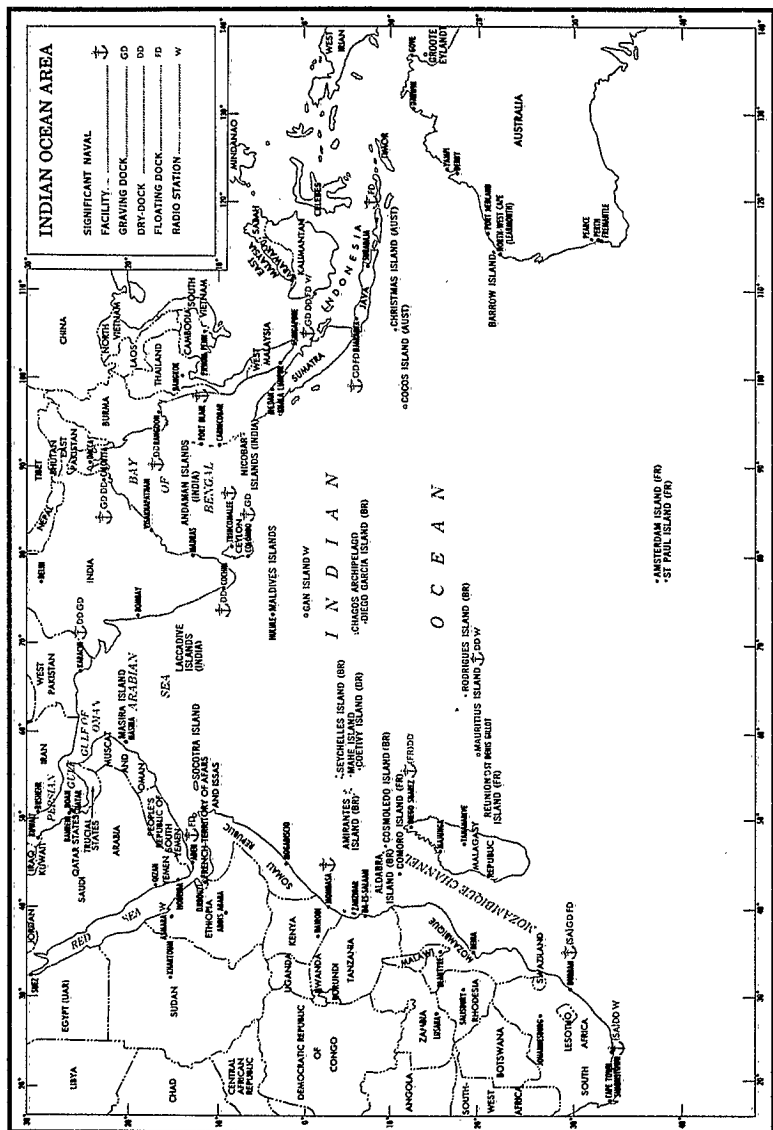


JOINT COMMITTEE ON FOREIGN AFFAIRS

REPORT

ON

THE INDIAN OCEAN REGION



CONTENTS

Para.

Introduction

PART A

Conclusions and Recommendations

- | | |
|---------------------|---|
| (1) Background | 1 |
| (2) Conclusions | 4 |
| (3) Recommendations | 5 |

PART B

The Indian Ocean Region

- | | |
|--------------------------|----|
| (1) Background | 6 |
| (2) Australian Attitudes | 18 |

PART C

Great Powers Involved in the Indian Ocean Region (other than the U.S.S.R.)

- | | |
|--|----|
| (1) Britain | 24 |
| (2) The United States of America | 31 |
| (3) Japan | 37 |
| (4) People's Republic of China | 45 |
| (5) The closure of the Suez Canal and the
attitude of the Great Powers Involved | 54 |

PART D

The U.S.S.R. and the Indian Ocean Region

- | | |
|--|----|
| (1) Background | 55 |
| (2) Reasons for the Soviet Presence | 57 |
| (3) The Soviet Presence in the Indian Ocean -
(a) Naval and other surface vessels | 60 |

	<u>Para.</u>
(b) The Search for Naval Bases	68
(c) Economic, military, diplomatic and political presence	71
(i) South Asia	72
(ii) The Middle East	75
(iii) Africa	76
(iv) South-East Asia - Malaysia and Singapore	79

PART E

<u>An Assessment of Russian and Other Great Power Involvement in the Indian Ocean Region</u>	81
(1) The Effects and Potential of the Russian Naval Presence	82
(2) Soviet-Chinese Competition	85
(3) The Attitude of Indian Ocean Countries to Great Power Influence	88
(a) South Asia	90
(i) India	90
(ii) Pakistan	91
(iii) Ceylon	92
(b) Middle East	94
(c) East Africa	95
(d) South-East Asia - Malaysia and Singapore	97

PART F

<u>Australia and the Indian Ocean Region</u>	
(1) Australian Interests in the Indian Ocean Region	99
(2) Australia and the Russian Presence	104
(3) Areas of Australian Involvement in the Indian Ocean Region	
(a) Trade	108

	<u>Para.</u>
(b) Aid and General Assistance	113
(c) Defence	117
(d) Political interests	121

LIST OF APPENDICES

	<u>Page No.</u>
A - Ministerial Communique issued on the completion of the Five Power defence talks in London, April 1971.	66
B - United States of America State Department press release on the construction of the Joint U.S./U.K. facilities on Diego Garcia Atoll in the Chagos Archipelago, British Indian Ocean Territory, dated 15 December 1970.	68
C - Legal Obligations of Her Majesty's Government arising out of the Simonstown Agreement - presented to the British Parliament, February 1971.	69
D - Countries in the Indian Ocean Region by area, population, type of State and diplomatic representation.	88
E - Australia's trade with countries bordering the Indian Ocean.	90
F - Trade relations between the United States of America, the United Kingdom, the Soviet Union and countries bordering the Indian Ocean.	100
G - Military strengths of selected countries in the Indian Ocean area.	101
H - Extract from the Lusaka Declaration of the Third Conference of Heads of State or Government of Non-aligned countries, September 1970.	103

	<u>Page No.</u>
I - Australian Bilateral Aid to countries bordering the Indian Ocean.	104
J - Treaty of Peace, Friendship and co-operation between the Soviet Union and the Republic of India. (This Treaty was concluded after the preparation of the Report and is therefore added as an Appendix without comment.)	105
K - Extract from Jane's Fighting Ships 1971-72 showing the numerical strength of world naval forces.	108
L - Summary of Soviet Naval Deployments in the Indian Ocean.	110

JOINT COMMITTEE ON FOREIGN AFFAIRS

Report on the Indian Ocean Region

Introduction

At a meeting of the Joint Committee on Foreign Affairs on 19 May 1970, it was resolved that a Sub-committee be formed to inquire into and report to the Joint Committee upon the "Indian Ocean Region".

The following seven members were elected members of the Sub-committee:

Senator C.R. Maunsell	Mr B. Cohen, M.P.*
Senator J.P. Sim	Hon. D.E. Fairbairn, D.F.C.,
Senator J.M. Wheeldon (a)	M.P.**
	Mr J.E. McLeay, M.P.
	Mr A.A. Street, M.P.

*Resigned, 18 September 1970. (a) Resigned, 29 April 1971.

**Resigned from Full Committee, 7 April 1971.

At its first meeting Senator Sim was elected Chairman.

During its inquiry, the Sub-committee held fourteen meetings and took evidence from a wide range of witnesses. In addition, a number of submissions were presented for the Sub-committee's consideration. In October 1970, the Sub-committee visited Western Australia to collect further evidence and took the opportunity to inspect various defence installations situated on the Western Australian coast, the eastern border of the Indian Ocean.

The terms of the Sub-committee's inquiry were left mainly to its own discretion, and at early meetings it was decided that South-East Asia, including Indonesia, should not be

included as areas of major consideration in the Sub-committee's examination of the region. Indonesia was currently being considered by another Foreign Affairs Sub-committee, while the situation in South-East Asia was largely unrelated to the area under consideration. The countries within the sub-system of South-East Asia can generally be regarded as having little or no foreign policy implications of interest to the Sub-committee in relation to the Indian Ocean region.

The Report has the aim of emphasising the growing strategic and economic importance of the Indian Ocean region to Australia, particularly in the current era of international interest and policy-making in the region.

The Committee's consideration of the Report was concluded shortly before the outbreak of hostilities between India and Pakistan. Therefore it was not possible for the immense implications of this conflict to be included in the Committee's Report.

The Report of the Sub-committee was considered by the full Committee on 9, 23 and 30 November and adopted 7 December 1971.

The Joint Committee on Foreign Affairs has the honour to present the following Report:

PART A

CONCLUSIONS AND RECOMMENDATIONS

(1) BACKGROUND

1. The Indian Ocean is one of the great seaways of the world. It provides access routes for the carriage of a vast amount of raw materials and essential products destined for Europe, Japan, and other world areas. Japan, in particular, obtains 90 per cent of her oil requirements by passage through the Ocean.

2. The Ocean is of great importance to the U.S.S.R., particularly as it provides the only all-year sea route between the Soviet Union's east and west flanks. The U.S.S.R. takes advantage of this fact in both a commercial and military sense.

3. Forty-six per cent of Australian trade passes through the region. This figure is almost certain to increase with the development and export of greater quantities of Australia's mineral deposits and other commodities.

(2) CONCLUSIONS

4. The Committee expresses the following general conclusions:

Indian Ocean States

(1) Most of the States bordering the Indian Ocean have achieved independence in the past twenty-five years and many of these have adopted a foreign policy of non-alignment.
(Paras. 6-11)

(2) The Indian Ocean region cannot be regarded as a distinct political and economic unit but rather it is divided into a number of political and/or economic areas. (Paras. 13-17, 89)

External Powers Involved in the Indian Ocean Region

(3) For over 150 years to the Second World War, Britain was the predominant colonial and military power in most areas of the Indian Ocean region but has, since that period, begun to reduce her commitment to the region, thereby placing a greater defence responsibility on many of the countries in Australia's immediate area. Nevertheless, Britain remains a significant influence in the area. (Paras. 24-30, 100, 117, 120)

(4) The United States of America accepts and plays a large economic role but a low profiled military role in the Indian Ocean region. Recent and possible future activity by other powers raises speculation over the future United States political and military role in the region. (Paras. 31-36)

(5) Japan, since the Second World War, has risen to the status of third industrial world power and possesses the fastest growing G.N.P. The Japanese Government has conducted a minor military, diplomatic and political role in its foreign policy. But there are circles of thought and circumstances which are making it more difficult for Japan to avoid taking greater initiatives in these spheres. (Paras. 37-44)

(6) The People's Republic of China, since its inception in 1949, has attempted to spread its

influence in many areas of the Indian Ocean region. The policy of seeking such influence is likely to continue and, in the future, to meet with some success should the P.R.C. continue to improve and promote her recent revised stance in foreign policy attitudes. However, the P.R.C. does not currently have any immediate or direct naval interest in the Indian Ocean itself. (Paras. 45-53)

(7) The closure of the Suez Canal has caused some inconvenience to the passage of world trade but its closure is not a significant factor in the overall strategy being carried out in the Indian Ocean by the important powers. However, the closure has disadvantaged the Soviet Union more than other naval powers. (Para. 54)

The Soviet Presence

(8) The recent Soviet strengthening of its economic and military presence in the Indian Ocean region is only one facet of a world-wide plan by the Soviet Union to extend its influence and shape its foreign policy as befitting that of a super power. This must be regarded as permanent and likely to increase. (Paras. 55-57, 59, 81)

(9) Soviet naval expansion has been developing since the Second World War and its presence in the Indian Ocean has been virtually continuous since March 1968. (Paras. 60-62)

(10) The Soviet surface naval presence, because of its size, vulnerability and lack of full naval

base facilities, cannot, at present, be considered an aggressive military force or a direct threat to Australia. It can generally be classed as a political and psychological tool, which increases uncertainty in the region. (Paras. 63-69, 82-84, 104-107)

(11) The most important Soviet presence in the Indian Ocean region are the initiatives taken in the economic, political, diplomatic and military involvement and assistance which is applied to those major areas of the region in which the Soviet Union seeks to obtain greater influence, power and prestige. (Paras. 71-80)

Great Power Interest in the Region

(12) The Indian Ocean region is a major area of competition between the People's Republic of China and the U.S.S.R. (Paras. 85-87)

(13) The countries with a potential or existing direct naval involvement and associated foreign policy towards the Indian Ocean region can generally be classed as powers outside the area, namely, the Soviet Union, the People's Republic of China, Japan, the United States of America and Britain. There is a fear within the region that the Indian Ocean region may well be turned into an arena of great power domination and conflict. (Paras. 88-98)

(14) There has been an extension of interest and participation by the major powers in the Indian Ocean region. Although it is not possible to predict with certainty that all the great powers will maintain their interest in the area indefinitely, it does not seem likely that the countries in the region, whatever their views, will be able to prevent the Indian Ocean developing into an area of great power influence and involvement. (Paras. 24-53, 55-98)

Australian Interest in the Region

(15) Recent developments in the Indian Ocean warrant a reappraisal of the traditional Australian attitude and policy which have been orientated from an eastern base. (Paras. 99-103)

(16) Australia has a definite role to play in the Indian Ocean region, not only in seeking a better understanding of potential differences and misunderstandings between countries, but an overall role in reducing tensions and conflicts in the region and generally assisting its economic development. (Para. 103)

(17) The developments now taking place in the Indian Ocean region are an indication of the need for Australia to take a greater interest in the region and to accept the opportunities now being evolved for greater Australian trade, influence and goodwill. (Paras. 106, 107)

(18) Australia is recognising the growing strategic importance of its western coastline and the Indian Ocean region, and Australia's growing responsibility,

in conjunction with its near neighbours and Five Power allies, in maintaining (within the limitations imposed by our military strength and financial resources) peace and security in the region. (Paras. 117-120)

Australian Trade

(19) Australian trade with many countries within the Indian Ocean region is capable of some expansion. However, low financial reserves, under-development and inadequate internal marketing arrangements in such countries ensures that such is unlikely to be rapid. (Paras. 108, 110-112)

(20) Australian trade with the countries of the Indian Ocean region features a common imbalance of exports over imports created by a limitation in the range of goods available for the Australian market; of those which can be economically produced, many are subject to high tariff barriers. (Paras. 108, 112)

Australian Aid

(21) Aid and technical assistance are an important means by which Australia assists the under-developed nations of the world. (Para. 115)

(22) Great importance should be attached to the role of highly trained and environmentally suited personnel in the aid sphere. (Para. 116)

(3) RECOMMENDATIONS

5. The recommendations of the Committee are as follows:

Australian Goodwill Initiatives

(1) That Australia, in all dealings with the nations in the Indian Ocean area, should follow a policy that demonstrates our interest in reducing tensions and conflicts and our preparedness to join with all nations to help achieve this aim.

(2) That it is in Australia's interests to avoid where possible antagonising the non-aligned countries of the region when conferring with our Western allies on matters related to the region.

(3) That opportunity or initiative should be taken to arrange visits of goodwill by Australian naval forces, which would serve to highlight the interest of Australia in maintaining peace and security in the region and in becoming an integral part of the region.

Trade

(4) That studies of the potential trade and investment opportunities in the area should continue with a search for new initiatives, realising that the majority of the countries are only beginning to develop their economic capacity and will in the future offer considerable markets.

(5) That encouragement and assistance be given to the littoral States of the Indian Ocean to help them to achieve a wider export potential, through their natural economic resources and advantages, in order to diminish the trade imbalance and facilitate a growth in trade between Australia and the countries of the region. In this respect, Australian tariff rates will be a highly relevant factor.

(6) That attention be given by the Department of Trade and Industry to the training of managers in marketing techniques with emphasis on the individual problems of the nations concerned.

Aid

(7) That close consideration should be given to providing more assistance in education and training fields in the receiving country rather than in Australia where differences in environmental aspects between the two countries may limit the usefulness of the assistance.

(8) That the aid offered to overseas countries should continue to be of the best quality and controlled by well trained personnel who are aware of the individual problems of the receiving country.

(9) That aid delivered in the form of machine and technical equipment should be supplemented, where requested, by the provision of facilities for repairs and maintenance.

(10) That the responsible Departmental authorities should recognise the important part played by the personal attributes of people involved in aid projects, rather than placing too great an emphasis on the provision of financial and physical resources.

Defence

(11) That the naval and air facilities at Cockburn Sound and Learmonth in Western Australia should be established and become operational as soon as possible for the protection of Australia's west.

(12) That the facilities at Cockburn Sound should be made available to friendly powers under mutually agreed arrangements.

(13) That the practicability of the permanent stationing of units of the Australian navy at Cockburn Sound should be considered as of the utmost importance.

(14) That currently, by mutual agreement with countries concerned, Australian forces are stationed on the Malaysia-Singapore area and are likely to continue to do so in the foreseeable future. Also, it is possible that other forward commitments might be made at some future time. However, long-range defence planning cannot ignore the possibility of all forces being stationed in Australia. The Committee, therefore, recommends the strengthening of the defence capability of our northern, western and south-western shores.

(15) That aerial reconnaissance by the R.A.A.F. be stepped up as an indication of Australia's interest in the current activities taking place in the Indian Ocean.

(16) That serious consideration be given to up-dating the facilities on the Cocos (Keeling) Islands to provide for R.A.A.F. reconnaissance aircraft in support of recommendation (15).

(17) That Australia should seek to achieve reciprocal naval and air access to Indian Ocean island staging areas now in control of Britain.

PART B
THE INDIAN OCEAN REGION

(1) BACKGROUND

6. It is only in the past twenty-five years that the large majority of states in and around the Indian Ocean have achieved independence. In 1945, taking a West to East scan of the area, Mozambique was (as it still is) administered by Portugal; Madagascar and Mauritius were colonies of France and Britain respectively; Tanzania (then the separate colonies of Tanganyika and Zanzibar) and Kenya were British colonies; Somalia (then British and Italian Somali land) was, as a result of the War, under British control; the Sudan, officially an Anglo-Egyptian Condominium, was effectively ruled by the British; the present People's Democratic Republic of Yemen was the British Protectorate of Aden, which included the Island of Socotra; the Trucial States of the Arabian peninsula and the Persian Gulf sheikhdoms were, as they still are, under British protection; Kuwait's foreign relations were handled by Britain; Pakistan and India were still administered as a unit within the British Indian Empire; Burma and Ceylon were still British colonies as were Malaya and Singapore, while Indonesia, after some years of Japanese occupation was still technically a possession of the Netherlands, although its independence as a Republic had already been proclaimed. The other island groups in the Indian Ocean were, for the most colonial possessions, as they still are.

7. Of the thirty or so states and territorial units which either directly border the Indian Ocean or are maritime off-shoots of it (the Red Sea, Gulf of Oman and Persian Gulf), only Australia, Thailand, Iran, Iraq, the Yemen (now the Yemen Arab Republic),

Saudi Arabia, Egypt (now the United Arab Republic), Ethiopia and South Africa were formally independent in 1945

8. The period from 1947 to the early 1960's saw the ending of colonialism for the big majority of countries in the Indian Ocean. In 1947-48, India, Pakistan, Burma and Ceylon achieved independence and were joined as sovereign states by Indonesia in 1949. Malaya was granted full independence in 1957 and Singapore in 1963. The early 1960's were significant years for Africa with Somalia and the Malagassy Republic (1960), Tanganyika (1961 - in 1964 it united with Zanzibar to form Tanzania) and Kenya (1963) achieving their independence in that period. In 1968, Aden and Mauritius were granted independence by Britain. By 1971, with the exception of Mozambique, the Trucial Coast and the Persian Gulf, and various small island possessions, the entire Indian Ocean littoral area consists of independent, sovereign states.

9. Colonialism artificially focussed the external attitudes of the colonial countries on the metropolitan power. Independence in few cases led to a serious breach of relations between ex-colony and ex-colonial power. It did, however, offer to the newly independent states a far wider range of options in foreign relationships than they had ever experienced before. Partly because of their determination to avoid the kind of dependence experienced under colonialism, partly because of their objective of obtaining assistance with their economic development from the widest range of potential sources, partly as a result of domestic nationalism many ex-colonial states have explicitly adopted a foreign policy of non-alignment.

10. The non-alignment movement had its origins in the tensions of the cold war, as a reaction against the tendency for

international alignments to polarise around the United States and the U.S.S.R. after the Second World War. Fearing that the cold war of the 1950's could provoke a world conflict into which all countries would be drawn, a number of states uncommitted to either East or West, felt that they might, as a group, exert a moderating influence on the great powers and thus provide an alternative approach to world problems.

11. Many of the Indian Ocean states have played an active role in the non-aligned movement. Three countries within the region - India, the United Arab Republic and Indonesia - were prominent in the small group of states which originated the non-aligned movement. Of the fifty-three delegations which attended the Third Non-Aligned Summit Conference held in Lusaka in September 1970, fourteen came from the Indian Ocean area - Ceylon, Ethiopia, India, Indonesia, Iraq, Kenya, Kuwait, Malaysia, Singapore, Somalia, Sudan, Tanzania, United Arab Republic and the Yemen Arab Republic. As a reflexion of this degree of regional participation, a resolution of the Summit called upon all states to consider the Indian Ocean a zone of peace from which great power military bases and all nuclear weapons are excluded. (For text of Resolution, see Appendix H.)

12. It was suggested to the Committee by a number of witnesses that it was the Soviet naval presence in the Indian Ocean from March 1968 which first made most Australians - in the Eastern states, at any rate - aware of its existence. It should be pointed out that the development of political influence by the U.S.S.R. and the People's Republic of China in a number of littoral countries considerably antedates 1968. One result of the adoption of non-aligned policies by a substantial number of states of the area has been to open it to outside powers, from West and

East, for the projection of influence. The non-aligned states seek to develop profitable links with external powers of all political persuasions, while preserving their independence and sovereignty. In the Indian Ocean, for example, India and Tanzania have developed extensive relations with the U.S.S.R. and P.R.C. respectively, while maintaining links with the West and continuing to participate in the Commonwealth. Malaysia and Singapore too, whose traditional links are predominantly with the West, have diplomatic relations with the U.S.S.R. and other eastern European communist countries, and are developing profitable commercial relations with these countries as well as with the People's Republic of China. The past ten years in particular have seen increasing activity in Indian Ocean countries by the major Communist powers.

13. Not all the countries of the area follow non-aligned policies. Furthermore, a number of countries within the area are divided over significant issues. Indeed, in the Committee's view, the Indian Ocean should not be regarded as a distinct political and economic unit. Evidence presented suggested that there are four main political/economic areas in the region: Southern and East Africa, the North-West Indian Ocean (from the Horn of Africa to the Persian Gulf), South Asia, and South-East Asia. Each of these areas has its own special political preoccupations, although all share a common interest in economic development.

14. The principal issue concerning South and East Africa is the relationship between the newly independent black African states and the white minority Governments of South Africa, Rhodesia and the Portuguese territories. Among the African states, attitudes on this subject vary - for example, between Malawi and the Malagassy Republic, on the one hand, whose Governments oppose Southern African racial policies but believe that they should not be a barrier to doing business with them and Tazania and Zambia, on the other, who believe that any relations with the white-ruled states would amount to tacit approval of their racial policies.

15. In the North-West Indian Ocean, many of the states are concerned with the Arab/Israeli dispute, the future of British-protected states on the Trucial Coast and in the Persian Gulf is an important current issue, while disputes between certain of the states - Iran and Iraq, and the two Yemens, for example - also exert an influence on the area.

16. The uneasy relationship between India and Pakistan is the largest international problem in South Asia. The recent open rupture between West and East Pakistan has intensified Indo-Pakistani ill-feeling and suspicion.

17. In South-East Asia, many of the countries see their greatest problem as the maintenance of national sovereignty and independence against externally inspired subversive movements - mainly those which acknowledge the leadership of the People's Republic of China and North Viet-Nam.

(2) Australian Attitudes

18. Australia has been principally concerned with the South-East Asian sector of the Indian Ocean area and it has entered a number of political, economic and security arrangements in that area. It devotes the bulk of its foreign economic assistance to the area. On the Indian Ocean littoral, Australia has established highly important, far-reaching relationships with Indonesia, Malaysia, Singapore and Thailand.

19. Australia values its relations with the countries of South Asia, recognising that it is important for the whole of Asia that they solve their problems of economic development - aggravated in the case of India and Pakistan by the sheer scale and diversity of their populations - and maintain their political stability. Australia is contributing within the limits imposed by its resources and other priorities.

20. Australia has few traditional relations with the countries of the North-West Indian Ocean. It is interested in developing its commercial relations with the countries of the area; and in preserving and developing its communications routes to Europe. It has evolved a policy of neutrality in the Middle East conflict.

21. Africa is of less immediate importance to Australia than Asia. Nevertheless, Australian policy towards Africa, largely channelled toward the Commonwealth countries, is one of seeking to understand the political and economic problems facing

the newly independent states in Africa and of giving selective assistance through aid programmes, such as the Special Commonwealth Assistance to Africa Plan. In the Southern African States, Australia's concern is that of finding peaceful solutions of problems of race and colonialism, so that a threat to peace does not arise in this part of the world.

22. The Committee feels that the priorities established in Australian policy towards the four main areas of the Indian Ocean littoral area are substantially correct. It recommends that, whatever action is decided upon with respect to maritime security in the Indian Ocean as such, Australian policy should remain conscious of the political and cultural diversity of the countries of the region.

23. The Committee believes that it would be a mistake for Australia to attempt to treat the region as if it were a unit, bound by the common factor of being washed by the Indian Ocean.

PART C

GREAT POWERS INVOLVED IN THE INDIAN OCEAN REGION

(OTHER THAN THE U.S.S.R.)

(1) BRITAIN

24. For over 150 years to the Second World War, Britain has been the predominant colonial and military power in most areas of the Indian Ocean region. The main objective of policy, although it may not always have been clearly perceived, whether in East Africa, Persia, Burma or Malaysia (as it is to-day) - even to the settlement on the Swan River in 1829 - was to enforce a 'Pax Britannica' in the Indian Ocean for the protection of India - the 'Jewel of the East' against the European powers. British naval bases in support of the Indian strategy were spread virtually unchallenged during this long period from Simonstown to Aden and from Bombay to Trincomalee and Singapore.

25. In 1942 the first apparent weakening of British control and influence appeared with the Japanese thrust into the area and virtually disappeared on the granting of independence to India and Pakistan in 1948. Britain has from that period, particularly after the end of the War and from 1948, begun to withdraw her influence and presence from the region culminating in the East of Suez policy in the late 1960's. Britain will still retain contacts through the Commonwealth nations in the region but many of these have, since independence, tended to follow a policy of non-alignment. In addition, the current uncertainty and anxiety created within the Commonwealth over Britain's projected entry into the European Economic Community, together with the recent controversy over the sale of arms to South Africa has threatened to weaken many

of the ties still held with Britain

26. Under the immediate past British Government, the proposed withdrawal of forces East of Suez would have been almost complete except for the odd tour of duty or SEATO type exercises conducted by the Royal Navy in the area. However, on the return to power by the Conservative Government following the June 1970 Election, the East of Suez policy was modified, in support of the Five Power arrangements, to leave the following forces in the Malaysia/Singapore area:

"[Six] frigates or destroyers on station East of Suez (including Hong Kong).

"A British battalion group, including an air platoon and an artillery battery.

"A detachment of Nimrod long-range maritime reconnaissance aircraft.

"A number of Whirlwind helicopters.

"The provision of a submarine [has] also [been agreed to]. There will be a considerable number of visits by combat units of all three Services for jungle, air and maritime training and exercises in the area."*

27. The British Government has recently announced its plans for the future of the Persian Gulf area. These involve the removal of all land-based forces with the exception of a small number of seconded British Officers who will remain with the armed forces of some of the Trucial States for training and liaison purposes. An extra frigate in addition to those mentioned above will be stationed in the Persian Gulf and will be supported by occasional naval visits to the area.

28. It is proposed that the British forces (of Para. 26) will be used in conjunction with "Five Power" defence forces of Australia,

* British Supplementary Statement on Defence Policy 1970, Presented to the British Parliament by the Secretary of State for Defence (Lord Carrington) in October 1970. (Up-dated since the presentation of the statement).

New Zealand, Malaysia and Singapore. A meeting of the Five Power Defence Ministers held in April 1971 negotiated a political framework for the defence arrangements. A text of the Statements issued at the conclusion of the meeting appears as Appendix 'A'.

29. When assessing British strength in the area consideration must be given to the various treaty arrangements and territorial strategic possessions of the British in the region. These include some communications and staging facilities and the use of an airfield in Mauritius under an agreement current until 1974; the responsibility for the defence and internal security of the Seychelles and the British Indian Ocean Territory (and see paragraph 34); the use of the Simonstown naval base in South Africa; a defence agreement with the Maldives current until 1986, which includes the use of a major jet airfield, a large scale communications station, a good harbour and some small naval fuelling facilities on the Island of Gan; and a general use of naval and other facilities in various Commonwealth and other countries in the region, particularly Singapore and Australia. These entitlements are significant when considering the general strategic situation in the Ocean.

30. Britain has, in the past, been a major factor in the political and military situation in the Indian Ocean, but the draining of economic resources resulting from two world wars and a re-appraisal of her foreign policy, has led to a reduction in her military commitment to the region. While it is recognised that it is British intention to make a major withdrawal of forces from the area, the fact that it is intended to leave behind a force, is of some significance. The proposed extension of the "Five Power" arrangements is designed to meet the new circumstances created by the British withdrawal in our immediate area. It is expected that the current British policy East of Suez will remain in force for at

least a number of years, after which there must remain some doubt as to the continuation of the policy. For the purposes of long term planning, and because the continued British presence in the Indian Ocean region must be considered uncertain and of variable quantity, quality and purpose, there remains little doubt that the countries in the immediate area, including Australia, will have to accept a greater defence responsibility.

(2) THE UNITED STATES OF AMERICA

31. The United States of America is one of the world's super powers. She possesses vast quantities of financial reserves, natural resources and manpower, enabling the United States to accept a large responsibility in assisting the growth and development of the under-privileged nations of the world. It is a matter of fact that because many of such countries are situated in or around the Indian Ocean region, the United States is economically active in the area. However, despite the pressures for involvement of a super power, the United States has shown little security and military interests in the Indian Ocean region as a whole (excluding South-East Asia). In these spheres, there is only some general interest placed on: the stability and security of the region as a whole and the countering of Soviet or Chinese influence and presence; the promoting, protecting and securing of United States and allied economic rights to oil reserves, investments and trade; and the maintenance of secure lines of communication and freedom of the seas. The low priority which the United States has attached to these interests is indicated by the United States Middle East Force operating from Bahrein in the Persian Gulf which consists of two aged destroyers and a seaplane tender and is so far as the Committee was able to ascertain the only permanent United States naval presence in the Ocean.

32. There is unlikely to be any major alteration in United States policy, in the region or at least only in a small numerical sense. The economic situation, and therefore policy consideration towards assistance, can be regarded as fairly static in that the economic prosperity of the region must be considered many years away. However, recent and possible future activity by other powers in the Indian Ocean must place a question mark over the future United States political and military role in the region.

33. While there have been few authoritative United States proposals or announcements on policy concerning the securing of the United States political and military interests, it has been recognised that a threat to these interests may exist through the activities of the Soviet Union and China in the region. As a result, a number of high ranking naval officers writing in a private capacity, in the light of current happenings in the Indian Ocean and the concern of the maintenance of the United States interests in the area, have made the following recommendations on a future United States posture in the region:

" . Encourage the Western countries to continue their economic and military aid programmes and assist them as required or requested;

" . Encourage continued bilateral and multilateral exercising of allied naval forces under existing arrangements and press for greater involvement of France, the United Kingdom and Japan through their present interests in the Indian Ocean area;

" . Establish a communication and satellite tracking station in the B.I.O.T. (British Indian Ocean Territory) with an air facility to fulfil support requirements and provide for an air

surveillance capability to be operated from the island on a required basis;

" . Maintain the present size of the M.E.F. (Middle East Force) at three ships and modernize the force as a further display to all parties of U.S. commitment to the area; and

" . Schedule periodic transit of the U.S. 6th and/or 7th Fleet combatants (air and surface elements) through the area."*

34. Under an Agreement reached with Britain in December 1966, the United States gained an option to use for its own purposes the Islands of the British Indian Ocean Territory, a central and strategic area of the Ocean. A possible indication of growing United States interest in the region is a proposal under the terms of this Agreement to build a communications centre on Diego Garcia of the Chagos Archipelago in the Territory to be completed by 1974. The island will be well served by a 6,000 foot runway and will, as the traffic in the region increases, develop into a highly important strategic link in Western and American satellite and general communications in the Indian Ocean (and see Appendix B).

35. The Committee noted with interest recent press speculation of a United States or joint Anglo-United States naval force, which, it is predicted, will begin flag-showing manoeuvres in the Indian Ocean in the near future. Little evidence could be found to substantiate these reports and while such exercises may well occur in a limited fashion there is little possibility of a large scale or semi-permanent United States naval forces (other than the M.E.F.) appearing in the foreseeable future or at least until after the termination of the American

* An Evaluation of U.S. Naval Presence in the Indian Ocean - A Group Research Project completed in the School of Naval Warfare edited by Lieutenant Commander Beth F. Coye, U.S. Navy, October 1970, p.51.

involvement in Viet-Nam.

36. United States intentions in the area are uncertain in view of the "Nixon Doctrine" (of placing greater responsibility on regional defence arrangements to enable a disengagement of United States forces from various areas) and a reluctance on behalf of the President and Congress to initiate new military expenditure or undertake foreign commitments in areas of little immediate concern to the United States. Whether the proposed major withdrawal of British forces "East of Suez" and the recent Soviet initiatives in the Ocean will be sufficient cause to prompt the United States to take counter action can only be a matter of speculation. However, while the recommendations above are certainly not official administration policy, they are an indication of the manner in which the armed services are thinking and the way in which the Nixon Administration could act while still following the theme of the Nixon Doctrine. It has an emphasis on low military involvement and could well be the fashion in which the United States will direct its possible involvement in the Indian Ocean region.

(3) JAPAN

Japan's Economic Interest in the Indian Ocean

37. Japan, since the Second World War, has risen to the status of third industrial world power and possesses the fastest growing Gross National Product. She has since the War followed a policy of seeking to obtain the best possible trade situation without becoming militarily involved. Japan's economy, and therefore her enormous wealth and growth, are primarily linked to her success in trade, but, unfortunately for Japan, she is essentially lacking in raw materials and is forced to import to feed her industrial drive. Of these imports, a large quantity is

obtained from the littoral states of the Indian Ocean. The Middle East provides approximately 90% of her oil requirements, Australia provides a good proportion of her iron ore, coal, bauxite and other minerals while she receives copper, zinc and other essentials from the African States.

38. As a result of the growth in Japanese G.N.P. of approximately 10% per annum and the expected continued expansion in the coming decade, it is anticipated that some of the raw material requirements will increase by as much as 300% in that period. This leaves Japan in a position where not only must her current markets be maintained but they must be expanded and widened to include other sources of supply. There is, therefore, a need for Japan to diversify these sources in order to provide options against possible external pressures.

39. To the present, the Japanese Government's diplomatic and economic initiatives have been conducted on a relatively low key through the activities of Japanese businessmen. But with the emphasis that the Japanese economy places on growth, this situation cannot be expected to remain and to this extent there have been moves afoot in governmental and planning circles to increase Japanese governmental initiatives on a global rather than regional (South-East Asian) basis in the economic, aid and diplomatic fields. These initiatives, if carried out, would serve to -

- . provide the basis upon which essential supplies of raw materials could be both maintained and expanded;
- . provide the Japanese with a stronger voice in marketing arrangements in which she has an interest;
- . intensify the government's role in co-ordinating the conduct of economic initiatives; and

provide a more global foreign policy and so enable the government to appease those nationals who wish to see Japan in world non-military initiatives, whilst also undermining the more radical nationalist elements who wish to see Japan exerting the world influence of which she is so obviously capable, by moving away from her peaceful postwar policies.

40. The above predicted change in Japanese foreign economic policy is somewhat speculative. However, it should be indicated that an upsurge in trade initiatives is already underway as demonstrated in our own country and by reports emanating from Tokyo which show that Japan will invest US\$400 million in government aid and private investment in developing countries by 1975. It can be accepted, therefore that Japan's new thrust in foreign economic policy has already begun and that within the next decade Japan's influence and interests will be on a major world-wide basis and especially in the mineral rich littoral states of the Indian Ocean.

The Japanese Military Situation

41. Following a costly defeat in the Second World War, the Japanese have maintained a constitution which forbids the formation of armed forces for external use. Instead there is the United States-Japan Mutual Security Treaty which in essence provides a guarantee against external aggression, and her own Self-Defence Force of some 250,000 men designed originally for a supporting role. While Japan enjoys the prosperity that comes from peace, there are circles of thought, both internally and externally, which suggest that Japan should modify her low posture role to one of greater international involvement to protect, foster,

and promote her vast world interests and demands, and should therefore assume a greater responsibility for the security of the immediate region.

42. There are a number of telling reasons emerging from the changing world strategic situation which are forcing Japan to take a long hard look at her minor role in military affairs, namely:

- . The development by the People's Republic of China of nuclear weapons and the means of delivery.
- . The entry by the P.R.C. into the United Nations.
- . The very nearness of the U.S.S.R. and the P.R.C. and the uncertain situation on the Korean peninsula.
- . The implications of the "Nixon Doctrine".
- . The growing internal nationalist pressures which seek to throw off the protection of the United States and to regain the recognition, prestige and influence of a world military power that was held some 30 years ago.

43. There is little doubt that the Japanese are quite capable of undertaking a wider military role, both in the conventional and nuclear fields and, to this end, Japan is undertaking an enlargement programme for the Self-Defence Force, especially of the Navy. But to drop her constitutional arms limitations and build a force capable of deterring any threat from the P.R.C. or the U.S.S.R., can conceivably lead to increased tensions, both internally, from those who remember the cost and wastage of war and the prosperity of peace, and externally from the surrounding countries who can cast their minds back to the era of the 1930's and 1940's.

44. Overall there exists some evidence to suggest that Japanese foreign policy may take on wider political, economic and aid connotations, not only for the purpose of maintaining and

strengthening their current raw material source, but because it is in the nature of great powers to seek a greater influence and presence in areas which are considered to be of importance. Because many of her economic and raw material markets and potential markets are situated in the Indian Ocean, the application of the suggested expanded foreign policy can be especially applied to the Indian Ocean region.

(4) THE PEOPLE'S REPUBLIC OF CHINA

45. No examination of the major external powers involved in the Indian Ocean region would be complete without some consideration being given to the activities of the People's Republic of China (P.R.C.).

46. On the evidence available it appears that Peking does not have any immediate or direct interest in the Indian Ocean itself. This suggestion is supported by the present inability of its navy to operate effectively at any significant distance from home ports. However, there is little doubt that the P.R.C. seeks to become involved by various means with individual countries or areas of the region with the intention of not only extending her own influence but to do so at the expense of the U.S. and the U.S.S.R. It should be noted that although these aims are essential factors of Peking's overall foreign policy, they are not restricted to the countries of the Indian Ocean region.

47. The means by which the P.R.C. seeks to extend her influence are by aid and technical assistance to littoral countries and support for certain revolutionary forces and subversive organisations. Since the Cultural Revolution, initiatives by the P.R.C. have been more selective and more attention has been given to the extent of Peking's relations with the established government.

Africa and the Middle East

48. Since the early 1950's, China has considered Africa and the Middle East as attractive areas in which to gain Chinese influence and spread Maoist propaganda. The continent of Africa, particularly, has been of great interest to the Chinese because of the many new independent states, the internal problems of which present opportunities for the application of Maoist theory.

49. While the initial attempts to make contact and gain influence in the Africa/Middle East area were through the support for "liberation"-type Governments and movements in Algeria, the U.A.R., Tunisia, etc., foreign policy failures before and during the Cultural Revolution have since illustrated to the Chinese that perhaps greater gains could be achieved with selected countries through the granting of low interest or interest-free aid and other economic assistance. An example of such policy is demonstrated by the agreement with Tanzania and Zambia to finance the \$370 million, 1,100-mile Tanzam Railway, construction of which has been in progress for some months. This project alone doubled all previous Chinese aid to Africa. Since then, other aid and economic agreements have been made with Iraq, the Yemen, Somalia, the Sudan and Ethiopia, the last mentioned being an interest-free loan of some \$120 million.

South Asia

50. The Committee has limited its examination of South Asia to the three major littoral countries of Pakistan, Ceylon and India. Generally speaking, Pakistan's relationship with the P.R.C. is a marriage of convenience; they happen to have a common adversary in India. To this end, the P.R.C. has provided large amounts of military aid and economic assistance (a more recent aid agreement was worth some \$200 million). As well, it

has given wholehearted propaganda and sometimes more physical support to the Pakistani struggles with India over the Kashmir issue and others and, more recently, the civil war in East Pakistan. In the latter instance, the Chinese support for the Pakistani Government against the combined Indian and Russian stand can only result in a strengthening of Chinese/Pakistani relations. The P.R.C. probably considers that an independent Bangla Desh would have its closest links with West Bengal and India - and hence, the U.S.S.R. rather than China - for which reason Peking's support for President Yahya Khan has been unswerving.

51. In the case of Ceylon, the Bandaranaike Government follows a non-alignment policy. It is accepting Chinese aid and assistance, the most notable of which is the important rice arrangement. However, the unrest of early 1971 and allegations of interference and reports of Russian involvement in the disturbance could have considerable implication for future Chinese/Ceylonese relations. Although little is known of the Ceylonese Government's attitude towards the P.R.C., it does not appear to wish to sacrifice its non-aligned identity. There has been a marked improvement in relations between the two countries in the form of trade missions which could well develop co-operation in other fields. Overall, Ceylon appears to be cautious of the P.R.C. and her increasing offers of assistance.

Summary

52. The foregoing indicates the current trend of Chinese interest in the Individual countries surrounding the Indian Ocean. It appears that great emphasis is placed on a foreign policy which seeks to increase Chinese influence at the expense of the U.S. and U.S.S.R.

53. For the time being, the P.R.C. is unlikely to take a more positive interest in the Indian Ocean in a strategic sense, but the P.R.C. may react if any other major power exhibits an excessive interest in this region. Initially, however, such reaction is more likely, to be in the form of further efforts to influence littoral states rather than efforts to match the activities of the major powers. Overall, the Committee concluded that, for the People's Republic of China to gain influence on its own account or at the expense of the U.S. or U.S.S.R., much depends upon the ability of Peking to convince other nations that she has in reality moderated her foreign policy.

(5) THE CLOSURE OF THE SUEZ CANAL AND THE ATTITUDE OF THE GREAT POWERS INVOLVED

54. The Suez Canal has been closed since the Arab/Israeli war of 1967 and negotiations to date have given no indication to its possible re-opening. It was at first considered (as actually did occur) that trade through the Indian Ocean would be seriously hampered by the closure of the canal. However, in the four year period since the closure it has been found that far from inhibiting trade, through a longer more expensive route, the creation of the "super" class tanker and merchant vessel has given tremendous economic advantage to many world trading nations. While it is not intended to argue that the closing of the Canal was beneficial for world trade (the truth is far from it) the facts today are that should the Canal be re-opened it is likely that the traffic through the Canal would be less than formally. On the military side, the closing of the Canal has reduced the number of access routes into the Indian Ocean from four to three, those remaining being through the island gaps south of the Malay peninsula, around

the south of Australia and around the Cape of Good Hope. Potentially the only powers affected by the closure of the Canal in a military sense are those which have a naval presence in the area or those which pass through the area for various strategic or political reasons. The powers fitting such qualifications are the U.S.S.R., the United States of America and Britain. In all three cases the closure of the Canal has not prevented them carrying out their activities in the Ocean, although in the case of the U.S.S.R., its presence in the region could certainly be more easily fed from its Black Sea fleet through the Canal rather than by the long haul from the Pacific Fleet port at Vladivostok, while the United States, should it so desire, would undoubtedly find the Canal entry convenient for movements involving the Mediterranean based 6th Fleet. While the above is certainly relevant to the Committee's Report, it is not a significant factor in the overall strategy being carried out in the Indian Ocean by the important powers and whilst the opening of the Canal may have an effect on the situation, the Committee feels that such an effect would only be marginal.

PART D

THE U.S.S.R. AND THE INDIAN OCEAN REGION

(1) Background

55. The Union of Soviet Socialist Republics (U.S.S.R.) has been built upon a vast empire embracing more than half the continent of Europe and one third that of Asia. In the past, the focus of Soviet foreign policy has generally been limited to areas within close proximity of the homeland. Consequently, Russian armed forces, although being capable of launching a massive onslaught in Europe were essentially designed for the protection of the homeland and its immediate close interests. It has only been in recent times that the Soviet Union has begun to break away from this pattern and has attempted to demonstrate to the world that as a highly industrialized communist country, she is capable of exerting both a military and an economic influence in many world areas equal to and often at the expense of the Western nations. The move into the Indian Ocean region is only one front on a world wide plan to extend her influence and shape her foreign policy as benefitting a super power.

56. It is significant that many of the recent developments in Soviet foreign policy can be traced to the period of the early 1960's - the Cuban withdrawal; the further deterioration of relations with the P.R.C.; an easing of East-West tensions; the India-Chinese border war; and a realisation that the countries of the Third World are worthy of cultivation by the great powers.

(2) Reasons for the Soviet Presence

57. The U.S.S.R. must be involved in the Indian Ocean to satisfy her own interests - nations form their foreign policy from the national interest.

58. Throughout its deliberations, the Committee was conscious of the likely presence in the Indian Ocean of appreciable numbers of submarines of both the United States of America and Russian navies and of the very significant implications which such a presence must involve. Nevertheless, it was not possible to obtain any accurate information or even reasonable estimates on this matter.

59. Essentially, the U.S.S.R's foreign policy has the following three objectives:

- . The achievement and the maintenance of a strategic balance with the United States;
- . The extension of Soviet influence both in a military and an economic sense throughout the world in competition with the United States and other Western powers; and
- . The curtailment, as far as possible, of the influence of the P.R.C.

All three elements are to be found in Soviet policies in the Indian Ocean. The Soviet Union seeks to accomplish these aims in the Indian Ocean by:

- . establishing and cementing cultural, diplomatic political and economic relations in the littoral countries of the Ocean;
- . increasing shipping, trade and civil aviation links in the region;
- . providing economic and military aid and assistance to appropriate countries; and
- . maintaining naval and support vessels in the Ocean.

(3) The Soviet Presence in the Indian Ocean

(a) Naval and other surface vessels

60. The current Soviet naval expansion can be traced back

over a rebuilding programme during the last twenty or so years confirming her competitive position to the U.S.A. The Cuban crisis of 1962 emphasised to the U.S.S.R. their inability to exercise naval power away from home bases and has been a factor in new naval initiatives, some of which are taking place in the Indian Ocean.

61. The current Soviet naval programme to develop a world naval presence began with increased deployment of naval and support vessels and accompanying exercises in the Atlantic and the permanent establishment of the Soviet Mediterranean Squadron in 1964. The Mediterranean force continued to expand on a gradual basis until the Arab/Israeli War of 1967. Since then, the Squadron has been enlarged to a quite considerable force averaging about twenty naval and support vessels. The force varies according to the political environment of the time and on one occasion numbered as many as sixty ships.

62. The Soviet presence in the Indian Ocean in the form of warships and support vessels first appeared in 1967 mainly in support of the Soviet space operations. The current programme has been continuous since March 1968 except for a short break in May 1969. The actual size of the fleet has averaged four to six warships and support vessels with a reported maximum on one occasion in 1969 of approximately twelve ships (and see paragraph 66). Currently (November 1971) the Soviet surface fleet comprises one destroyer, one minesweeper, two tankers and a repair ship. In comparison the pre-"East-of-Suez" British squadron numbered some 100 naval and support vessels; the French seven to ten; and the American surface squadron consisting of the Middle East Force, comprises three surface vessels. It is of significant note that most of the ships of the above powers excluding past British forces are or have been stationed in the North-West sector of the Ocean. (See Appendix K)

63. Since the Soviet navy has in the past been mainly a

coastal defence force and because of the immense size of the territory to be protected, it has been necessary for the Soviet navy to be divided into four fleets; the Northern, Baltic, Black Sea and the Pacific. Ship communications between the European and Pacific fleets are necessarily very poor. Added to this is the fact that the Northern sea route connecting the two areas is only available for three months of the year with the only alternative being the long sea-haul through the Indian Ocean. The Ocean is thus assured of significant Soviet traffic through the region if naval as well as merchant vessels are considered.

64. The Soviet naval presence in the Indian Ocean mainly originates from Vladivostok, the main base of the Pacific Fleet. Because of the distance involved and the fact that a squadron may stay in the region for some five months (the average stay in the Ocean is usually three to four months), it is necessary for a proportionately high number of support vessels to accompany warships.

65. Currently there are two main routes that the Soviet Union uses to obtain entry into the Ocean, namely the Malacca Straits between Malaysia and Sumatra and around the Cape of Good Hope. In both instances, the routes are highly vulnerable. The Malacca Straights, for example, used to service the Vladivostok Fleet and other ports of the Pacific Fleet, has a minimum width of four to five miles and in some parts it is as little as two to three fathoms deep which certainly would prevent adequate manoeuvring in time of attack. As well, units of the Pacific Fleet, it should be noted, by merely leaving the Vladivostok Port, have to pass through the narrow Korea Straits between South Korea and Japan and thereby adding to this Fleet's vulnerability. The traffic around the Cape of Good Hope has,

on the other hand, since the closing of the Suez Canal, increased enormously including Soviet naval and merchant vessels. In using the Cape route, the Russians must feel insecure since South Africa cannot be considered a power friendly to the U.S.S.R. while the Simonstown Agreement between South Africa and Britain provides the facilities of the Simonstown naval base to the British and in time of war to her N.A.T.O. and other allies (See Appendix C). In situations confrontation or instability in the Indian Ocean, therefore, the U.S.S.R. must consider carefully its strategic position before commencing any aggressive or restrictive action especially since they have no operational naval base in the Ocean.

66. The Soviet presence is, however, not only confined to naval and support vessels. She possesses the world's largest oceanographic fleet as well as one of the largest, if not the largest, fishing fleet, a large proportion of which is stationed in the Indian Ocean. Evidence submitted, suggested that such fleets can be run on quasi-military lines and are closely integrated with the Soviet navy. A number of the fishing trawlers are easily identified as being equipped for intelligence collection and, together with the oceanographic ships, tend to be the eyes and ears of Soviet intelligence in areas not adequately covered by their naval units. In addition, the Soviet merchant fleet, now the sixth largest in the world and expected to double by 1980, is regularly used in support of warships, including submarines. This fleet interaction in time of peace is a different concept to our own Western approach and does assist in increasing Soviet naval flexibility.

67. The presence of the Soviet surface navy in the Indian Ocean is quite apparent. It is of a fluctuating and generally limited size. It is generally conceded that its main function

is political. By showing the flag, the navy provides a visual flexible instrument for the support of Soviet political and economic aims in time of peace (and see paragraphs 82 to 84).

(b) The search for naval bases

68. Many words have been written on the Soviet desire to obtain full naval base facilities for its units in the Indian Ocean. By "full naval base facilities", it is understood to mean the facilities for repairs and maintenance, and the provision of ammunition, fuel, weapons, etc.

69. The Committee was presented with a number of reports which suggested that the U.S.S.R. was obtaining or negotiating for full base facilities at Vishakhapatnam (India); Mauritius; Gwadar (West Pakistan); Trincomalee (Ceylon); and the Island of Socotra belonging to South Yemen. In all cases the Committee found the suggestions unsubstantiated and can reasonably conclude that no country has offered, nor intends to offer to the U.S.S.R. in the near future, the full base facilities described above. This is not to say that the Russians are not permitted to land or enjoy similar facilities afforded to other powers.

70. The question of the "search" by the U.S.S.R. for naval base facilities in the Indian Ocean was given close attention by the Committee. Remembering that the Soviet surface presence within the ocean is only small, and that its primary tasks do not (in the immediate foreseeable future) require a significant enlargement of the force, and given the capability of the Soviet afloat logistics support supplemented by the access to limited shore and supply facilities, the case for the U.S.S.R. seeking to obtain full naval base facilities does not, under present circumstances, appear to be significant. The Soviet Union itself has acknowledged these facts and there must be added the financial cost and the inevitable

tension that would eventuate between it and the thirty odd nations within the region should such a base be attempted. Evidence submitted suggested that the U.S.S.R. is seeking only limited berthing and recreation facilities in the region, although undoubtedly it would wish to keep its options open for the future.

(c) Economic, military, diplomatic and political presence

71. There has been an expansion of Soviet influence and interest in the Middle East; a succession of visits by Mr Kosygin and other Soviet leaders, particularly to the countries of the Indian sub-continent and the Middle East; increased Soviet diplomatic initiatives have been undertaken in the region; military equipment has been offered to a number of countries in Asia, Africa and the Middle East; and a series of trade agreements have been concluded in the same areas. As in the case of the P.R.C. the U.S.S.R. is well aware that the Indian Ocean region, with its large numbers of new and developing sovereign states and an absence of great power influence, is an arena in which great powers can and do compete in an effort to obtain greater influence, power and prestige.

(i) South Asia

72. Soviet attention to the South Asian countries of India and Pakistan has increased dramatically in the 1960's particularly since the 1962 border war between India and China and the Indo-Pakistani war of 1965. When the West discontinued their military aid to both parties in the 1965 war, the Russians were quick to take advantage - especially in the case of India. Here the Russians have provided military aid in the form of a factory producing MIG-21 aeroplanes, some helicopters, a small number of submarines as well as a variety of small naval attack craft. In addition, the Russians have assisted in the expansion of the east coast naval base at

Vishakhapatnam. The U.S.S.R. appears to be concentrating its South Asian efforts towards influence in India, as has been done previously in the U.A.R. in the Middle-East. Again there appears to be promise for success for although the aid is somewhat less than that of America, Soviet aid is offered on a more unconditional basis and is normally applied in the public sector, e.g. steel plants, and the provision of the MIG factory, etc. Western aid is mainly concentrated in the private, humanitarian side of the economy where it attracts less political impact.

73. In the foreseeable future, there is little doubt that Soviet aid will continue to be supplied to India, firstly because India will continue to seek the type of public aid offered by the U.S.S.R. which is not forthcoming from the West and secondly, it is in the interest of the U.S.S.R. to continue its aid programme to India because of the importance of the latter in its policy towards the P.R.C.

74. Pakistan has for some time been receiving military and economic aid from the P.R.C. for reasons already covered (see paragraph 50). However, the war with India coincided with the Chinese Cultural Revolution and the resultant inability of the Chinese to provide the appropriate arms gave the Russians the opportunity to make some inroads in this direction into Pakistan. The involvement of the Soviet Union has suited Pakistan since it has made that nation less dependent on the P.R.C. and tends to supplement the sometimes inadequate Chinese aid, but of importance to this point is, the present tensions arising from the East Pakistan civil war which to some extent must hold a question mark over the future of Russian aid to Pakistan. Overall, however, in the case of both Pakistan and India, the turn to the Communist giants has been judged as an action not necessarily of choice but one

considered by many to have been necessary for national survival.

(ii) The Middle East

75. Since the 1950's, the U.S.S.R. has become a very influential power in the Middle East, her influence and presence being felt to varying degrees in the United Arab Republic, Syria, Iraq, Libya and others. The Soviet Union has not only provided economic aid but has been a willing supplier of arms, naval equipment and other military assistance to these and other Middle East countries. The concentration of effort in the Middle East has been even more concerted since the 1967 war, and in the opinion of the Committee, can be expected to increase as the Soviet Union seeks to spread and cement its relations in the area and particularly when it is known that by the 1980's the U.S.S.R. will on behalf of itself and Eastern Europe be seeking large quantities of oil to supplement its home production.

(iii) Africa

76. Soviet attention to Africa, and in particular East Africa has been extended over recent times in a similar fashion to that of other areas of the Indian Ocean region. The U.S.S.R. has increased its military aid to Ethiopia, Kenya and Somalia and also in Somalia has assisted in the modernizing of the port of Berbera. They completed a fishing treaty with the Island of Mauritius in August 1969, which essentially provides technical assistance for the development of the Mauritian fishing industry. In return, the Mauritians have provided berthing and repair facilities for Soviet fishing and space recovery vessels.

77. There has been much recent speculation over an "offer" of the Island of Socotra, situated off the coast of East Africa, by the People's Republic of South Yemen to the Russians for use as a communications and ammunition base. Since the acquisition of such

a base in the strategic position of Socotra would be of great importance to the Russians, situated as it is at the mouth of the Red Sea, the Committee on the available evidence was unable to confirm that the offer has even been made. The Island itself is completely barren, of rough terrain, and with a poor potential for port and anchorage facilities, it would appear to be unsuitable for the suggested base. In addition, it must be remembered that the Chinese assistance to South Yemen far outweighs that of the U.S.S.R. and, if such an offer were true, there would certainly be a possibility of China withdrawing her much valued support.

78. As in other areas, Soviet economic and military assistance has had a particular advantage over that of other countries since it is usually offered on an unrestricted basis especially if directed towards the private sector, where governments can, to a limited extent, direct its application and, important to the U.S.S.R., it is usually significant in nature and attracts wide publicity.

(iv) South-East Asia - Malaysia and Singapore

79. Diplomatic relations were established with Malaysia in November 1967 and the first Soviet Ambassador presented his credentials in April 1968. The Soviet's main effort in Malaysia has been in the field of trade and to this end a Soviet Trade Mission was established in November 1967. The Soviet Union is currently the greatest purchaser of Malaysian rubber (her chief export) accounting for about 94% of Malaysia's \$US66 million exports to the U.S.S.R. and of more importance, Soviet purchases are currently increasing at the rate of 7% per annum. An air service agreement was concluded in November 1969. Malaysia, naturally, has been wary of the Soviet approach following the lessons learnt from Soviet interference in the Emergency and Confrontation periods, and for this reason Soviet efforts with the exception of trade promotion, have been on a low key,

although military aid has been offered and rejected. The U.S.S.R. has sought to present a favourable image and to regain confidence through goodwill gestures, cultural missions, public relations and, in particular, in the field of trade.

80. Soviet advances to Singapore follow in a similar pattern to that of Malaysia. In colonial times Singapore's contacts with the U.S.S.R. were almost non-existent but have grown quite noticeably since independence. As with Malaysia, a Soviet trade mission has been operating since 1967; an Embassy was established in 1969; the Soviet airline Aeroflot runs a weekly service to Singapore; and the main export to the U.S.S.R. is rubber. Of greater importance perhaps is the very large number of visits to Singapore harbour by Soviet ships, a figure estimated to be well over 350 calls during 1970. With the intended British withdrawal from "East of Suez" and therefore a lack of great power influence, Soviet attention in the above manner can be expected to continue and increase. This intention was evidence by the visit of a U.S.S.R. mission to Singapore during February-March 1971 which surveyed a range of commercial and maritime facilities available within Singapore.

PART E

AN ASSESSMENT OF RUSSIAN AND OTHER GREAT POWER INVOLVEMENT IN THE INDIAN OCEAN REGION

81. The moves by the U.S.S.R. into the Indian Ocean area are just one aspect on the Soviet international movement for greater world influence and its seeking to attain the status of a world-wide super power. Bearing this in mind and given the Soviet Union's involvement in Asia, the Middle East and Africa and its growing capability for long range maritime operations, the Soviet presence in the Indian Ocean must be regarded as permanent and likely to increase.

The effects and Potential of the Naval Presence

82. The Soviet surface naval force in the Indian Ocean can generally be classed as a political and psychological tool. Its very smallness and vulnerability, especially with the absence of adequate air-cover, does not support the suggestion that it could be an effective fighting force. Even considering a significant increase in size capable of carrying out a moderate military or naval operation, its own vessels and possessions in other areas of the world must be considered vulnerable to a counter attack.

83. Many witnesses did suggest, however, that a force the size of the units involved, may by its very presence inhibit the type of actions that occurred in Lebanon in 1958 and Tanzania in 1964. In other words, the presence of a small Soviet naval force can be used as a trip-wire in persuading opposing powers to avoid a confrontation situation especially where Soviet interests are involved. In a similar manner, the Soviet naval forces could be used to advantage in a political situation similar to the 1965 Indonesia Confrontation where the stationing

of an impressive naval force off the Indonesian coast may well have swung the result in the communist's favour.

84. On balance, the Committee felt that the naval presence has the main purpose of "showing the flag" - showing the countries of the Indian Ocean and the world for that matter, that the Soviet Union has an interest and a place in the Indian Ocean region. By visiting various sectors of the region, it has sought to create a feeling of goodwill, to display a sense of involvement, and most importantly, to gain and consolidate the confidence of the littoral states. But, as was pointed out to the Committee, the influence exercised by a naval force, if it belonged to a great power was related more to the latent power it represented, rather than to the size of the force itself.

(3) Soviet-Chinese Competition

85. From about 1960, relations between the U.S.S.R. and the P.R.C have worsened, until in 1969, serious armed clashes, given extensive publicity by both sides, took place on the Soviet/Chinese border. Since the opening of border talks between the two countries in October 1969, the situation on the boarder has apparently relaxed, and a minor improvement in state relations has occurred. However, the hostility and suspicion in the relationship between the two countries, which have historical, ideological and racial origins, seem likely to continue for the foreseeable future. As the U.S.S.R. continues to exert its influence throughout the world and China plays an increasingly active international role, competition between the two countries, particularly for influence with third world countries, seem likely to continue to develop.

86. As indicated above, both countries are pursuing active policies among a number of the states in the Indian Ocean area, in competition with Western countries - particularly the

United States and each other. A striking example of this rivalry is the situation in South Asia, where Moscow has established considerable influence with New Delhi and Peking with Islamabad. In East Africa, China has in recent years established close relations with a number of Governments, and the U.S.S.R. continues to demonstrate its interest in the area. In the Middle East, China has adopted a cautious attitude, after giving indications some twelve months ago of being prepared to challenge the U.S.S.R. from the left, by giving out support to the more radical guerilla groups in the area. In South-East Asia, the U.S.S.R. has been actively developing its relations with non-Communist governments, partly perhaps to be in a position to compete with the competition which may be expected from Chinese diplomacy in the next few years. The U.S.S.R.'s proposal of 1969 for the establishment of a system of collective security in Asia, which Soviet spokesmen have consistently declined to outline in any detail, is generally interpreted to have been motivated by anti-Chinese considerations (the U.S.S.R. has, however, explicitly denied this).

87. Against this background, the Soviet naval presence in the Indian Ocean has been interpreted by some observers as having as one of its aims, the establishment of a counter to Chinese influence in the area. The Committee felt that, since China is not at present a naval power and has never deployed naval forces in the Indian Ocean, this interpretation may only be correct insofar as the Soviet naval presence represents a concrete assertion of the U.S.S.R.'s determination to exert an influence in the Indian Ocean area in competition with other powers, including China. It seems clear, however, that political competition between the U.S.S.R. and China will continue for influence over the States of the Indian Ocean.

(4) THE ATTITUDE TO GREAT POWER INFLUENCE

88. Most regional countries, with the possible exception of South Africa, India and Australia, have no significant naval and merchant naval fleets of their own and therefore it can be said that the nations of South-East Asia, South Asia, East Africa and the Middle East are not in a naval sense, directly involved with the Indian Ocean region. They all have their own vital concerns of trade internal politics, economics and in some cases, the threat of, or actual invasion from near neighbours. The countries with a potential or existing foreign policy with naval connotations directed towards the region can generally be classed as great powers outside the area namely, Russia, United States of America, Britain and to a lesser extent Japan and P.R.C.

89. It is generally recognised that the Indian Ocean region consists of countries which have a great diversity of race, politics, strengths and opportunities and cannot, under any circumstances, be considered as a single unit but, as such, they do have a common fear that the increasing activity now taking place in the region may well in the future, turn the region into an arena of great power domination and conflict. The individual efforts of the countries within the region, however, will be inadequate to prevent such a happening should the great powers so decide.

(a)(i) South Asia - India, Pakistan and Ceylon

90. India is obsessed with a dual fear of Chinese or joint Chinese/Pakistani invasion and consequently her defence strategy is directed towards this possibility. The Indians are therefore more concerned with protecting the Himalayas, the Punjab and the north eastern and north western frontiers than in taking a defence interest in the Indian Ocean. However, they are opposed to the domination of the Indian Ocean by any one great power and to the establishment of

foreign military and particularly naval bases in the Indian Ocean area. Similarly, they are opposed to great power competition in the area since this necessarily leads to great power rivalry resulting in instability and insecurity. It is reasonable to assume that the Indians would be happier if the Russian navy was not involved in the area especially since India believes her navy is adequate to counter the Pakistani and to some extent the P.R.C. navies. But, because Russia is India's insurance policy against invasion, she will at all times try to avoid being critical of the Russian presence.

(ii) Pakistan

91. Very little information exists concerning Pakistani opinion on great power involvement in the area. She appears to be far too concerned with the four-way entanglement between herself, Russia, India and China and her internal instability, especially in the light of the present situation. Current circumstances suggest that Pakistan would be unlikely to welcome a Russian presence because of the association with India and a distrust made more acute by recent Russian statements on the East Pakistan civil war. But as with India, Pakistan is in no position to comment since she is attempting to wean some of the Russian support from India both politically in the United Nations with the Kashmir problem, and militarily with Russian aid to India.

(iii) Ceylon

92. Ceylon has a similar attitude to great power involvement in the Indian Ocean as India. She is a self-confessed non-aligned country and wishes to avoid any great power competition and involvement in the area. Even in the light of the recent insurrection in Ceylon, Mrs Bandaranaike has sought assistance from a wide base of country ideologies, including the U.S.S.R., U.S.A., Britain

and Australia. It is safe to assume that the Ceylonese Government will wish to preserve its non-alignment and neutrality in the development of any foreign presence in Ceylon.

93. At the recently concluded Commonwealth Prime Minister's Conference, Mrs Bandaranaike put forward the idea of turning the Indian Ocean into a peace zone. "The object of such a peace zone would be to ensure that the major powers, by tacit or explicit action, by mutual agreement or unilaterally, will agree to respect the region as a zone where they will refrain from any action injurious to the cause of peace...to stabilize the Indian Ocean as a power vacuum", and keep out the "cold war".* This suggestion is somewhat along the same lines as the 1964 proposal of Mrs Bandaranaike that the Indian Ocean be declared a "nuclear free zone". It is highly unlikely that either proposal will eventuate.

(b) Middle East

94. The countries of the Middle East can generally be assumed to have no Indian Ocean policy. Their foreign policy is in the main, preoccupied with the Middle East struggle. With the possible exception of Iran, which has a desire to become the major Middle East power in the Persian Gulf and is therefore keen to see the final withdrawal of British influence, those countries around the Persian Gulf, which are capable of having an Indian Ocean policy, have only local ambitions apart from their desire for secure sea routes for their oil exports and have rarely expressed a genuine opinion or anxiety on the Indian Ocean presence proper.

* Statement by the Prime Minister of Ceylon, Mrs Bandaranaike, issued at the Commonwealth Prime Minister's Conference, Singapore, January 1971.

(c) East Africa

95. With the exception of South Africa, most countries on the east coast of Africa namely Malawi, Tanzania, Kenya, Uganda, Somalia, and Ethiopia, follow non-aligned policies. As in the case of most Middle Eastern countries, they are more interested in trade, aid and their own political problems. They are not as strongly armed as the Middle Eastern states and are dependent on external assistance to satisfy their deficiencies. Because some of the East African states are more orientated towards the East or the West, and the fact that external assistance is needed for development, there is unusual great power competition in the area. It is also a major area of rivalry between Communist China and Russia. Since the majority of the states of Africa are young and underdeveloped, they are likely to continue seeking assistance for many years to come, while those external countries prepared to provide that assistance will continue to do so because of great power competition and the potential influence to be gained in the area.

96. South Africa, geographically, is one of the most important countries of the Indian Ocean. It guards one of the entrances to the Indian Ocean and is therefore a relatively vulnerable country of the region in both a strategic and commercial sense. For this reason, South Africa has expressed concern over the appearance of Soviet naval vessels in the Indian Ocean. It has proposed defence co-operation with other Southern Hemisphere countries and has sought to justify, in part, its purchase of arms from Britain by reference to the Soviet naval presence. South Africa would prefer to see a balancing naval force to the Soviet Union in the Ocean. However, although circumstances in the region could change radically, particularly due to the India - Pakistan conflict, other Indian Ocean countries are currently disinclined to become associated

with defence arrangements involving South Africa. This includes Australia. (For information regarding the importance of the Cape route and the text of the Simonstown Agreement, see para. 65 and Appendix G respectively.)

(d) South-East Asia - Malaysia and Singapore

97. Both countries are well aware of the growing interest being taken in the Indian Ocean region by the great powers, particularly Russia. For her part, Malaysia would like to see the limitation of competing great power influence both in the Indian Ocean region and in South East Asia generally. Malaysia's neutralization proposal envisages undertakings by the three great powers not to exploit the affairs of the region in pursuit of their own rivalries. Singapore too, would like to see a balance of power in the region but by the involvement of a number of powers no single one of which could then dominate the area. For its part, Singapore has made the offer of port facilities to all Soviet vessels, 350 of which called at Singapore in 1970, and as indicated by statements by the Prime Minister, Lee Kuan Yew, Singapore is certainly not averse to a Russian presence in the Ocean when accompanied by other powers.

98. In conclusion, the Indian Ocean region has always been an area of some great power interest and attraction but until the 1950's and early 1960's it was essentially a colonial interest of colonial powers and to this extent any influence was generally confined to related interests. With the march towards independence and the consequential opportunities of involvement of the great

powers, there has been an extension of interest and participation especially by Russia, the P.R.C., the United States and Japan. It is difficult to foresee a significant slackening of interest by any one of these powers with the result that no matter what the opinions of the countries within the region, they will be unable to prevent the Indian Ocean developing into an area of great power influence and involvement.

PART F

AUSTRALIA AND THE INDIAN OCEAN REGION

(1) Australian Interests in the Indian Ocean Region

99. Traditionally, from the first settlement in Sydney Cove in 1788, the majority of Australia's economic and strategic interests have been concentrated on the eastern coast. The great proportion of Australia's population, industry and defence as well as the capital city are all situated in the East. In addition, all of the military threats in the short history of Australia have been initiated from, and directed to, those areas East or North-east of the continent. It is, therefore, understandable, that in the past consideration of Commonwealth economic and strategic matters, the West or Western Australia, the fifth most populous state, has been placed on a secondary basis.

100. Until the late 1960's it has been usual to consider Australia's economic interests in the Indian Ocean region as an unseparated part of the Australian world economic policy. Indeed there has been no special attention given to a Western Australian orientated defence of the economic and strategic interests related to the Indian Ocean principally because Britain, until quite recently, was the dominant power in the area and because there was a lack of threat which could be initiated from the region and directed towards the western coast.

101. Basically, Australia's interests in the Indian Ocean

region are:

- . . the volume of Australian exports (40%) and imports (50%) which are transported through the area;
- . . the security of trade, communications and civil air routes into Australia, so important to an island continent;
- . . the maintenance and security of the military routes, communications and staging facilities necessary for the defence of Australia;
- . . the protection of the shores and continental shelf and its large quantity of resources, including the territories of Cocos (Keeling) Islands and Christmas Island;
- . . the maintenance of a continuing defence and economic stabilizing effect in the Malaysia/Singapore area;
- . . the maintenance of good relations with the Commonwealth countries in the area; and
- . . the stability of the Indian Ocean region generally.

102. It is apparent that the interests of Australia in the Indian Ocean region as stated above could, in a general way, be paralleled by Australian interests and policy to the East in the North and South Pacific; to the North with New Guinea and the trade with Japan; and even to the South with New

Zealand, the Antarctic, etc. There have been, however, much to the concern of the Committee, a number of recent occurrences in the Indian Ocean and areas of our immediate concern which warrant a reappraisal of the traditional Australian attitude from an Eastern orientated base. These are:

- . the major British withdrawal of forces "East of Suez";
- . the extension of Soviet naval and economic influence into the Indian Ocean and its surrounds;
- . the uncertainty of United States intentions in the area;
- . the anticipated large increase in exports of minerals from Western Australia; and
- . the extension of the influence of great powers in the Ocean whose policies and ideologies differ from those of Australia.

103. Australia, therefore, has a definite role to play in the Indian Ocean region. It is not a large role such as the great powers seek to undertake, but considering Australian resources - economic, political and military, it is certainly a substantial responsibility. Australia must consider her major international role to be limited to the immediate area. There is little scope to include the areas of the Middle East or East Africa as within the immediate concern of Australia. Nevertheless, there exists a number of relatively

inexpensive means which can be applied to the Middle East and East Africa areas as well as those nearer our own shores to indicate that Australia is an Indian Ocean nation in her own right and is capable of expressing an interest and an attitude of her own to the problems, interests and concerns peculiar to the region.

(2) Australia and the Soviet Presence

104. When considering the Soviet presence in the Indian Ocean as affecting Australia and its areas of immediate concern, (viewed in terms of the Soviet policy of developing an all ocean naval capacity) it is as well to take into consideration Soviet foreign policy objectives towards Australia. The evidence received by the Committee and other sources refuted any suggestion that the Soviet naval presence in the Indian Ocean represented a 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.

105. It is possible in peace-time to envisage circumstances of instability or East-West tension in areas where facilities may be denied to Australia which are made available to the Soviet Union. But when considering the extremely remote possibility that the Soviet Union may threaten Australia's trading communications, it must be remembered that a high proportion of our trade is carried in foreign vessels including Soviet. To interfere with our trade is to interfere with international shipping which would undoubtedly lead to far wider and graver

consequences than the original acts. There is no doubt that there exists a sense of unease and uncertainty created in the area by the spreading Soviet influence and actions. However, as emphasised in evidence received by the Committee, public over-reaction to the presence tends to increase its psychological impact and to some degree plays into Soviet hands.

106. Having said this, there is a direct indication suggested by the growing presence, that the USSR seeks to woo the non-aligned nations in the region. Her presence is an attempt to spread her political, economic and military influence in the region at the expense of the United States, Britain and the P.R.C. She is no doubt assisted in these aims by the British withdrawal and the uncertainty of United States action and involvement (both economically and militarily) in the area now and certainly after Vietnam. There is a danger that Australia, by her complacency in relying on the United States, Great Britain and Japan for her trade and defence, is further playing into the Soviet hands when considering the Soviet presence. While it does not reflect a current danger, there is a new element created when another power whose policies, alien to our own, seeks a permanent presence in the Indian Ocean. While Australia alone can do little about the Soviet presence, if we do not pay close attention to the region its nations may be encouraged to swing more towards USSR and the P.R.C. This would be detrimental to Australia's potential for trade, influence and goodwill. It must be remembered that nations within the region consider Australia to be not only a good friend but economically and militarily strong compared to themselves.

107. The Committee feels that more emphasis should be placed on portraying Australia as a country capable of assisting those in need and as a country interested in maintaining economic and political stability in the region of which she is a member.

(3) Areas of Australian Involvement in the Indian Ocean Region

(a) Trade (See Appendix E)

108. Forty-six per cent of Australian total trade volume passes through the Indian Ocean region. Of this only 12% can be directly applied to the littoral States of the Ocean. With the exception of some oil-producing States in the Middle East and Indonesia, a prominent feature of Australian trade with the countries of the Indian Ocean is the excess of Australian exports over imports. This situation is created mainly because these countries, are limited in the range of goods which they can successfully supply to the sophisticated Australian market. Those goods which those nations can produce economically are often subject to high tariff barriers, a factor which will prove of increasing importance in our economic dealings with the nations of the region.

South and East Africa

109. South Africa accounts for 63% of Australian exports and imports with South and East Africa. Australian exports to South Africa are increasing and it is of particular interest that 80% of such are in the manufacturing sector.

110. Small markets and low economic activity are a common feature of the countries of the East coast of Africa. However, there are in some countries, after development, future prospects for active trade with Australia, particularly in the copper-rich country of Zambia. But, until this development, trade directed at the East coast of Africa will essentially remain in our exporting wheat, flour and dairy products, in return for coffee, sisal, cotton and various tropical agricultural products.

Middle East

111. Australian trade with the Middle Eastern countries on the border of the Indian Ocean appears to have greater prospects for the future. Significantly the Gulf area is the only area in the Indian Ocean region where Australia has a large unfavourable balance of trade, due to the necessity of importing Middle East oil. It will still be necessary in the future to import approximately 30-40% of Australia's domestic oil requirements. Australian trade can be expected to continue and in fact is expanding quite rapidly because of an artificial shipping advantage created through the closing of the Suez Canal. The Middle East states, under this circumstance, trade directly with Australia as a source of manufactured products and food supply rather than traversing the long and arduous Cape route to Europe or the crossing to America. Again the range of products which the States of the Middle East can provide (other than oil) is limited but this is expanding and thus holding some potential for the future.

South Asia

112. Australian exports are mainly in the traditional field of primary produce. Chances of expansion of our export trade in the areas of Pakistan, India and Ceylon are restricted by severe foreign exchange difficulties and tight import control over the essential products which Australia is able to supply. Imports into Australia are limited to tea, woven fabric of Jute and sacks and bags. Prospects for improved trade relations in the area are further limited by inadequate marketing techniques and a small range of produces for export, some of which face high Australian tariff barriers.

(b) Aid and General Assistance (See Appendix I)

113. Australia, like most other aid giving countries, provides her assistance in the form of bilateral and multi-lateral aid. Australia recognises that the World Bank, the International Development Association, the Asian Development Bank and the variety of other United Nations agencies can play an important part in promoting the goal of development and therefore 9% of Australian aid is channelled through these agencies. While recognising the value of multilateral aid, Australia believes that bilateral aid, in addition to assisting development in recipient countries, helps to build ties, both personal and governmental, between Australia and the recipients. Bilateral aid has therefore risen faster in recent years than other forms of aid.

114. Australia channels its bilateral aid through a variety of programmes - Colombo Plan; SEATO Aid Programme; South Pacific Aid programme; Commonwealth Co-operation in Education; Special Commonwealth African Assistance Plan; ASPAC and others. The common purpose of these programmes is to assist development by providing foreign exchange, commodities, capital goods, skills and training.

115. During the inquiry, the Committee was fortunate in receiving expert evidence on the subject of aid. The following important points were stressed in this evidence:

- . In countries requiring assistance, there is a lack of an infrastructure of general and technical education.
- . These countries are short of industrial entrepreneurs especially in the fields of management and general marketing.
- . Aid personnel dispatched overseas need to be not only thoroughly trained in their own specialist fields but also in the environment in which their assistance will be given. An example of the latter is the British Overseas Development College where people from government and industry attend instructional seminars on various aspects of the particular country to which they will be transferred. In this manner, not only can the specialist knowledge of

each individual be put to the best use, but each person will be of diplomatic advantage to his country.

- . To achieve the best results from each aid initiative, the aid offered whether in specialist assistance or purely physical forms, must be of first class quality. A country, and the extent to which it can assist, is judged on the performance of its aid donations.

- . When aid in the form of plant, equipment and even factories and schools, etc., is given to overseas countries, the donating country should, before providing the assistance, ensure that the receiving country can not only satisfactorily operate such facilities but have the capacity for repairs and maintenance.

- . In many fields the training of overseas persons is more efficient and less expensive if conducted in their own environment rather than in Australia. This will avoid the problem of training such people in western concepts which frequently are not applicable to the problems of their own country.

116. While the Committee does not wish to suggest that Australian aid is not conducted along the above lines,

nor that the administering authority is unaware of the problems suggested, the Committee is anxious to place such points on record and draws attention to the great importance placed on the role of trained personnel in the aid sphere. Neither the provision of finance, nor the spectacular aspects of capital equipment should be allowed to obscure this importance.

(c) Defence

117. Australia as an island continent must place a large responsibility on the role of the navy and airforce. Australia's naval and air strength is stationed on the eastern and northern sections of the continent, leaving our western flank relatively unprotected. This is a situation which is becoming more apparent with the increased activity taking place in the Indian Ocean and the reducing role of the British forces in that area.

118. That Australia has begun to recognize the importance and perhaps the vulnerability of Western Australia is becoming apparent with the proposed plans for the building of a naval facility at Cockburn Sound and the extension of landing and support facilities at Learmonth to accomodate modern strike aircraft.

119. Similarly, the strategic importance of the Indian Ocean region to Australia's allies was demonstrated by the conclusion of the Five Power regional defence arrangements in London in April 1971 and the recently completed multi-nation Swan Lake naval exercises conducted off the Western

Australian coast. Evidence received by the Committee emphasised the political flag-showing importance of these exercises, particularly in the South-East Asian areas as a counter to those similar actions by the Soviet Union. Such exercises are a means by which local powers, supported by their allies, seek to demonstrate to the other nations of the region their interest in the future security and extension of good-will in the area. It is expected that such exercises will continue.

120. Overall, with the changing situation now taking place in the Indian Ocean region, as outlined in this Report, it is quite obvious that Australia and her neighbours will need to accept a greater responsibility, not only in matters of defence but in seeking to reduce tensions and conflicts, in the region. The Committee has observed that other countries in the region are also coming to these conclusions, and in so doing, creating ample opportunity for Australia to improve relations with such countries in seeking common goals.

(d) Political Interests

121. Until the Second World War, Australia placed a great deal of emphasis on its role as a member of the then British Empire. Practically all of Australia's defence, trade and diplomatic policies were of British orientation. The years since the War have seen a change in this attitude and an acknowledgement of the fact that Australia has a more individual role to play in the developing of its relations

with the countries of South-East Asia and its near neighbours.

12?. With Australia's development to a relatively strong country in the region both economically and militarily, and bearing in mind the reduced future role of Britain and the uncertainty of United States intentions in the area, together with the increased interest displayed by other great powers notably the Soviet Union and Japan, a new period of greater Australian political involvement is developing in the Indian Ocean region. The attitude of the non-aligned nations, many of which were once members of the British Empire, is gaining importance in relation to Australian actions in the region as Australia takes more responsibility and initiative in an area of growing importance to Australia.

APPENDIX A

Ministerial Communique issued on the completion of the Five Power defence talks in London, April 1971.

1. Ministers of the Governments of Australia, Malaysia, New Zealand, Singapore and the United Kingdom met in London on 15 and 16th April 1971 in order to consider matters of common interest to all five Governments relating to the external defence of Malaysia and Singapore.

2. The Ministers of the five Governments affirmed, the basic principles of their discussions, their continuing determination to work together for peace and stability, their respect for the Sovereignty, political independence and territorial integrity of all countries, and their belief in the settlement of all international disputes by peaceful means in accordance with the principles of the United Nations Charter.

3. In the context of their Governments' determination to continue to co-operate closely in defence arrangements which are based on the need to regard the defence of Malaysia and Singapore as indivisible, the Ministers noted with gratification the development of the defence capability of Malaysia and Singapore, to which the other three Governments had given assistance, and the decisions of the Governments of Australia, New Zealand and the United Kingdom, which had been welcomed by the other two Governments, to continue to station forces there after the end of 1971.

4. In discussion of the contribution which each of the five Governments would make to defence arrangements in Malaysia and Singapore, the Ministers noted the view of the United Kingdom Government that the nature of its commitment under the Anglo-Malaysian Defence Agreement required review and that that Agreement should be replaced by new political arrangements.

They declared that their Governments would continue to co-operate in accordance with their respective policies, in the field of defence after the termination of the Agreement on 1st November 1971.

5. The Ministers also declared, in relation to the external defence of Malaysia and Singapore, that in the event of any form of armed attack externally organised or supported or the threat of such attack against Malaysia or Singapore, their Governments would immediately consult together for the purpose of deciding what measures should be taken jointly or separately in relation to such attack or threat.

6. The Ministers reviewed the progress made regarding the establishment of the new defence arrangements.

In Particular:

- A They welcomed the practical steps being taken to establish the integrated air defence system for Malaysia and Singapore on 1 September 1971.
- B They agreed to establish an Air Defence Council, comprising one senior representative of each of the five Nations, to be responsible for the functioning of the Integrated Air Defence System, and to provide direction to the Commander of the Integrated Air Defence System on matters affecting the Organisation, training and development and operational readiness of the system.
- C They noted the progress made by the five power naval advisory working group.
- D They decided to set up a joint consultative council to provide a forum for regular consultation at the senior official level on matters relating to the defence arrangements.

Ministers also noted that further discussion would take place between Governments on the practical arrangements required for the accommodation and facilities for the ANZUK forces to be stationed in the area.

They looked forward to the early and successful conclusion of these discussions as an essential basis for the completion of plans for the new defence arrangements.

7. The Ministers agreed that from time to time it might be appropriate for them to meet to discuss their common interests.

It would also be open to any of the participating Governments to request at any time, with due notice, a meeting to review these defence arrangements.

APPENDIX B

United States of America State Department press release on the construction of the Joint U.S./U.K. facilities on Diego Garcia Atoll in the Chagos Archipelago, British Indian Ocean Territory, dated 15 December 1970.

The Governments of the United States and of the United Kingdom announced today that construction will commence in March 1971 on an austere naval communications facility on Diego Garcia Atoll in the Chagos Archipelago, British Indian Ocean Territory.

The facility is being built under the terms of a bilateral agreement between the U.S. and the U.K., signed in December 1966, which makes the islands of the British Indian Ocean Territory (B.I.O.T.) available to the U.S. and the U.K. Governments for defense activities for fifty years.

The facility will consist of communications, and minimum necessary support activities, including an air strip.

Construction of the facility will be accomplished by the United States.

Units of the U.S. Naval Construction Force will build it.

Both the British and American flags will fly over the facility and the United Kingdom will assist in its manning.

"The facility will close a gap in the U.S. naval communications system.

It will provide ~~comm~~unications support to U.S. and U.K. ships and aircraft in the Indian Ocean.

It is expected to be completed in less than three years."

APPENDIX C



**LEGAL OBLIGATIONS OF
HER MAJESTY'S
GOVERNMENT ARISING
OUT OF THE SIMONSTOWN
AGREEMENTS**

*Presented to Parliament by the Attorney General
by Command of Her Majesty
February 1971*

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**OPINION
OF THE LAW OFFICERS OF THE CROWN FOR ENGLAND
AND WALES**

**on the extent of the existing legal
obligations of Her Majesty's Government,
arising under the Simonstown Agreements, to
permit the export of arms to South Africa**

We have been requested to submit to Parliament our written Opinion as to whether and to what extent Her Majesty's Government has any existing legal obligation, arising from the Simonstown Agreements, to permit the export of arms to South Africa. This Opinion expresses the substance of the advice which we have tendered to Her Majesty's Government over the last six months. Facts and documents relevant to this question have been placed before us by the Government departments concerned. Our Opinion refers to certain communications which took place between Her Majesty's Government and the South African Government. These communications are set out in the numbered documents in the Annex to which the footnote numbering in the Opinion refers.

OPINION

THE BACKGROUND

The Simonstown Agreements.

1. The documents commonly referred to as "The Simonstown Agreement" are the Agreement on defence of the sea routes round Southern Africa and the Agreement relating to the transfer of the Simonstown naval base. These Agreements are contained in exchanges of letters dated 30th June, 1955. They were published in Command Paper 9520 which was presented to Parliament in July, 1955. This Command Paper also included an exchange of letters setting out the terms of an understanding on the need for international discussions with regard to regional defence.* Any legal obligation upon Her Majesty's Government to permit the South African Government to purchase naval vessels or equipment in the United Kingdom derives from the Agreement on defence of the sea routes round Southern Africa (which is referred to hereafter as "The Sea Routes Agreement").

2. The purposes of the Sea Routes Agreement are stated in paragraph 1 as follows :—

"1. Recognising the importance of sea communications to the well-being of their respective countries in peace and to their common security in the event of aggression, the Governments of the Union of South Africa and of the United Kingdom enter into the following Agreement to ensure the safety, by the joint operations of their respective maritime forces, of the sea routes round Southern Africa."

3. The machinery established by the Sea Routes Agreement for carrying out its purposes included the designation of the Royal Naval Commander-in-Chief, South Atlantic, as *Commander-in-Chief for purposes of planning and operational command in war* (paragraph 5 of Sea Routes Agreement), the earmarking in peacetime of naval forces to be assigned to him in time of war or emergency likely to lead to war, and a joint maritime war planning committee containing representatives of the two Navies. The peacetime responsibilities of the Commander-in-Chief included "the organisation for and conduct of combined training" of the national units earmarked to his command in war "so as to ensure that they can operate as an effective and integrated force" and the authority of the Commander-in-Chief extended to the co-ordination of the combined training of these forces and the calling for reports "concerned with the state of readiness and efficiency" of these forces (paragraph 3 of Annex to Sea Routes Agreement). Exchanges of officers and ratings between the two Navies was envisaged (paragraph 14 of Sea Routes Agreement).

*When communicating this exchange to the United Nations under Article 102 of the United Nations Charter, Her Majesty's Government informed the United Nations that "this document does not contain any substantive obligations but is registered in order to facilitate understanding of the other two agreements".

4. There are specific obligations relating to the purchase of vessels for the South African maritime forces in paragraphs 2 and 3 of the Sea Routes Agreement. These paragraphs are in the following terms:—

"2. The Union Government have approved a programme for the expansion of the South African Navy. The programme will be spread over a period of eight years from 1955 to 1963, and will involve the purchase of the following vessels, which will be added to the existing fleet:—

- 6 anti-submarine frigates
- 10 coastal minesweepers
- 4 seaward defence boats

3. The Union Government will place firm orders in the United Kingdom for the purchase of these vessels, costing some £18M. The British Admiralty agree to act as agents for the Union Government in this matter."

Legal effect of the Sea Routes Agreement.

5. The Sea Routes Agreement is a treaty. It was intended to, and does, impose legal obligations upon each of the Governments who expressed their mutual agreement in the form of an exchange of letters.* The Agreement is still subsisting. It has not been terminated in accordance with the provisions of paragraph 17, which provides that it "will remain in force until such time as the two Governments decide otherwise by mutual agreement". The subsequent statements of the two Governments (in, for example, documents 27 and 28) make it plain that each of them regards it as having continuing validity.

6. The Sea Routes Agreement gives rise to a number of obligations on the part of each of the signatory Governments. We are now concerned, however, with only one of these, that is to say the obligation of Her Majesty's Government in respect of the export of arms to South Africa. Although it was agreed† that the British Admiralty would "act as agents for the Union Government in this matter", Her Majesty's Government undertook no obligation itself to supply any arms or equipment. But the Union Government expressly agreed to "place firm orders in the United Kingdom for the purchase of these vessels".‡ This necessarily implies an obligation on the part of Her Majesty's Government to permit the export of any material purchased under the Agreement. Without this implication paragraphs 2 and 3 of the Agreement are empty of any meaning.

7. It is, therefore, plain that:

- (a) the Sea Routes Agreement laid certain obligations upon Her Majesty's Government;

*A treaty, as defined in the Vienna Convention on the Law of Treaties (Cmd 4140), is "an international agreement concluded between States in written form and governed by international law, whether embodied in a single instrument or two or more related instruments and whatever its particular designation. (Article 2(1)(a)).

†See paragraph 3 of the Sea Routes Agreement.

- (b) one of those obligations was to permit the export to the South African Government of certain arms and equipment to be purchased in the United Kingdom.

The question with which we are concerned in this Opinion is how far, and in respect of what arms and equipment, that obligation extends.

South African naval purchases.

8. The South African naval expansion programme referred to in paragraph 2 of the Sea Routes Agreement was stated to be 'spread over a period of eight years from 1955 to 1963'. In 1957 the Admiralty and the South African authorities agreed upon a scheme for procurement of the vessels to be purchased in the United Kingdom, in implementation of paragraphs 2 and 3 of the Agreement, which was phased over the years 1955 to 1965.

9. In pursuance of their obligations under paragraph 3 of the Sea Routes Agreement the South African Government purchased—

- 4 anti-submarine frigates
- 10 coastal minesweepers
- 4 seaward defence boats.

10. Two anti-submarine frigates were, by agreement between the two Governments, omitted from the supply programme drawn up by the Admiralty for implementing paragraph 3 of the Agreement and there is now no obligation on the South African Government to order, or Her Majesty's Government to permit the supply of, these vessels. One anti-submarine frigate purchased was an existing vessel from the Royal Navy. This vessel and the ten coastal minesweepers and four seaward defence boats, were delivered with their initial outfit of equipment, stores and base reserves. Her Majesty's Government's obligation in respect of the supply of these vessels and their initial equipment has therefore been discharged.

11. In addition to the anti-submarine frigate formerly in service with the Royal Navy the South African Government ordered three new anti-submarine frigates to be built in British yards. The design of these new anti-submarine frigates was basically the same as a class of vessel known as the Type 12 frigate, which was also constructed for the Royal Navy and is known as the Rothesay class. These vessels were ordered from the shipyards in 1956-1957. Their names and the dates when they were laid down, launched and completed are as follows :—

	Laid down	Launched	Completed
President Kruger	6. 4.59.	20.10.60.	1.10.62.
President Steyn	20. 5.60.	23.11.61.	25. 4.63.
President Pretorius	21.11.60.	28. 9.62.	4. 3.64.

These three ships were delivered to the South African Government after completion.

THE QUESTIONS.

12. The following three questions thus arise :—

- (a) whether Her Majesty's Government remains under any obligation to permit the supply of the initial equipment for the three anti-submarine frigates that were built in the United Kingdom and supplied in accordance with the Sea Routes Agreement ;
- (b) whether Her Majesty's Government is under any obligation to permit the supply of replacement or additional equipment for all the vessels supplied in accordance with the Sea Routes Agreement ;
- (c) whether the Sea Routes Agreement imposed a wider, general and continuing obligation upon Her Majesty's Government to permit the supply of any further arms that might in the future be requested by the South African Government for the purposes of the Sea Routes Agreement.

Interpretation of Treaties.

13. The answers to these questions depend upon the proper interpretation of the treaty obligations of Her Majesty's Government under the Sea Routes Agreement. The rules of international law for the interpretation of treaties have recently been declared in the Vienna Convention on the Law of Treaties.† The two most important rules for the present purpose can be conveniently quoted from paragraphs 1 and 3 of Article 31 of that Convention, as follows :

"1. A treaty shall be interpreted in good faith in accordance with the ordinary meaning to be given to the terms of the treaty in their context and in the light of its object and purpose.

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3. There shall be taken into account together with the context :

- (a) any subsequent agreement between the parties regarding the interpretation of the treaty or the application of its provisions ;
- (b) any subsequent practice in the application of the treaty which establishes the agreement of the parties regarding its interpretation ;
- (c) any relevant rules of international law applicable in the relations between the parties."

Role of the Admiralty.

14. Before considering the questions referred to in paragraph 12 above, it is necessary to clarify the position of the Admiralty in connection with the transactions which took place between the two Governments over the construction and equipment of the three anti-submarine frigates.

15. Under paragraph 3 of the Sea Routes Agreement it was agreed that the British Admiralty would act as agents for the South African Government

†Cmds. 4140.

in the placing of orders in the United Kingdom. The Admiralty (later the Ministry of Defence) was, however, also the department of Government which dealt generally with the South African Government with respect to the implementation of the obligations of both parties connected with the supply of the vessels. Although the Admiralty was "the agent" of the South African Government in the placing of orders, it is, in our opinion, impossible to distinguish the Admiralty from Her Majesty's Government for the purpose of the series of transactions with the South African Government which are discussed below.

16. At the time when the three frigates were ordered the concept of helicopters as an integral part of the equipment of frigates on anti-submarine activities was already envisaged. The capability of an anti-submarine frigate to carry a helicopter widely extends the effective capacity of the vessel in her anti-submarine role. But systems to put this into effect were still being developed. In 1958 the Admiralty adopted a system known as "MATCH" for equipping frigates with helicopters. This could be done either as part of the initial construction or by conversion. Conversion systems had to be worked out for each class of ship and the system for the Type 12 frigates was still being developed in the period 1960-1965. The "MATCH" system was adapted to Westland Wasp helicopters and a vessel equipped with it could not readily carry helicopters of another design.

**Medium-Range Anti-Submarine Torpedo Carrying Helicopters.

WESTLAND WASP HELICOPTERS

The Conversion of the Frigates.

17. The South African authorities were informed by the Admiralty of the system which was under consideration for converting Royal Naval ships of the Type 12 class to carry helicopters. By a letter dated 5th September, 1961,⁽¹⁾ (over a year before the completion of the first of the three frigates), the South African authorities wrote to the Admiralty:—

"It has now been approved in principle for these ships to be converted on similar lines to R.N. ships of the same class and for them to be fitted with a helicopter platform and hangar. It is further intended that this conversion should be carried out at the S.A.N. Dockyard, Simonstown".

This was followed by a letter of 28th December, 1961,⁽²⁾ asking the Admiralty to make available to the South African Navy, in order to carry out conversion of South African frigates to carry helicopters, drawings reflecting the possible Wasp helicopter conversion of a Rothesay class frigate. The Admiralty thereupon provided drawings showing preliminary arrangements for making fittings for the South African anti-submarine frigates then still under construction.⁽³⁾

18. In July, 1962, the South African authorities sought further information⁽⁴⁾ from the Admiralty in connection with the equipment of the three anti-submarine frigates for the operation of Wasp helicopters, and made enquiries about the possibility of converting one of the anti-submarine frigates during construction in the United Kingdom. They decided not to proceed with this when they were informed by the Admiralty that full information about the conversion system for Type 12 frigates would not be available for about twelve months, and that completion of the helicopter arrangements on the frigate concerned would seriously delay the vessel.⁽⁵⁾

19. During 1962 and 1963 there were further exchanges between the South African authorities and the Admiralty about the details of the design arrangements for converting Type 12 frigates to carry helicopters. The South African Government paid the Admiralty for the cost of some of the design work involved.⁽⁶⁻¹⁷⁾ In July, 1964, the official "MATCH" handbook was made available to the South African authorities by the Admiralty.⁽¹⁸⁾

20. Notwithstanding the announcement of the arms embargo on 17th November, 1964, (see paragraph 22 below) the particulars to assist with conversion of the frigates which is being carried out by the South African Government in South Africa have continued to be made available to the South African authorities by Her Majesty's Government. Indeed details of all modifications carried into this class of frigate have been and continue to be provided to the South African Navy.

21. After completion (between 1962 and 1964), the three anti-submarine frigates constructed in the United Kingdom were delivered to the South African Government. Commencing in January, 1968, conversion of the frigates proceeded. The conversion of one has been completed; the conversion of another commenced in 1969 and has probably been finished; and the conversion of the third frigate commenced subsequently.

The arms embargo.

22. In November, 1964, Her Majesty's Government announced their decision to impose an embargo on the export of arms to South Africa. This announcement was made by the Prime Minister, Mr. Wilson, in a statement in Parliament on 17th November, 1964.* In the statement announcing the embargo Mr. Wilson said that "outstanding commitments by the Ministry of Defence will be fulfilled", and, in answer to a question about the Simonstown Agreement, added "Nothing I have said in any way involves a breach of the Agreement. Moreover . . . the Agreement is not capable of unilateral denunciation".

South African reaction.

23. The South African authorities sought clarification of the full implications of the statements announcing the embargo. They presented an aide memoire dated 21st December, 1964⁽²⁰⁾ to Her Majesty's Government. In this document the South African Government asked Her Majesty's Government to clarify its attitude towards the supply of various descriptions of equipment, and they sought confirmation that:

"the above mentioned categories of equipment are in fact regarded by the Government of the United Kingdom as being covered by 'commitments by the Ministry of Defence'".

The equipment listed in the note included the following:—

"Westland Wasp Helicopters.

Replacement of Westland Wasp Helicopters which may be written off strength as a result of accidents or wear and tear, or augmentation in numbers to meet S.A. naval requirements".

It will be noted that this enquiry did not refer to or specify any particular number of helicopters but referred generally to replacement or augmentation.

24. Her Majesty's Government replied to this note by three separate communications:

- (1) An aide memoire dated 15th February, 1965⁽²¹⁾ informed the South African Government that Her Majesty's Government were "prepared in principle to supply" the spare parts for certain aircraft and for Westland Wasp helicopters; and that Her Majesty's Government were not yet in a position to give an answer about the replacement or augmentation in numbers of Westland Wasp helicopters.

*Hansard Vol. 702 Cols 199 to 208.

- (2) A letter dated 9th March, 1965, from Sir Geoffrey Harrison, (a senior official of the Foreign Office, in the absence and on behalf of the Minister of State for Foreign Affairs, Lord Chalfont) to the South African Ambassador⁽²⁾ contained the following passage :—

"I am writing to let you know that Her Majesty's Government will be prepared to supply additional Wasp helicopters to meet South African naval requirements. In reaching this decision, Her Majesty's Government have taken account of the fact that these specialised aircraft are integral parts of a complete anti-submarine weapons system supplied to South Africa under the Simonstown Agreement".

- (3) A letter from Her Majesty's Government dated 31st May, 1965⁽²⁾ informed the South African Government that Her Majesty's Government would be willing to consider the replacement of certain aircraft and "Westland Wasp helicopters which are lost in accidents or through mechanical defect in the light of the circumstances in each case". It also said that "Her Majesty's Government would not, however, be able to allow the supply of replacements for these types of aircraft written off as a result of normal wear and tear". We comment on this letter (and in particular on the distinction between helicopters lost in accidents or through mechanical defects and helicopters written off as a result of normal wear and tear) in paragraph 54.

The 1967 request.

25. In January, 1967, Her Majesty's Government received a list of defence equipment in respect of which the South African Government sought to place orders in the United Kingdom. This document included the following enquiry relating to helicopters :—

"Wasp helicopters. Originally six Wasp helicopters (of which two have been written off) and recently a further four, net total 8, have been acquired. 12 AS helicopters are required. Will the additional four be supplied during the period 1971/1973?"

26. The South African fleet existing when the Simonstown Agreements were made in 1955 included two former Royal Navy destroyers, which had been purchased in 1950 and 1952. Between 1962 and 1966 the South African Government converted these destroyers to carry Wasp helicopters with the assistance of plans and instructions supplied by Her Majesty's Government. Six Wasp helicopters were supplied for these vessels before 1964. Four further Wasp helicopters were supplied in 1966. These are the helicopters referred to in the South African Government's enquiry quoted in the previous paragraph.

27. With regard to the enquiry of January, 1967, by the South African Government referred to in paragraph 25, the Prime Minister, Mr. Wilson, informed Parliament on 14th December, 1967, as follows :—

"The South African Government have indicated an interest in buying certain items of mainly naval equipment. No reply has as yet been sent.

Our policy on these matters remains as I stated it to the House on 17th November, 1964".*

It was on 17th November, 1964, that Mr. Wilson had stated that outstanding commitments by the Ministry of Defence would be fulfilled.

The Exchange of 1969/70.

28. The conversion of the first of the three anti-submarine frigates so as to enable her to carry Wasp helicopters had begun in January, 1968. But on 12th December, 1969, the South African Ambassador was informed that if the manufacturers of Westland Wasp helicopters applied for an export licence to sell this equipment to South Africa, a licence would be refused by Her Majesty's Government.

29. Following this, the South African Government delivered an aide memoire dated 3rd February, 1970⁽²⁶⁾. In this aide memoire the South African Government referred to the letter of 9th March, 1965⁽²⁵⁾ and sought clarification of the statement made to their Ambassador which, the aide memoire alleged, was contrary to the assurance contained in the letter of 1965; the aide memoire went on to enquire whether the letter and spirit of the Simonstown Agreement had any meaning for the United Kingdom.

30. Her Majesty's Government replied to this communication by an aide memoire on the 5th March, 1970⁽²⁷⁾. In this document Her Majesty's Government confirmed that they attached importance to the Simonstown Agreement and regarded it as still in force, but informed the South African Government that Her Majesty's Government were unable to agree to license the supply of further Wasp helicopters to South Africa and that any assurances contained in the letter of 9th March, 1965, had been met by the supply thereafter of four additional Wasp helicopters.

31. The South African Government replied to Her Majesty's Government's note in an aide memoire dated 20th May, 1970⁽²⁸⁾. They referred to the unwillingness of Her Majesty's Government to honour their obligations under the Simonstown Agreement and rejected the arguments advanced by Her Majesty's Government as unacceptable.

Legal considerations.

32. It is in the context of the matters narrated in the previous paragraphs that we have to consider the first of the questions posed in paragraph 12 above, namely whether Her Majesty's Government remain under any obligation to permit the supply of initial equipment for the three anti-submarine frigates built in the United Kingdom and supplied in accordance with the Sea Routes Agreement. It will be apparent that in practical terms this is confined to the question of whether Her Majesty's Government is under any obligation to permit the supply of any further Wasp helicopters.

*Hansard Vol. 756 col. 628.

33. There are, in our opinion, four factors that are relevant to a conclusion on this question :--

- (1) The principle that the Sea Routes Agreement must be interpreted "in the light of its object and purpose";
- (2) The nature of the right conferred upon the South African Government in respect of the supply of vessels under the Sea Routes Agreement ;
- (3) The subsequent practice of the parties in their application of the Sea Routes Agreement ;
- (4) The principle that the parties must perform in good faith their obligations under the Sea Routes Agreement.

34. The object of the Sea Routes Agreement (paragraph 1) is "to ensure the safety by the joint operations of their respective maritime forces, of the sea routes round Southern Africa". To this end, paragraph 2 of the Sea Routes Agreement provides for the expansion of the South African Navy so that there should be available efficient forces in a state of readiness for the fulfilment of that purpose. This plainly indicates the intention of the parties that the vessels to be provided under the Agreement (including the anti-submarine frigates) should be as apt as possible for that purpose.

35. The nature of the right conferred (by paragraphs 2 and 3 of the Sea Routes Agreement) upon the South African Government to order vessels must also be interpreted in good faith in accordance with the ordinary meaning of the words. So interpreted, these paragraphs, in our opinion, entitled the South African Government to purchase anti-submarine frigates of any type or design which they thought best. The South African Government's right of choice extended moreover to the equipment of the ships. The only restriction upon the South African Government's right to choose in this way was that vessels should fall within the broad descriptions set out in the Agreement. Apart from this the South African Government retained the freedom of a sovereign Government to decide upon the armament of its fleet.

36. The subsequent practice of the parties in applying the Sea Routes Agreement is apparent from what we have set out in paragraphs 17 to 31 above. It is clear from the dealings between the Admiralty and the South African authorities, that both parties were interpreting their obligations in such a way as would enable the South African Government to obtain anti-submarine frigates from the United Kingdom (including, if they so desired, equipment of the latest design) which would be most effective for carrying out the purposes of the Sea Routes Agreement. This is why the South African Government was made aware by the Admiralty, not later than 1961, of the systems which were then under consideration for converting Royal Naval ships of the Type 12 class to carry helicopters. This is why, in light of this information, the South African Government in the same year made plain their intention that the Type 12 Frigates on order for them should be fitted with the "MATCH" system, either by conversion or as part of the original construction. The adoption by the South African Government of the "MATCH" system would necessarily have involved the equipment of their

three anti-submarine frigates with Wasp helicopters. Her Majesty's Government not only acquiesced at the time in the foregoing proposals of the South African Government, but have continued, without interruption, to assist them by supplying technical information relating to the "MATCH" conversion system.

37. These transactions must be considered alongside the other factors referred to in paragraph 33 above. In particular they must be considered in the light of the obligation of Her Majesty's Government to act in good faith and in light of the object and purpose of the Agreement. In our opinion, the effect of these transactions was that the South African Government elected to purchase anti-submarine frigates whose armaments would include Wasp helicopters. Her Majesty's Government accepted that the obligation on their part to permit the supply of the vessels and equipment extended to helicopters as integral parts of the anti-submarine equipment of the frigates, when the "MATCH" system had been installed.

38. It is to be noted that the statement in the letter of 9th March, 1965,⁽²²⁾ that Her Majesty's Government would be prepared to supply Wasp helicopters to meet South African naval requirements is in unequivocal terms. This contrasts with the terms of the two other communications relating to the supply of equipment, which indicated merely willingness to "consider requests" made by the South African Government for the supply of equipment. Moreover, the express acknowledgment in the letter of 9th March, 1965,⁽²²⁾ that the Wasp helicopters are "integral parts of a complete anti-submarine weapons system supplied to South Africa under the Simonstown Agreement" plainly suggests that Her Majesty's Government in 1965 acknowledged that the Wasp helicopters were required to complete the essential equipment of the three anti-submarine frigates. It is difficult to explain the reference to "the Simonstown Agreement" except upon the basis of an acceptance by Her Majesty's Government of an obligation deriving from the Sea Routes Agreement.

39. We cannot accept the argument put forward in Her Majesty's Government's aide memoire of 5th March, 1970⁽²³⁾ that any assurances contained in the letter of 9th March, 1965⁽²²⁾ were met by the supply thereafter of four additional Wasp helicopters. When these four helicopters were supplied to the South African Navy in 1966, none of the three anti-submarine frigates supplied in pursuance of the Sea Routes Agreement had been converted to carry helicopters. In fact there were, at the time of supply of the four helicopters, two South African Navy ships from which the helicopters could operate. These were, of course, the two ex-Royal Navy destroyers that had been supplied prior to the making of the Sea Routes Agreement. These four helicopters could not have been regarded at that time as "an integral part" of equipment of the three new anti-submarine frigates, since it was not until about three years later that any of those ships were capable of carrying helicopters. Four helicopters would, in any case, have been insufficient to provide the initial equipment of the three anti-submarine frigates. In order to maintain this part of a frigate's armament as effective, reserves are essential. If the establishment standards of the Royal Navy were applied a total of eleven helicopters would be required to provide the initial equipment (together with reserves) for these three frigates.

Conclusions.

40. Our conclusions on the question whether Her Majesty's Government remains under any obligation to permit the supply of the initial equipment of the three anti-submarine frigates may be summarized as follows:

1. Her Majesty's Government has at all material times been under an obligation to permit the South African Government to obtain three anti-submarine frigates from this country.
2. This obligation included an obligation to permit the South African Government to obtain frigates that were designed and equipped in the way which the South African Government considered most effective for carrying out the purposes of the Sea Routes Agreement.
3. Her Majesty's Government have acknowledged and confirmed (by the letter of 9th March, 1965⁽²²⁾) that their obligation to permit the supply of the anti-submarine frigates and their equipment extended to the supply of the Wasp helicopters, as integral parts of the complete anti-submarine weapons system.
4. The supply of the four additional Wasp helicopters in 1966 did not discharge these obligations.
5. Her Majesty's Government thus remains under a continuing obligation to permit the export from the United Kingdom of a sufficient number of helicopters to equip the three anti-submarine frigates supplied under the Sea Routes Agreement with their initial complement of Wasp helicopters (together with reserves) if these are requested by the South African Government.

REPLACEMENTS AND ADDITIONAL EQUIPMENT

The issues.

41. We turn now to the second question posed in paragraph 12 of this Opinion, namely whether Her Majesty's Government is under any obligation to permit the supply of replacement or additional equipment for all the vessels supplied in accordance with the Sea Routes Agreement.

42. The Sea Routes Agreement is, as we have observed, an agreement of indefinite duration, remaining in force until such time as the two Governments decide otherwise by mutual agreement. The Agreement provides for situations of peace and of war. In our opinion it was within the contemplation of the parties when the Agreement was concluded in 1955 that the arrangements for mutual defence of the sea routes were to be of long duration.

43. If the ships supplied are to carry out the purposes and intentions in the Agreement in joint operations, the efficiency of ships for war must be maintained. The armament, stores and base reserves for the ships or a part thereof would necessarily become worn out, lost or expended during the period during which the parties expected the Agreement to continue. If the ships were to be kept efficient this equipment would need to be replaced. The equipment of the vessels is of United Kingdom design and manufacture.

Unless the ships are to be re-fitted with equipment from another country, their efficiency could only be maintained by the provision from United Kingdom suppliers of the necessary replacements. To deny the export of such supplies from this country would lead over a period of time to a serious reduction in the efficiency of the ships, and would detract from the ability of the ships to combine with the ships of the Royal Navy in training or operations.

44. As is apparent from the facts narrated in paragraphs 23 to 31 above the attitude of Her Majesty's Government to the supply of replacement parts necessary to maintain the South African Navy's ability to carry out its role under the Sea Routes Agreement was questioned by the South African Government following the imposition of the arms embargo by Her Majesty's Government in 1964. On 10th December, 1964, the South African Government enquired about "the application of the embargo to routine demands for replacement parts for the South African Navy". The Ministry of Defence replied on 17th December, 1964⁽¹⁹⁾. This letter included the following:— "It is not the Government's intention to withhold replacement parts that are necessary to maintain the South African Navy's ability to carry out its role in the defence of the sea routes round Southern Africa in accordance with the *Simonstown Agreement*".

45. By the aide memoire of 21st December 1964,⁽²⁰⁾ the South African Government sought to know the attitude of Her Majesty's Government towards the supply of "spares and equipment for ships now in service or subsequently acquired". Her Majesty's Government replied on 15th February, 1965,⁽²¹⁾ that it had already replied to the South African Government on this matter. There is no reference to the precise document in which this reply had been given but we assume that it refers to the letter of 17th December, 1964.⁽¹⁹⁾

46. On 18th June, 1965, the South African Government delivered another aide memoire to the Foreign Office⁽²²⁾, seeking to know whether Her Majesty's Government would be prepared to supply the equipment and stores listed. The list included naval equipment and stores, some of which was stated to be "for modernisation of S.A. Navy Ships" and were items of new equipment. Other items related to equipment already supplied.

47. In reply, by letter dated 31st August, 1965,⁽²³⁾ Her Majesty's Government stated:

1. As regards the naval items, that it "would be willing to supply, in the quantities necessary for peacetime consumption and practice", certain of those items (which were listed).
2. That certain equipment, which included some of the new equipment described in the South African communication as being "for modernisation of S.A. Navy ships", can be "supplied in unrestricted quantities".
3. That Her Majesty's Government could not agree to supply the Seacat missile system.

The decisions conveyed by the letter were stated to accord with the general principles outlined in the letter of 17th December, 1964⁽¹⁹⁾.

Legal considerations.

48. It is in the context of these facts that we have to consider the extent of Her Majesty's Government's obligation to permit the supply of replacement or additional equipment for all the vessels supplied in accordance with the Sea Routes Agreement.

49. The Agreement contains no express terms relating to the supply of such equipment. But Her Majesty's Government's obligations have to be decided in light of the object and purpose of the Agreement, which has to be interpreted in good faith. One must also have regard to the subsequent practice of the parties in the application of the Agreement.

50. All these factors point, in our opinion, to one conclusion, which is also the one that accords with commonsense. In the context of the Sea Routes Agreement and of the circumstances which we have outlined, a Government which is obliged to permit the supply of complex equipment must thereafter be regarded as not merely willing but obliged, to the best of its ability, to permit the supply of any further components that proves necessary to keep the original equipment in operation. The letter of 31st August, 1965,⁽²⁵⁾ confirms that this was the view of Her Majesty's Government at that time.

Conclusions.

51. We conclude, therefore, that the Sea Routes Agreement should be interpreted as implying an obligation on the part of Her Majesty's Government, if so requested by the South African Government, to permit the supply of replacements of the initial equipment and stores and base reserves for the vessels supplied from the United Kingdom, and of any other equipment, which is necessary to keep these vessels efficient for the purpose of carrying out the objects of the Agreement. This would include replacement of such a number of helicopters as are necessary to arm and provide a reasonable establishment of reserves for the frigates.

52. In the letter of 31st May 1965⁽²³⁾, Her Majesty's Government stated that they would "be willing to consider" the replacement of Wasp helicopters "which are lost in accidents or through mechanical defect", but would not be able to allow replacements for helicopters "written off as a result of normal wear and tear". The logic of this distinction is not apparent; but in any event this statement cannot be reconciled with the implied obligation referred to in paragraph 51. Assuming that the South African Government makes a request in good faith for the supply of a Wasp helicopter to make good a deficiency in the complement of an anti-submarine frigate, there is an obligation on Her Majesty's Government to permit the export of the helicopter if this is necessary to keep the vessel efficient for the purpose of carrying out the objects of the Agreement.

GENERAL OBLIGATIONS

53. There is finally the question whether the Sea Routes Agreement imposed a general and continuing legal obligation upon Her Majesty's Government to permit the supply of any further arms that might in the future be requested by the South African Government for the purpose of the Sea Routes Agreement.

54. The only express obligation in relation to the supply of arms or equipment that is imposed upon Her Majesty's Government by the Sea Routes Agreement is spelt out in paragraphs 2 and 3 of the Agreement. That is, of course, confined to the naval vessels there set out. Any further legal obligation on the part of Her Majesty's Government to permit the supply of additional vessels or equipment can only arise if such an obligation could be implied as a term of the Sea Routes Agreement.

55. There remains therefore only the question of an implied term. The principle to be applied in considering this question is that a term should only be implied in a treaty when it is necessary to do so in order to give effect to the intention of the parties. Applying this principle it is necessary to reach the conclusion, in the light of the treaty itself and other surrounding circumstances, that the parties must have intended to contract on the basis of the inclusion in the treaty of a provision whose effect can be stated with reasonable precision.

56. In support of the suggestion that a meaningful term can be implied, it can be argued that the treaty does provide for joint operations, joint command structure and for an integrated naval force provided by both States. Moreover, at the time of the Agreement the United Kingdom was a major supplier of arms to South Africa.

57. On the other hand the Agreement does not require the South African Government to maintain its maritime forces at any specified level nor with any specified type of armaments, nor does it impose any obligation on the South African Government to place future orders for naval equipment in the United Kingdom. So far as the provisions made in the Agreement were concerned, both parties retained their freedom to act as they thought best in determining the size, armament and sources of supply of their fleet. The undertakings in paragraphs 2 and 3 of the Agreement contained only limited obligations to purchase and supply arms.

58. In face of these conflicting arguments one must face the final question. If any term of the kind now under consideration is to be implied, how is such a term to be defined? It is here that the suggestion of any general and continuing obligation appears to run into difficulty. To what kind of quantity of equipment would any implied term extend? Over what period? And in what circumstances? We do not think it possible to formulate with any certainty the substance of a term relating to the supply of further arms which the two Governments must have intended at the time when the Sea Routes Agreement was concluded.

The whole concept of such a general and continuing obligation is, moreover, inconsistent with the precision with which the original obligations in respect of the supply of vessels is spelt out in the Sea Routes Agreement.

Conclusions.

59. In our opinion it would not be reasonable, in these circumstances, to impute to the parties an intention to include a term in the Sea Routes Agreement which would place any general and continuing legal obligation on Her Majesty's Government to permit the supply of arms to the South African Government.

SUMMARY OF CONCLUSIONS

60. We therefore advise that the extent of Her Majesty's Government's existing legal obligations to permit the export of arms to South Africa, arising from the Simonstown Agreements, is to permit, if requested by the South African Government, the supply of the following arms for the South African maritime forces :—

- (1) such number of Westland Wasp helicopters as is necessary to equip the three anti-submarine frigates supplied under the Sea Routes Agreement with their initial complement (together with reserves) of Westland Wasp helicopters ;
- (2) such replacements of the initial equipment and stores and base reserves for all the vessels supplied under the Sea Routes Agreement, and such other equipment for these vessels, as is necessary to keep the vessels efficient for the purpose of carrying out the objects of the Agreement.

PETER RAWLINSON.

GEOFFREY HOWE.

APPENDIX D

COUNTRY	AREA (In thousand square miles)	POPULATION (In thousands)	TYPE OF STATE	DIPLOMATIC REPRESENTATION		
				Soviet	U.S.	British Aust.
AUSTRALIA	2,967	12,000	Federation	Yes	Yes	Yes
INDONESIA	575	115,000	Republic	Yes	Yes	Yes
MALAYSIA	128	9,855	Federation	Yes	Yes	Yes
SINGAPORE	224	1,988	Republic	Yes	Yes	Yes
THAILAND	514	33,693	Kingdom	Yes	Yes	Yes
BURMA	262	25,811	Republic	Yes	Yes	Yes
CEYLON	25	11,701	Dominion	Yes	Yes	Yes
INDIA	1,178	523,800	Republic	Yes	Yes	Yes
PAKISTAN	365	109,520	Republic	Yes	Yes	Yes
IRAN	627	26,810	Kingdom	Yes	Yes	Yes
IRAQ	438	8,634	Republic	Yes	No	Yes
KUWAIT	9	491	Sovereign State	Yes	Yes	Yes
SAUDI ARABIA	927	6,036	Kingdom	No	Yes	No
MUSCAT AND OMAN	82	750	Sultanate	No	Yes(c)	No
SOUTHERN YEMEN	61	4,500	Republic	Yes	Yes	No
FR. SOMALI	23	108	Colony	No	No	No
SOMALI REPUBLIC	637	2,500	Republic	Yes	Yes	No
KENYA	225	10,209	Republic	Yes	Yes	Yes
TANZANIA	362	12,508	Republic	Yes	Yes	Yes
MOZAMBIQUE	783	6,578	Province of Portugal	Yes	Yes	Yes
SOUTH AFRICA	471	19,167	Republic	No	Yes(c)	No
MALAGASY (MADAGASCAR)	229	6,500	Republic	No	Yes	Yes
SUDAN	967	13,011	Republic	Yes	No	No
ETHIOPIA	398	22,600	Empire	Yes	Yes	Yes
PERSIAN GULF STATES (BAHREIN, QATAR etc.)	36	367	Brit. Protectorate	-	-	(accredit from Nair
YEMEN	75	5,000	Republic	Yes	No	No
U.A.R.	1,002	36,158	Republic	Yes	Yes+	Yes

APPENDIX D (continued)

<u>COUNTRY</u>	<u>AREA (In thousand square miles)</u>	<u>POPULATION (In thousands)</u>	<u>TYPE OF STATE</u>	<u>DIPLOMATIC REPRESENTATION</u>		
				<u>Soviet</u>	<u>U.S.</u>	<u>British Aust.</u>
<u>INDIAN OCEAN ISLANDS</u>						
MAURITIUS	720	768	Independent	Yes	Yes	Yes
MALDIVES ISLANDS	115	96	Republic	Yes*	Yes	Yes*
				(accredited from Colombo)		
BRITISH INDIAN OCEAN TERRITORY (SEYCHELLES AND ITS DEPENDENCIES)	100	47	Dependent Territory	No	No	-
COCOS ISLANDS	5½	.68	Australian Territories			
CHRISTMAS ISLAND	52	3.3				

(c) Signifies consular representation only.

+ Unofficial representation.

* Non resident.

APPENDIX E

SUMMARY OF AUSTRALIA'S TRADE WITH INDIAN OCEAN COUNTRIES

African Indian Ocean Countries

\$'000 - Exports (E) Imports (I)

Country	1965/66		1966/67		1967/68		1968/69		1969/70		Trend in exports
	E	I	E	I	E	I	E	I	E	I	
(A) SOUTHERN AFRICA											
South Africa	22,204	17,401	41,251	17,090	28,463	19,506	45,694	20,121	64,860	21,631	Strong growth to continue
Rhodesia	5,072	2,490	4,059	68	5,561	79	4,577	22	3,041	3	U.N. Sanction: includes ship (re-export) worth \$8.0m.
McZambique	3,139	581	6,438	543	2,892	354	2,568	300	15,789*	349	Growth in market and trade strong
Swaziland	3	52	4	120	2	91	19	109	18	602	Limited growth prospects
Mauritius	3,668	49	4,008	62	4,151	41	3,346	88	4,001	136	Limited but sound growth prospects
Reunion	96	29	162	40	139	53	196	34	118	27	Limited scope for growth
Madagascar	12	150	29	226	60	276	109	263	110	334	Scope for growth but difficult market
Seychelles Is.	159	9	165	20	165	12	212	15	293	18	Small market modest growth prospects
Total - Southern Africa	3 263	20 626	56 115	14 159	11 163	12 5 791	5 791	11 163	12 5 791	12 5 791	

APPENDIX E Continued -

Country	1965/66		1966/67		1967/68		1968/69		1969/70		Trend in exports
	E	I	E	I	E	I	E	I	E	I	
(B) EASTERN AFRICA											
Zambia	1,969	113	4,135	2,875	5,232	228	4,100	203	5,680	391	Competitive but good growth prospects
Kenya	2,507	1,634	2,868	1,475	3,366	1,716	4,634	1,847	4,930	1,410	" "
Malawi	704	217	831	226	1,236	101	1,717	159	1,866	416	Small market modest prospects
Tanzania	666	2,993	977	3,404	775	2,228	959	2,640	2,058	3,377	Competitive but fair growth prospects
Uganda	259	3,505	364	5,697	391	5,593	429	6,344	530	5,622	Unlikely to develop in near future
Ethiopia	363	69	114	72	224	203	323	82	1,518	70	Suez closure enhances Australia's position as supplier of good prospects
Somalia	82	-	73	-	43	1	43	-	42	-	Small market, poor scope for increase

APPENDIX E continued -

Australian Commodity Exports - Indian Ocean Countries (In Africa)
(excluding South Africa)

1969/70 \$1,000

T.I.C.E.	Item	Ethio- pia	Soma- lia	Kenya	Malawi	Tanz- ania	Uganda	Zambia	Swazi- land	Maur- itius	Mocam- bique	Malag- assy	Sey- chelles	Za- mbia	Rhod- esia	Total
841	Wheat	772	-	-	724	92	-	2,869	-	2	2,806	-	-	-	-	2,943 10,208
690-693	Flour	2	-	-	585	-	1	-	-	1,260	16	-	74	-	-	3 1,939
743	Tallow	133	-	803	303	273	35	205	-	36	284	16	-	-	-	2,088
141-153	Iron & Steel	219	-	493	75	145	14	194	18	187	177	-	26	-	-	1,531
319-388	Machinery	16	2	472	9	98	24	87	-	43	191	43	-	12	-	997
174-180	Motor Vehicles	4	1	247	27	26	5	350	-	48	68	11	15	-	-	802
110	Petroleum products	-	-	316	-	7	-	-	-	4	353	-	-	2	-	682
463-85	Paper	-	-	387	3	206	44	74	-	56	20	-	1	-	41	832
601-622	Dairy Products	7	1	221	74	27	134	673	-	883	31	2	85	-	2	2,140
696	Malt	-	-	159	-	100	59	418	-	22	152	-	-	-	-	910
625-645	Meat	-	-	16	-	10	-	24	-	56	-	-	1	-	-	107
670-680	Canned fruit	44	6	88	3	132	13	15	-	5	12	7	2	-	-	327
749	Aluminium (ingot)	-	-	-	-	303	-	-	-	-	-	-	-	-	-	303
Other		321	32	1,726	63	634	201	794	-	1,422	9,681*	31	89	104	52	15,152
Total		1,518	42	4,928	1,866	2,056	530	5,703	18	4,004	13,791	110	293	118	3,041	38,018

* includes re-export ship worth \$8.0m.

† Preliminary

APPENDIX E continued -

AUSTRALIAN COMMODITY IMPORTS - INDIAN OCEAN COUNTRIES (in Africa)
(excluding South Africa)

1969/70 * \$A'000

	Ethiopia	Somalia	Kenya	Malawi	Tanzania	Zambia	Swazi- land	Maur- itius	Mocan- bique	Malg- assy	Re- union	Rhod- esia	Total
Coffee	39	-	79	-	1,148	2,964	-	-	-	-	-	-	4,230
Tea	-	-	165	32	-	109	-	-	22	-	-	-	328
Tobacco	-	-	-	366	-	-	40	-	174	-	-	-	500
Sisal	-	-	369	-	1,625	-	-	-	-	98	-	-	2,092
Textile fibres (Cotton)	-	-	40	-	-	2,461	-	-	-	-	-	-	2,501
Cashew nuts & oil	-	-	-	-	274	-	-	-	59	-	-	-	333
Pyrethrum Extract	-	-	663	-	-	-	-	-	-	-	-	-	663
Gloves & essential oils	-	-	-	-	113	-	74	-	-	19	27	-	233
Hides & skins	30	-	-	-	-	-	-	-	-	-	-	-	30
Cobalt - Cobalt Alloys	-	-	-	-	-	256	-	-	-	-	-	-	256
Vanilla	-	-	-	-	-	-	-	-	-	139	-	-	139
Dried Beans	-	-	-	-	-	-	-	-	-	54	-	-	54
Natural Graphite	-	-	-	-	-	-	-	-	-	19	-	-	19
Cinnamon	-	-	-	-	-	-	-	-	-	-	7	-	7
Tortoise Shell	-	-	-	-	-	-	-	-	-	-	10	-	10
Succinits	-	-	-	-	-	-	206	-	44	-	-	-	250
Food Pulp	-	-	-	-	-	-	5	136	40	5	1	-	205
Other	1	-	24	13	219	58	95	-	-	-	-	-	702
Total	70	-	1,410	416	3,379	5,622	391	285	136	339	334	18 27	3 11,754

* Preliminary

APPENDIX E continued - SUMMARY OF AUSTRALIA'S INDIAN OCEAN TRADE WITH MIDDLE EAST COUNTRIES

Country	1965-66		1966-67		1967-68		1968-69		1969-70		Trend in exports
	E	I	E	I	E	I	E	I	E	I	
Bahrain	1,318	1,313	1,304	2,535	1,642	4,026	1,687	7,376	1,766	18,157	Strong rise shortly - alumina cor tract
Iran	14,118	34,159	9,331	25,901	5,391	18,833	7,152	13,464	14,794	12,770	Steady growth to continue
Iraq	1,146	15,087	9,021	14,795	12,316	9,311	1,984	11,356	3,947	10,898	Outlook uncertain
Kuwait	5,233	28,255	9,937	34,992	9,266	41,506	8,197	41,511	9,084	45,661	Reassurable prospects
Muscat & Oman	692	2	1,086	-	1,170	-	1,193	-	1,656	-	Excellent growth prospects
Qatar	606	16,352	688	11,665	853	7,157	814	20,408	945	21,350	Limited prospects
Sth. Yemen	7,901	7,166	8,394	8,831	2,444	7,406	2,759	5,219	3,335	7,325	Outlook uncertain
Saudi Arabia	6,321	45,839	10,447	50,505	13,076	49,030	5,926	13,558	10,385	42,099	Excellent growth prospects
Sudan	93	549	106	564	2,379	636	300	958	4,670	478	Limited prospects
Trucial States	917	11,641	1,364	13,244	1,999	15,307	2,718	7,452	3,649	13,035	Good scope for growth
Yemen	1	3	813	6	890	1,191	1,073	1,028	1,330	50	Outlook uncertain
TOTAL	38,346	160,366	52,421	163,032	51,426	155,067	50,815	143,430	55,561	171,000	

APPENDIX E continued -

AUSTRALIAN EXPORTS BY COMMODITY TO MIDDLE EAST COUNTRIES 1969/70*

Commodity	Bahrain	Iran	Iraq	Kuwait	Muscat & Oman	Qatar	South Yemen	Saudi Arabia	Sudan	Trucial States	Yemen	Total
					\$A'000							
Beef and Veal	396	160	-	140	29	24	-	496	-	322	-	1,567
Mutton and Lamb	199	3,766	-	420	88	202	-	253	-	599	-	5,527
Butter	132	-	-	16	301	28	86	1,154	-	32	-	1,749
Cheese	190	-	-	1,007	13	54	84	1,943	3	244	45	3,583
Ghee	15	-	-	93	178	24	7	272	-	110	-	699
Eggs in Shell	125	3	-	120	42	63	-	91	-	170	-	614
Wheat	10	29	2,762	4,196	272	2	2,711	4,263	4,267	78	1,226	19 8 '6
Flour	66	-	-	-	368	347	292	487	-	1,040	11	2,611
Barley	48	-	-	135	3	50	-	409	-	128	47	820
Wool	-	4,843	204	18	-	-	-	-	-	-	-	5,065
Live Sheep	7	1,627	-	936	64	-	-	164	-	-	-	2,798
Motor Vehicles	5	63	-	679	6	47	36	141	-	108	-	1,085
Iron and Steel	1	851	281	272	-	5	-	1	9	323	-	1 743
Metal Manufs.	-	-	-	788	5	6	2	17	-	54	-	872
Zinc, unwrought	-	594	-	-	-	-	-	-	-	-	-	594
Printing and Writing Paper	1	616	5	11	-	-	1	5	-	2	-	641
Other	587	2,268	695	254	275	93	116	650	391	435	1	5,765
Total	1,782	14,820	3,947	9,085	1,644	945	3,335	10,346	4,670	3,645	1,330	55,549

APPENDIX E continued -

Australian Imports by Commodity from Middle East Countries 1969/70*

\$A'000

Commodity	Bahrain	Iran	Iraq	Kuwait	Muscat & Oman	Qatar	South Yemen	Saudi Arabia	Sudan	Trucial States	Yemen	Total
Petroleum & Petroleum Products	18,043	11,962	10,121	45,616	-	21,362	6,962	42,098	-	13,040	400	169,604
Dates	-	-	654	-	-	-	-	-	-	-	-	654
Gum Arabic	-	-	-	-	-	-	-	-	382	-	-	382
Groundnuts	-	-	-	-	-	-	-	-	50	-	-	50
Raw Cotton	-	-	-	-	-	-	-	-	34	-	-	34
Raw or Kiln Dried Coffee	-	-	-	-	-	-	-	-	-	-	30	30
Other	3	653	123	-	-	-	-	1	12	-	1	793
Total	18,046	12,615	10,898	45,616	NIL	21,362	6,962	42,099	478	13,040	431	171,547

* Preliminary

APPENDIX B continued -

SUMMARY OF AUSTRALIA'S INDIAN OCEAN TRADE WITH SOUTH ASIAN COUNTRIES

Country	£A'000									
	1965-66		1966-67		1967-68		1968-69		1969-70	
	£	£	£	£	£	£	£	£	£	£
Afghanistan	2	20	30	21	4	25	709	22	13	51
Burma	4,165	91	4,491	258	2,797	187	2,028	125	3,802	295
Ceylon	17,408	17,563	15,787	15,535	16,173	15,014	15,083	15,184	14,718	11,321
India	28,001	35,012	58,339	33,889	65,466	35,296	32,017	32,196	40,237	31,839
Maldives Is.	4	1	1	1	3	1	1	-	13	-
Nepal	3	1	77	1	96	14	26	21	44	23
Pakistan	7,383	16,390	53,143	7,999	5,944	14,562	6,905	17,068	16,394	18,953
Totals	56,966	69,078	131,868	77,704	90,483	65,099	66,769	64,741	75,221	62,482
% of Australian Trade	2.1	2.3	4.4	2.2	3.0	2.0	1.7	1.9	1.8	1.6

SOUTH-EAST ASIA

Malaysia	(a) 49,770	31,924	61,781	27,985	56,485	28,842	63,670	30,022	68,525	34,922
Singapore	(b) 34,004	3,699	56,486	8,708	58,138	8,564	63,325	12,496	98,469	14,031
Indonesia	5,359	61,763	6,938	56,629	13,870	55,430	20,665	59,956	35,266	48,882

- (a) Includes Singapore to 30 September 1965.
 (b) Included with Malaysia to 30 September 1965.

APPENDIX E continued -

Australian Exports by Commodity to South Asian Countries '93/'0.
\$'000

	Afghanistan	Burma	Ceylon	India	Maldives Is	Nepal	Pakistan	Total
<u>Total Exports</u>	<u>13</u>	<u>3,806</u>	<u>14,717</u>	<u>40,247</u>	<u>13</u>	<u>44</u>	<u>15,359</u>	<u>75,239</u>
Wheat	-	-	3,545	5,748	-	-	7,090	16,383
Flour	-	749	5,953	20	-	2	1	6,725
Wool (Greasy)	-	-	-	18,069	-	-	1,294	19,363
Tallow	-	1,024	308	28	-	-	2,823	4,183
Dried Milk	-	13	1,442	1,058	12	6	206	2,737
Iron and Steel	-	3	153	1,005	-	-	1,190	2,351
Vehicles and Parts	-	608	91	865	-	1	362	1,927

* Preliminary.

APPENDIX E continued -

AUSTRALIAN IMPORTS BY COMMODITY FROM SOUTH ASIAN COUNTRIES 1969/70*

\$A'000

	Afghanistan	Burma	Ceylon	India	Maldives Is.	Nepal	Pakistan	Total
Total Imports	51	295	11,358	31,835	-	23	18,953	62,515
Tea	-	-	10,124	3,090	-	-	-	13,214
Floor coverings	-	-	-	-	-	-	-	-
Tapestries etc.	38	-	-	1,454	-	-	437	1,929
Timber	-	205	-	8	-	-	-	213
Veneers	-	53	1	3	-	-	-	57
Fish	-	-	3	1,493	-	-	159	1,655
Fruit & vegetables	1	-	59	1,913	-	-	-	1,973
Woven Cotton fabrics	-	-	-	2,625	-	-	1,359	3,984
Woven fabric of Jute	-	-	-	10,534	-	-	2,359	12,893
Iron and Steel	-	-	-	1,440	-	-	-	1,440
Machinery and Transport equipment.	-	-	2	1,462	-	-	1,059	2,523
Sacks and Bags	-	-	-	984	-	15	9,217	10,216

* Preliminary

APPENDIX F

**TRADE STATISTICS OF PRINCIPAL INDIAN OCEAN COUNTRIES WITH
UNITED STATES, UNITED KINGDOM, AUSTRALIA AND SOVIET UNION, 1968**
(\$ Aust million)

Country	Exports to -				Total	Imports from -				Total
	United States	United Kingdom	Australia (a)	Soviet Union		United States	United Kingdom	Australia (a)	Soviet Union	
Australia	436	452	--	36	3,037	779	675	--	1	3,447
Burma	1	8	--	--	99	11	17	3	2	124
Ceylon	28	86	15	15	305	25	49	15	--	326
Ethiopia	41	4	--	2	95	41	11	--	2	154
India	279	290	32	164	1,566	641	156	32	164	2,241
Indonesia	155	16	59	17	617	149	13	21	5	636
Iran	74	196	13	36	1,678	250	131	7	79	1,211
Iraq	3	55	11	4	929	13	34	2	46	361
Kenya	18	54	2	--	156	18	102	5	1	287
Kuwait	35	303	42	13	1,242	97	62	8	--	546
Malagasy	33	3	--	n.a.	104	5	2	--	n.a.	152
Malaysia	214	77	30	90	1,241	54	103	64	--	1,076
Mozambique	16	11	--	n.a.	138	13	24	3	--	210
Pakistan	57	87	17	10	643	270	101	7	n.a.	889
Saudi Arabia	52	147	44	--	n.a.	167	101	9	33	n.a.
Singapore	26	57	12	2	1,135	91	87	63	6	1,483
South Africa	229	582	20	n.a.	1,879	407	567	46	n.a.	2,347
Sudan	6	16	1	11	208	5	41	--	14	230
Tanzania	22	52	2	1	203	12	40	24	1	191

(a) 1968-69.

Compiled at request by the Commonwealth Parliamentary Library Legislative Research Service from Yearbook of International Trade Statistics 1968 (U.N.), Statistical Abstract of the United States, 1970, Overseas Trade Accounts of the United Kingdom, Vneshnaya Torgovlya U.S.S.R. 1968 and Overseas Trade Bulletin 1969-70.

APPENDIX G

MILITARY STRENGTHS OF SELECTED COUNTRIES IN INDIAN OCEAN AREA

	NAVY	ARMY	AIR FORCE
INDONESIA	34,000 men (incl. 14,000 Marines) - 171 vessels including 3D, 11F, 12S, 21NS Ships mostly Soviet origin	250,000 men in 15 Brigades with Russian, American, French and British Armour	35,000 men - 122 combat aircraft, mostly Russian. About 60 transports and 30 helicopters
MALAYSIA	3,000 men - 36 vessels, 2 ASWF, 6 MS, 24 PV, 4 MTB	43,000 men in 7 Infantry Brigades	4,000 men - 30 combat aircraft, 2 transports and 34 helicopters
THAILAND	21,500 men - 59 vessels including 4 ASWF, 5 NS	130,000 men in 4 Infantry Divisions	23,500 men - 144 combat aircraft, 38 transports and 60 helicopters
BURMA	7,000 men - 90 vessels including 1 F, 1 MS, 34 GB	130,000 men in 3 Infantry Divisions	6,500 men - 18 combat aircraft, 26 transports and 40 helicopters
INDIA	40,000 men - 58 vessels including 1 AC, 4 S, 2 C, 3 D, 18 F	860,000 men in 23 Divisions including 1 Armoured Division and 2 independent armoured brigades	80,000 men - 625 combat aircraft, 217 transports and 240 helicopter
PAKISTAN	10,000 men - 26 vessels including 4 S, 2 D, 5 F, 8 NS	365,000 men in 12 Divisions plus 2 Armoured Divisions and 1 independent armoured brigade	17,000 men - 285 combat aircraft and 40 helicopters plus some transports
IRAN	9,000 men - 20 vessels including 1 D, 1 F plus 10 hovercraft	150,000 men in 3 Divisions plus 3 Armoured Divisions	22,000 men - 140 combat aircraft, 72 transports and 71 helicopters

	NAVY	ARMY	AIR FORCE
IRAQ	2,000 men - Small number of NTBs and PVs	85,000 men in 4 Infantry Divisions, 2 Armoured Divisions	8,250 men - 220 combat aircraft, 24 transports and 56 helicopters
SAUDI ARABIA	1,000 men - Mostly PVs plus 8 hovercraft	35,000 men in 4 Infantry Brigades plus Armour	5,000 men - 75 combat aircraft, 10 transports and 21 helicopters
KENYA	250 men - 4 PVs	6,300 men in 4 Infantry Battalions	620 men - 6 combat aircraft, 14 transports and 5 helicopters
TANZANIA	600 men - 5 NTBs, 8 PVs	10,000 men in 4 Infantry Battalions	500 men - no combat element, 11 transports
SOUTH AFRICA	3,000 regular and 1,250 citizen forces - 26 vessels including 2 D, 6 F, 1 S, 10 NS	32,000 men - Includes Armoured units (240 Centurion, Sherman and Comet tanks)	5,000 Regular and 3,000 citizen forces - 163 combat aircraft, 60 transports and 130 helicopters

KEY: C = Cruiser, D = Destroyer, F = Frigate, NS = Mine sweeper,
 GB = Gun boat, S = Submarine, ASW = Anti-submarine Warfare
 NTB = Motor Torpedo Boats, PV = Patrol Boat.

SOURCE: The Military Balance 1971-72 (Institute of Strategic Studies)

APPENDIX H

Extract from the Lusaka Declaration of the Third Conference of Heads of State or Government of Non-aligned countries, September 1970.

"8. On the occasion of the 25th Anniversary of the United Nations, the non-aligned countries participating in the Conference are determined to co-operate among themselves, and with other countries, to strengthen the functions of the United Nations for the purpose of strengthening peace, consolidating independence, promoting development and bringing about greater co-operation on the basis of equality of all States. With this end in view, the participating countries agree to specifically exert efforts on the following issues during the current session:

.....(6) The Declaration of the Indian Ocean as a zone of peace. Adoption of a Declaration 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, either army, navy or air force bases, are excluded. The area should also be free of nuclear weapons.

....."

APPENDIX I
AUSTRALIAN BILATERAL AID TO COUNTRIES BORDERING
THE INDIAN OCEAN REGION

(\$A'000)

COUNTRY	CUMULATIVE TOTAL EXPENDITURE TO	EXPENDITURE IN
	30TH JUNE 1969	1969/70
ASIA:		
Burma	7,901	1,253
Ceylon	13,635	998
India	78,485	4,943
Indonesia.	33,275	14,638
Iran	6	18
Malaysia	20,718	2,990
Maldiv Islands.	59	21
Pakistan	43,244	1,820
Singapore.	4,499	600
Thailand	20,964	3,386
TOTAL	222,786	30,667
AFRICA:		
Ethiopia	2	-
Kenya	414	93
Mauritius.	49	27
Sudan	40	4
Tanzania	363	87
	868	211
TOTAL	223,654	30,878

APPENDIX J

Treaty of Peace, Friendship and Cooperation between the Soviet Union and the Republic of India

"Willing to expand and strengthen the existing relations of sincere relationship between them,

considering that the further development of friendship and co-operation meets the basic national interests of both States as well as the interests of a lasting peace in Asia and throughout the world,

being determined to contribute toward strengthening world peace and security and make tireless efforts to bring about a relaxation of international tension and the final abolition of the vestiges of colonialism,

reaffirming their firm belief in the principles of peaceful co-existence and co-operation between States with different political and social systems,

being convinced that in the present day world international problems can be solved only through co-operation and not through conflict,

reaffirming their determination to follow the aims and principles of the United Nations Charter,

the Union of Soviet Socialist Republics, on the one hand, and the Republic of India, on the other, have decided to conclude the present treaty and with this aim in view appointed the following plenipotentiaries:

On behalf of the Union of Soviet Socialist Republics - the Foreign Minister of the USSR, A.A. Gromyko.

On behalf of the Republic of India - the Minister for External Affairs of India, Swaram Singh,

who, upon presentation of their credentials, found in due form and proper order, agreed on the following.

ARTICLE 1: the high contracting parties solemnly declare that there shall be a lasting peace and friendship between their two countries and their peoples. Each side shall respect the independence, sovereignty and territorial integrity of the other and refrain from interfering in the internal affairs of the other side.

The high contracting parties shall continue to develop and strengthen the relations of sincere friendship, good neighbourliness and all-round co-operation existing between them on the basis of the above-mentioned principles as well as the principles of equality and mutual benefit.

ARTICLE 2: being guided by a desire to contribute in every way toward ensuring a lasting peace and security of their peoples, the high contracting parties declare their determination to continue efforts to maintain and strengthen peace in Asia and throughout the world, end the arms race and achieve general and complete disarmament covering both nuclear and conventional weapons under effective international control.

ARTICLE 3: being guided by their devotion to the lofty ideal of equality of all peoples and States irrespective of their race or creed, the high contracting parties condemn colonialism and racialism in all its forms and manifestations and reaffirm their determination to strive for their final and full abolition.

The high contracting parties shall co-operate with other States in achieving these aims and to support the just aspirations of the peoples in their struggle against colonialism and racial domination.

ARTICLE 4: the Union of Soviet Socialist Republics respects India's policy of non-alignment and reaffirms that this policy is an important factor for maintaining world peace and international security and for easing tension in the world.

The Republic of India respects the peaceful policy of the Union of Soviet Socialist Republics aimed at strengthening friendship and co-operation with all peoples.

ARTICLE 5: being deeply interested in ensuring world peace and security, and attaching great importance to mutual co-operation in the international arena to achieve these aims, the high contracting parties shall maintain regular contacts with each other on major international problems affecting the interests of both sides, through meetings and exchange of opinions between their leading statesmen, visits by official delegations and special representatives of the two Governments and through diplomatic channels.

ARTICLE 6: Attributing great importance to economic, scientific and technical co-operation between them, the high contracting parties shall continue to strengthen and widen their mutually advantageous and all-round co-operation in these fields and also to expand their co-operation in the fields of trade, transport, and contacts between them on the basis of the principles of equality, mutual advantage and the most favoured nation principle in compliance with the existing agreements and special agreements with neighbouring countries, as it is stipulated in the trade agreement between the Union of Soviet Socialist Republics and India of December 26, 1970.

ARTICLE 7: The high contracting parties shall promote the further development of the relations and contacts between them in the fields of science, art, literature, education, health care, the Press, radio, television, cinema, tourism and sport.

ARTICLE 8: In accordance with the traditional friendship established between the two countries each of the high contracting parties solemnly declares that it shall not enter into or participate in any military alliances directed against the other party.

Each of the high contracting parties undertakes to refrain from any aggression against the other party and not to allow the use of its territory for committing any act that may cause military damage to the other high contracting party.

ARTICLE 9: Each of the high contracting parties undertakes to refrain from giving any assistance to any third party taking part in an armed conflict with the other party. In case any of the parties is attacked or threatened with attack the high contracting parties will immediately begin mutual consultations with a view to eliminating this threat and taking appropriate effective measures to ensure peace and security for their countries.

ARTICLE 10: Each of the high contracting parties solemnly declares that it shall not repeat not undertake any commitment, secret or open, towards one or more States incompatible with the present treaty. Each of the high contracting parties declares further that it has no repeat no commitments towards any other State or States and it shall not repeat not make any commitments that may cause military damage to the other party.

ARTICLE 11: The present treaty is signed for a term of twenty years and shall be prolonged automatically for every subsequent period of five years unless one of the high contracting parties declares its intention to terminate its operation by notifying the other high contracting party 12 months before the expiration of the term of the treaty.

The treaty is subject to ratification and shall come into force since the day of exchanging the instruments of ratification, which will be effected in Moscow within one month after signing the present treaty.

ARTICLE 12: Any differences in interpreting any article or articles of the present treaty that may arise between the high contracting parties shall be settled on a bilateral basis by peaceful means in a spirit of mutual respect and understanding.

The above-mentioned plenipotentiary representatives signed the present treaty in Russian, Hindi and English, all the texts being equally authentic, and affixed their seals thereto.

Done in New Delhi on August 9, 1971.

For the Union of Soviet Socialist Republics, A. Gromyko,
Minister of Foreign Affairs.

For the Republic of India, Swaram Singh, Minister of External Affairs.

APPENDIX K

NAVAL STRENGTHS—World Figures. 689

TABLE SHOWING THE NUMERICAL STRENGTH OF EACH COUNTRY

	Ocean Mine-sweepers, Fleet Mine-sweepers	Casual Mine-sweepers, Mine Mottos	Icebreakers Mine-sweeping Boats	Alice-Lane-class, Alaska-class, Polar Class, New Sun-boats	Landing Ships	Landing Craft	Bow-mounted Vessels, War-Tugs	Survey Ships	Export Ship, Repair Ship, Salvage Ship, Mineships	Trans-ports	Supply Ships	Oilers	Tugboats	Tugs	Miscellaneous	
	0	0	3	3	6	30		3	4		3	1	13	3	ARGENTINA	
	0	3	36					8	1		1		1	6	AUSTRALIA	
7	9	13	0					3					0	0	BELGIUM	
	3	3	11					0	1	4	1	2		3	BRAZIL	
3	4	34			10								1	1	BULGARIA	
1			34		0					1				4	BURMA	
	6						4	0	3		3	2		37	118° CANADA	
				30										1	1	CEYLON
						0		1	1			2	1	0		CHILE
31	0		33	30	30	0	2	1		0	0	0	11	378		CHINA (REP)
3	10	2	00	40	20		2	2	0	0	4	0	0	13		CHINA (TAIWAN)
			34				2		0		0	1	11	7		COLOMBIA
			37											1	0	CUBA
	0	4	37						3			3		0		DENMARK
3			0	1	3						2			0	5	DOMINICAN R
			0	2				1			1			3	7	ECUADOR
0		3		3	14									0	5	EGYPT
			14							0			3	11		FINLAND
14	00	10	0	0	0	10	17	0	0	13	0	2	4	16	47	FRANCE
10	10	10	30			10		2				7	1	10	17	GERMANY (DEM)
	34	01			34			10	3		10	10	2	21	31	GERMANY (FED)
	31			10	0	1	3	3				7		12	0	GREECE
1	4	4	10	0	1		4	3						1	0	INDIA
0	14		44	0	10		0	3	3	2		10	1	0	50	INDONESIA
	4	2	30		2			1				1		1	3	IRAN
			33											1	2	IRAQ
			30		10					1					2	ISRAEL
4	37	30	0	1		2	1	1	0			2	4	30	130	ITALY
10	00	0	37	4	40			3			3	2	7	367°		JAPAN
	34	00													70	KOREA (N)
	11	1		30			1	1		0	4		2	13		KOREA (S)
	0		34				1							2		MALAYSIA
0			10				1			1		2		0	4	MEXICO
3	00	10	0		12		2	1			2	1	3	0	20	NETHERLANDS
2			12				2				1				0	NEW ZEALAND
	10			2			1	2					1		10	NORWAY
	0		0				1					2		4	3	PAKISTAN
			10											1		PARAGUAY
	2		10	4					3		0		2	3		PERU
	3		30	0					1	1		1		4	20	PHILIPPINES
24		27	30	10			0				7	0		12		POLAND
0	13	47		70			0	1			2	1		0		PORTUGAL
4		30										2		2	20	ROMANIA
1	10		5			1	1				1	2	2	0	3	SOUTH AFRICA
13	12		10	3	0	1	4		3		3	1	15	22		SPAIN
	10	17	23		07		7	2			1	1	2	20		SWEDEN
1	4		31	7	0		1		2		0	1	4	3		THAILAND
	12	3	42		6			3			7	1	2	5		TURKEY
	40	34	2	10	24	23	13	0		10	27		01	202		UNITED KINGDOM
	1		1			1					1		1	2		URUGUAY
00	14	1	00	07	100	1	20	04	02	120	72	0	04	040°		USA
100	100		100	100	70	10	30	00	20	120	00	30	140	0001		USSR
			12	0			3			3			3	3		VENEZUELA
	2	10	000	10	24					0	4	1	14	127		VIETNAM
	4	34	10		0					2	3	1	0	0		YUGOSLAVIA

***Includes Coastguard**

† Rounded figures are estimated

ALL THE WORLD'S FIGHTING SHIPS

	Large Aircraft Carriers	Light Aircraft Carriers	Escort Carriers, Hull- sugar Carriers, Com- mando Carriers	Command Ships, Comma- nding Ships, Amphib- ious Force Flag ships	Nuclear Powered Sub- marines	Conven- tionally Powered Sub- marines	Cruisers	Destroy- ers, Large Destroy- ers, Frigates (DLG)	Destroy- ers, Frigates, Escorts (and APD)	Corvettes (includ- ing PCZ)	Patrol Vessels, Sub- marine Chasers (PC)	Missile Boats, Torpedo Boats, Fast Gun- boats, Fast Patrol Boats	Fleet Miner- layers, Fast Miner- layers, Mine Support Ships	Coast Mine Layer
ARGENTINA		1				2	3	6	3	2	8		1	
AUSTRALIA		1	1			4		3	4	7				
BELGIUM														
BRAZIL		1				2	2	11	6	10				
BULGARIA						2			2		8	8		
BURMA									1	2	4	8		
CANADA						4			20		1			
CEYLON									1					
CHILE						2	2	4	4	2	2	4		
CHINA (REP)						26		4	20		24	400		
CHINA (TAIWAN)				2				11	18	4	21			1
COLOMBIA								3	4					
CUBA									4	2	18	42		
DENMARK						4			3	4	9	16	4	3
DOMINICAN R								1	3	8	3			
ECUADOR									4	2				
EGYPT						13		9	4	2	12	66		
FINLAND									3	2	4	16		2
FRANCE		2	2		1	20	2	3	17	27	15			
GERMANY (DEM)									2		26	74		
GERMANY (FED)						12		12	21	6		40	2	
GREECE						3		6	4	6	6	13		2
INDIA		1				4	2	3	22			6		
INDONESIA						12	1	8	12		18	81		
IRAN								1	8	8				
IRAQ														
ISRAEL						3		2			1	21		
ITALY						10	4	3	4	13	20	1	14	
JAPAN						10		27	13		20	10		2
KOREA (N)						2					11	50		
KOREA (S)								3	13	11	6			
MALAYSIA									2			4		
MEXICO								2	10	11	1			
NETHERLANDS						6	2	12	6	6			3	
NEW ZEALAND										4				
NORWAY						16			6		2	46		6
PAKISTAN						4	1	6	2					
PARAGUAY														
PERU						4	2	4	3	2				
PHILIPPINES									1	7				
POLAND						6		3			8	22		
PORTUGAL						4			10	6	14			
ROMANIA											3	13		
SOUTH AFRICA								2	6					
SPAIN			1			8	1	18	4	6	14	3	6	
SWEDEN						22		6	6			42	2	9
THAILAND									6		17			2
TURKEY						16		10		16	6	11	1	6
UNITED KINGDOM	2		3		9	26	3	9	3	66		6	1	3
URUGUAY									3	2	1			
USA	27		7	12	66	66	23	33	232	199	1	37	1	
USSR			2		83	318	26		100	130	270	460	1	
VENEZUELA						1		3	6		10			
VIETNAM									4	6	1	22		
YUGOSLAVIA						8		2			3	110	1	

Note—Figures include vessels in reserve, but not ships under construction

APPENDIX LSUMMARY OF SOVIET NAVAL DEPLOYMENTSIN THE INDIAN OCEAN

(excluding Space, Hydrographic
and Oceanographic vessels)

Arrival	Departure	Time on Station Month	Class	Type	Nbr/Name	Remarks/ Ports Visited
<u>1968</u>						
22 Mar	15 Apr	1	Krupny	Guided Missile Destroyer	981 - Gordy	Madras Bombay
22 Mar	15 Jul	4	Sverdlov	Cruiser	824 - D. Pozharsky	Madras Bombay Mogadishu Umm Qasr Karachi Bander Abbas Berenice Aden Colombo
22 Mar	15 Jul	4	Kashin	Guided Missile Frigate	580 Stereushy	As for Sverdlov 824
22 Mar	15 Jul	4	Polyarnik	Tanker	Polyarnik	Bombay Mogadishu Umm Qasr Karachi Bander Abbas Berenice Aden Colombo
4 Nov	29 Apr '69	6	Kynda	Guided Missile Cruiser	823 Adm. Fokin	Mombasa Dar es Salaam Aden Bander Abbas Umm Qasr Pt. Louis Chittagong

Arrival	Departure	Time on Station Month	Class	Type	Nbr/Name	Remarks/ Ports Visited
4 Nov	Late Apr '69	6	Kazbek	Tanker	Alatyr	As for Kynda 823
4 Nov	15 Mar '69	4½	Kotlin	Destroyer	429 Vdokhnovenny	Mombasa Aden Massawa Bander Abbas Umm Qasr
4 Nov	15 Mar	4½	UDA	Tanker	Dunaj	As for Kotlin 429
4 Nov	probably Dec.	2	Mayak	Aux	Lama	Colombo
4 Nov	2 Apr '69	5	Ugra	Submarine Tender	945 I. Kucharenko	Dar es Salaam
Nov	2 Apr '69	4	Foxtrot	Submarine		Dar es Salaam
Nov	2 Apr '69	4	Foxtrot	Submarine		Dar es Salaam
Nov	29 Apr '69	5	Krupny	Guided Missile Destroyer	964	Aden Massawa Berbera Chittagong
	End Mar (23) '69		Sura	Salvage Ship	KIL-21	Colombo
4 Nov	15 Mar '69	3	Mayak	Small Cargo Vessel	Ulma	Aden Bander Abbas

Arrival	Departure	Time on Station Month	Class	Type	Nbr/Name	Remarks/ Ports Visited
<u>1969</u>						
6 May	9 Oct	6	Krupny	Guided Missile Destroyer	982 Uporny	Male Umm Qasr Bander Abbas Zanzibar Berbera Singapore
5 May	Probably July	3	Kazbek	Tanker	Cheboksary	Singapore Male
About Jul '69	End of Jan '70	6	Altai	Tanker	Yegorlik	Zanzibar Mogadishu Vishakha- patnam
27 Aug	3 Dec	3	Mayak	Small Cargo Vessel	Ulma	Umm Qasr Aden
27 Aug	15 Jan '70	4	Foxtrot	Submarine		Umm Qasr Aden Karachi
Sept '69	Mar '70	6	Don	Submarine Tender	995 Kotelnikov	Umm Qasr Aden Karachi Mombasa
14 Sep	28 Jan '70	4	Kashin	Guided Missile Frigate	527 Strogoy	Mogadishu Kismayu Pt. Sudan Visakha- patnam
Sep	28 Jan '70	4	Alligator	Tank Landing Ship	424	Berbera Mogadishu Pt. Sudan Visakha- patnam
Sep	May '70	8	Sophia	Tanker	Aktuba	Aden Pt. Sudan Mogadishu Pt. Louis

Arrival	Departure	Time on Station Month	Class	Type	Nbr/Name	Remarks/ Ports Visited
4 Dec	22 May	5	Kotlin	Destroyer	421	Hodeida Massawa Aden Pt. Louis
ec '69	Feb '70	2	Kazbek	Tanker	Cheboksary	Aden
13 Dec '69	Jul '70	7	Zulu 4	Submarine	Vega	Mauritius Accompanied by oceanographic passenger ship and tanker
2 Dec	15 Jan '70	1	Okhtensky	Rescue Tug	MB-175	Singapore
Dec	Mar '70	3	Foxtrot	Submarine		Mombasa
Dec	Mar '70	3	Foxtrot	Submarine		Mombasa
<u>970</u> an '70	end of Mar '70	2	Zulu 5 Modified	Submarine	Lira	Dar es Salaam Oceanographic together with passenger ship and tanker
9 Feb	27 Jun '70	4	Kotlin	Destroyer	440	Aden Berbera
9 Feb	20 Mar	1	Polyarnik	Tanker	Polyarnik	
Apr	30 Jul	3	Alligator	Landing Ship	564	Aden Berbera

Arrival	Departure	Time on Station Month	Class	Type	Nbr/Name	Remarks/ Ports Visited
3 Apr	14 Jun	2	Kynda	Guided Missile Cruiser	831	Pt. Louis Bombay
3 Apr	30 Jun	3	Krupny	Guided Missile Destroyer	986 Upornyj	Mogadishu
3 Apr	22 May	1	Kashin	Guided Missile Heavy Escort	570	Nil
3 Apr	22 May	1	E-11	Guided Missile Nuclear Submarine	N.K.	Berbera
3 Apr	21 May	1	Uda	Tanker	Vishera	Pt. Louis Singapore
April	16 Jun	2	Mayak	Small Refrigerated Store Ship (700 tons)	Ulma	Singapore
N.K.	30 Jul '70	N.K.	Kazbek	Tanker	N.K.	N.K.
N.K.	2 Oct	N.K.	Izhora	Tanker	N.K.	Singapore
May	10 Jul '70	3	Ugra	Sub Tender	988	Mogadishu
May	8 Jul '70	2	F	Submarine	N.K.	Mogadishu Bandar Abbas Karachi
June	30 Jul	1	Kazbek	Tanker	Grodno	Bombay Basrah Umm Qasr

Arrival	Departure	Time on Station Month	Class	Type	Nbr/Name	Remarks, Ports Visited
3 Aug	1 Feb '71	6	Kotlin	Guided Missile Destroyer	420 Vozbuzhdenny	Aden Berbera
18 Aug	1 Feb '71	5	Alligator	Tank Landing Ship	361	Pt. Sudan Berbera Umm Qasr
17 Oct	4 Feb '71	4	T58	Minesweeper	317	Berbera Umm Qasr
17 Oct	4 Feb '71	4	Submarine	F	N.K.	Berbera Umm Qasr
<u>1971</u>						
15 Jan	17 Jul	6	Kotlin	Guided Missile Destroyer	421/405 Blestv-aschi j	Aden Massawa Berbera Kismayu Singapore
15 Jan	22 Jun	5	Sverdlov	Guided Missile Cruiser	834 Alexandr Suvorov	Mogadi shu Bombay
18 Jan	Apr	3	Pevak	Tanker	N.K. Grodno	Singapore Aden
2 Feb	30 Jul	6	T-58	Minesweeper	316	Mogadi shu Pt. Sudan
2 Feb	30 Jul	6	Alligator	Tank Landing Ship	362	Aden Berbera Pt. Sudan
17 Mar	End of May	1	Kazbek	Tanker	N.K.	Singapore
Jun	23 Sep	3	Sofia	Tanker	N.K. Akhtuba	Aden Pt. Louis

Arrival	Departure	Time on Station Month	Class	Type	Nbr/Name	Remarks/ Ports Visited
29 Jun	Current		Kotlin	Destroyer	407	Berbera Bahrain Aden
30 Jun	Current		Uda	Tanker	Vishera	Berbera Aden
30 Jun	Current		T-58	Minesweeper	335	Berbera Aden
End of Jun	Current		Oskol	Repair Ship	24	Aden Berbera
12 Sep	Current		N.K.	Tanker	Burgur- Uslan	Berbera