Singapore	236
Thailand	326

Sub Total 1,514

EAST AFRICA

East African Community	5
Ethiopia	2
Kenya	34
Malagasy Rep.	-
Mauritius	20
Mozambique	-
Seychelles	-
Somalia	1
Tanzania	45
Uganda	29

Sub Total 136

TOTAL 2,142

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APPENDIX D

SETTLERS ARRIVING, AUSTRALIA: COUNTRY OF LAST RESIDENCE  
THOSE COUNTRIES WITH ACCESS TO THE INDIAN OCEAN 1971/72 TO 1974/75  
(PERSONS)

Country of Last Residence	1971/72	1972/73	1973/74	1974/75	1975/76 est.
Arab Republic of Egypt	1,339	835	702	327	165
Bahrain			2	9	
Bangladesh			35	66	20
Burma	488	195	58	312	300
Ethiopia			6	28	5
India	2,390	1,720	1,959	1,585	625
Indonesia	68	69	120	120	115
Iran			77	192	60
Iraq			1		135
Kenya			115	307	70
Kuwait			35	31	20
Malagasy			1	1	
Malaysia	1,007	689	731	942	1,163
Mauritius	1,066	736	506	236	110
Mozambique			3	7	
Oman				4	
Pakistan	168	162	244	129	70
Rhodesia	361	387	418	164	
Saudi Arabia			7	14	5
Seychelles			14	66	30
Singapore	973	769	1,180	949	910
Somalia				1	
South Africa	1,695	1,565	1,583	1,530	950
South Arabian Fed. (incl. Sth. Yemen)			5		
Sri Lanka	1,219	1,386	1,948	887	415
Sudan			21	34	
Tanzania			23	52	
Thailand	77	90	118	132	750
United Arab Emirates			7	2	
<b>TOTAL</b>	<b>10,851</b>	<b>8,603</b>	<b>9,919</b>	<b>8,127</b>	<b>5,918</b>

APPENDIX E

LIST OF PERSONS AND ORGANISATIONS  
SUBMITTING EVIDENCE TO THE COMMITTEE

ADIE, Mr W.A.C.; Pearce, Australian Capital Territory.

BUSINESS AND CONSUMER AFFAIRS, Department of; Canberra,  
Australian Capital Territory.

CLARK, Dr I.; Department of Politics, University of Western  
Australia, Nedlands, Western Australia.

COMMONWEALTH SCIENTIFIC & INDUSTRIAL RESEARCH ORGANISATION;  
Canberra, Australian Capital Territory.

CONGRESS FOR INTERNATIONAL CO-OPERATION AND DISARMAMENT  
(VICTORIA); Melbourne, Victoria.

McPhie, Mr B.;  
Co-ordinator.

Mitchell, Ms P.D.

DEFENCE, Department of; Canberra, Australian Capital  
Territory.

Jockel, Mr G.A., C.B.E.; Director,  
Joint Intelligence Organisation.

Gray, Commodore K.D., D.F.C.; Deputy Director  
(Military), Joint Intelligence Organisation.

Pritchett, Mr W.B.; First Assistant Secretary,  
Strategic International Policy Division.

FARRAN, Mr A.; Faculty of Law, Monash University,  
Clayton, Victoria.

FOREIGN AFFAIRS, Department of; Canberra, Australian  
Capital Territory.

Fernandez, Mr R.R.; Acting Deputy Secretary.

Dalrymple, Mr F.R.; Acting First Assistant  
Secretary, Western Division.

Joseph, Mr L.L.E.; Assistant Secretary,  
South East Asia Branch.

Manning, Dr R.C.; Assistant Secretary, Programs  
Branch, Australian Development Assistance  
Bureau.

Shand, Mrs T.L.; Acting Assistant Secretary,  
South Asia Branch.

McKeown, Mr M.J.; Acting Assistant Secretary,  
International Legal Branch.

GOVERNMENT OF WESTERN AUSTRALIA; Perth, Western Australia.

HASTINGS, Mr P.D.; Senior Research Fellow, Strategic and  
Defence Studies Centre, Australian National  
University, Canberra, Australian Capital Territory.

IMMIGRATION AND ETHNIC AFFAIRS, Department of; Canberra,  
Australian Capital Territory.

JOHNSON, Professor B.L.C.; Department of Geography,  
Australian National University, Canberra, Australian  
Capital Territory.

JUKES, Mr G.; Senior Fellow, Department of International  
Relations, Research School of Pacific Studies,  
Australian National University, Canberra, Australian  
Capital Territory.

MARCHANT, Professor L.R.; Director, East Asian Studies  
Centre, University of Western Australia, Nedlands,  
Perth.

MILLAR, Dr T.B.; C/- Institute of Commonwealth Studies,  
27 Russell Square, London WC1B 5DS.



NON-VIOLENT ACTION COMMITTEE FOR THE ESTABLISHMENT OF THE  
INDIAN OCEAN PEACE ZONE; Claremont, Western  
Australia.

Forsyth, Mrs J.;  
Convenor.

O'CONNOR, Mr M.J.; East Doncaster, Victoria.

O'NEILL, Dr R.J.; Head, Strategic and Defence Studies  
Centre, Australian National University, Canberra,  
Australian Capital Territory.

OVERSEAS TRADE, Department of; Canberra, Australian  
Capital Territory.

PICKERING, Mr M.; Scullin, Australian Capital Territory.

SCIENCE, Department of; Canberra, Australian Capital  
Territory.

TRANSPORT, Department of; Canberra, Australian Capital  
Territory.

UNION OF CHRISTMAS ISLAND WORKERS; Christmas Island,  
Indian Ocean.

VERRALL, Mr D.O.; Department of Politics, University  
of Adelaide, Adelaide, South Australia.

WARNER, Mr D.; Mt Eliza, Victoria.

WELCH, Mr I.H.; Red Hill, Australian Capital Territory.

APPENDIX F

OVERSEAS DIPLOMATIC MISSIONS IN  
AUSTRALIA PROVIDING INFORMATION

High Commission for the People's Republic of Bangladesh,  
Canberra, Australian Capital Territory.

British High Commission,  
Canberra, Australian Capital Territory.

Embassy of the Socialist Republic of the Union of Burma,  
Canberra, Australian Capital Territory.

Embassy of France,  
Canberra, Australian Capital Territory.

Office of the High Commissioner for India,  
Canberra, Australian Capital Territory.

Embassy of the Republic of Indonesia,  
Canberra, Australian Capital Territory.

Imperial Embassy of Iran,  
Canberra, Australian Capital Territory.

Embassy of Japan,  
Canberra, Australian Capital Territory.

Embassy of Pakistan,  
Canberra, Australian Capital Territory.

Singapore High Commission,  
Canberra, Australian Capital Territory.

Embassy of South Africa,  
Canberra, Australian Capital Territory.

Office of the High Commissioner for the Republic of Sri Lanka,  
Canberra, Australian Capital Territory.

Embassy of the Union of Soviet Socialist Republics,  
Canberra, Australian Capital Territory.

Embassy of the United States of America,  
Canberra, Australian Capital Territory.