

INDIAN OCEAN STRATEGY  
(Response to NSSM 199)

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I. Introduction and scope of the study

NSSM 199, directing a study of alternative strategies for the Indian Ocean, evoked reservations at the outset on the part of the participating agencies over the area -- both conceptual and geographic -- that should be covered in the response. In producing what follows, a strenuous effort has been made to focus on the critical questions raised in the NSSM and disregard peripheral issues, many of which have great importance in themselves. Because the previous work, including responses to NSSM's 104, 110, and a comprehensive follow-on to the latter covering arms control possibilities, was extensive and detailed, an effort was made to update rather than rewrite, and refer to specific aspects of the earlier papers, where possible. While this study is meant to stand on its own, it should be read in the context of the earlier NSSM responses.

The approach is first to assess the principal developments in the Indian Ocean area since 1971 that bear on our force presence and requirements, and thus may change conclusions of the earlier Indian Ocean policy studies. The paper then attempts to define the most important American interests in the area, and the extent to which an Indian Ocean strategy can protect and further those interests. National interests of other outside powers and littoral states are also discussed. The last section of the paper summarizes the most important policy issues and conclusions that emerge from the discussion, and puts forth three alternative sets of options.

There is some interagency disagreement over interpretation of Soviet actions and intentions related to the Persian Gulf and Indian Ocean. This paper tries to delineate the important points at which opinions diverge, and present the alternative views clearly.

The options in Part IV have been structured to relate various forms of arms limitation in the Indian Ocean to possible force levels. Each option thus requires a decision on both issues. There is some risk of artificiality in this approach, but the overriding concern was to recognize that choice in one area inevitably impinges on the other, and both must be based primarily on an assessment of threats to our regional interests. Previous work had already established a spectrum of force options and a spectrum of possible arms limitation arrangements. What appeared to be missing was an analysis of how they could be combined for policy decision.

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Many of those who participated in this study were dissatisfied with its scope, and would have preferred to deal with force levels in the context of broader political and economic policy packages for Africa, the Middle East, the Subcontinent, and Southeast Asia, on the principle that force levels cannot be justified apart from the integrated US national policies they support. The reader is thus warned at the outset that distortions may result from the study's perspective.

### Results of earlier NSSM studies

NSSM 104 (December 1970) concluded that the US has a low level of interest in the Indian Ocean, but nonetheless required access to the region for a variety of purposes, chief among them oil from the Persian Gulf (at that time principally for Europe and Japan). The area should not pass under hostile control, however. Most of our interests would be served by genuine neutralization. The NSSM response acknowledged that the evidence on our level of Indian Ocean interests was ambiguous. The NSSM response judged Soviet interests -- beyond demonstrating global power and backing Communist movements -- to include erosion of our position, exclusion of the Chinese, and prevention of use of the Indian Ocean by US SSBNs. It pointed out that naval presence was used by the Soviets only as an ancillary means to further those interests. The Soviets were expected gradually to increase their naval presence and access to support facilities. In the period 1971-75 Soviet naval activities were not considered likely to threaten US interests. Specifically, it was judged they would not pose a direct threat to sea lanes (for shipment of oil) or access to the littoral states.

Other countries -- notably the UK, Australia, and Japan -- were seen as welcoming a US Indian Ocean presence, the first two actively cooperating and Japan acquiescing (because of its dependence on Persian Gulf oil) in use of Japanese ports for Indian Ocean operations by the US Navy.

The naval force options ranged from minimalist -- retention of MIDEASTFOR and existing shore facilities, including Bahrain and Diego Garcia -- through a moderate increase in US/allied visibility, a considerable increase in rotational presence (including CVAs and integrated allied units) to a large permanent presence including airfield and other shore construction.

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All options stressed the desirability, and assumed the feasibility, of acting in full concert with UK and Australian forces.

The study done for NSSM 110 (April 1971) portrayed the Soviets as still interested in the Indian Ocean region as an area where it could gain advantage over the US, and where it was important to counter potential Chinese expansion. Naval presence alone, again, was judged not to have gained much for the Soviets, and was not judged a threat to our oil interests. Our political interests were considered to coincide basically with those of the littoral states themselves. Two extremely general policy purposes emerged: 1) to inhibit a military competition with the Soviets, while preserving our ability to exert military influence in case of need; and 2) to encourage economic development and political progress in littoral states, maintaining good bilateral relations and inhibiting the development of Communist influence. It was noted, however, that the costs of actually pursuing these purposes without restraint would be unreasonably high. Assuming an economy of means appropriate to the priority of the Indian Ocean region for the US, two alternative strategies were considered: limiting super-power military competition, or maintaining a reasonable military presence at a minimum cost. Alternatives in terms of naval presence and basing (along the lines of the 104 study) were discussed under the latter heading. Arms control was raised under the former, but detailed discussion of options left to a follow-on paper.

The NSSM 110 follow-on (June 1971), Indian Ocean Arms Control, discussed seven arms-limitation options, ranging from "freeze" possibilities (either indefinite or pending a broader agreement), through several specific levels, to an agreement to exclude all forces (except for transit).

An interagency paper (chaired by ACDA and DOD) on Non-Strategic Naval Limitations in the Indian Ocean, dated February 15, 1972, clarified interagency differences at that time over the prospects for, and utility of, an arms control approach.

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II. Principal developments since 1971 affecting the conclusions of earlier Indian Ocean policy studies

A. The Oil Problem

Earlier NSSM responses on the Indian Ocean failed to project our requirement for oil imports from the Middle East. The 1973 war and the Arab oil embargo, precipitating an acute awareness of our new, and growing, dependence on petroleum imports, changed our perceptions dramatically. Where the earlier studies noted the importance to us of sea lanes from the Persian Gulf because of our interest in the survival of Western Europe and Japan, we must now add their criticality over an indefinite period for our own economic well being. Implications of the oil problem for our Indian Ocean strategy are discussed in Section III A, on US interests.

B. Regional Conflicts

Indo-Pakistan War - 1971

Immediately following the earlier NSSM exercises, at the end of 1971, the US took a step unforeseen in those studies by deploying a Carrier Task Force to the eastern Indian Ocean in response to the outbreak of war between India and Pakistan. Seventh Fleet units, including carriers, had entered the Indian Ocean before, but not as part of a deliberate gesture. The hostilities involved us and the Soviets only indirectly, in terms of arms supply and diplomatic support. The movement of the Enterprise probably did not affect the outcome of the war or Soviet support for India. It did, presumably, reassure Pakistan, warn India, and may also have provided a signal to Peking. On the other hand, it sensitized some of the littoral area against such highly visible naval deployments in the future by putting them in the context (as perceived locally) of attempts to coerce less powerful Asian states. (Soviet naval deployments can suffer from this syndrome as well.)

Arab-Israeli War - 1973

To reinforce our other political and military moves in the October 1973 Middle East war we deployed the Hancock Task Group to the Arabian Sea in October 1973, and maintained a high level of presence through mid-April 1974. This step was probably seen by others in the context both of our near-

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confrontation with the Soviets at the end of October, and of our dissatisfaction at the Arab oil embargo. As a signal of the gravity we attached to Middle East events it may have lent weight to our subsequent diplomatic efforts to help the parties reach a solution. Our active involvement in seeking a Middle East peace, however, and our acceptability to the Arabs and Israelis as a mediator derive from other factors.

Insofar as our task group deployment to the Arabian Sea is seen to be related to the oil crisis of 1973-74, the evidence of its effectiveness is not clear. Oil shipments to the industrialized West and Japan were cut off by political decisions at the wellhead. The effect of a naval presence on decisions related to the oil embargo was probably minimal, although the Arab states could not ignore the possibility that we might at some future time be driven to react with force. The same is likely to be true in the future. We could make explicit our intention to try to keep the oil flowing by force, but if we appeared to be directly threatening Persian Gulf/Arabian Sea littoral oil producers with our task group deployments the effect could well be retrograde -- stiffening anti-American attitudes, strengthening Arab radicals, and perhaps giving weight to Soviet approaches to these countries.

As a consequence of our actions during the wars of 1971 and 1973, however, we are at this point perceived to be (a) capable of rapidly introducing, and sustaining, superior naval forces in the Indian Ocean; and (b) ready to deploy such forces in response to conflict or crisis involving disparate levels of US interest.

The Administration's proposal in the FY 1974 Defense Supplemental budget request for funds to upgrade Diego Garcia to a naval and air support facility, and Secretary Schlesinger's statements that our deployments to the Indian Ocean will become "more regular and more frequent", reinforce the impression among littorals and others that we are considering a permanent increase in our force levels in that region in response both to an increase in Soviet activity there and to growing dependence on Persian Gulf oil.

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C. Soviet military activity

Assessing the scale of Soviet naval activity in the Indian Ocean depends on criteria used, and there are considerable areas of disagreement. In terms of ship-days per year, including all types, Soviet activity rose from 4,936 in 1970 to 8,904 in 1973. Allowing for heavier Soviet reliance on naval ships for support, and for the temporary increase resulting from port clearance operations at Chittagong since 1972, the indicators show Soviet naval presence to have increased on a more moderate, but still significant, scale. The bar graph at fig. 1 shows Soviet deployments, by type, since 1968.

Soviet activity has been highly responsive to regional developments and our own deployments. The Indo-Pakistan war in 1971, and the Enterprise mission, brought on a Soviet naval surge. They responded to the Middle East war and the arrival of the Hancock Task Group in late October 1973 by almost doubling the number of warships in the area, and by December 1 had as many combatants in the Indian Ocean as we did (albeit with inferior total firepower).

At the end of April 1974 Soviet combatant naval presence, somewhat reduced from crisis levels, stood at one guided missile cruiser, two diesel attack submarines, a destroyer, a destroyer escort, an LST, two minesweepers, and sixteen auxiliaries (including six at Chittagong for harbor clearance).

Views in the intelligence community differ on the extent of Soviet access to, and use of, shore facilities on the Indian Ocean littoral to support their naval deployments.

There is general agreement that in addition to the several anchorages they have established, the Soviets use, or have used, port facilities at Aden, Berbera, and Umm Qasr, and are assisting in airfield improvement at Berbera and Mogadiscio.

OJCS believes that Soviet access to ship repair, resupply, and communications facilities in the region provides them with flexibility not currently available to the US in the area.

CIA believes, on the other hand, that the Soviets have continuous access only to the austere facilities at Berbera, Somalia. They point out that the Soviets have no access to

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shore-based ship repair facilities. Soviet support ships take on supplies at Aden and their warships make occasional visits to the Iraqi port of Umm Qasr but, in general, CIA believes the Soviet Navy has problems of logistics, ship repair, crew rest, and communications similar to those of US naval forces in the Indian Ocean. Moreover, when considering the shore facilities potentially available to either navy in a crisis, the Soviets appear to be at a relative disadvantage to the US forces.

(However one assesses the relative basing positions, it is clear that if we lose access to Bahrain, and are not able to proceed with upgrading Diego Garcia to a support facility, we will have very serious problems in maintaining a permanent presence of any level. The Soviets under these circumstances would be at a considerable advantage.)

There is agreement that the Soviets lack necessary regional base facilities to mount a program of air surveillance to accompany their naval deployments. They have no air support capability in the littoral at present, although their intentions with regard to airfields in Somalia are not yet clear. The first of the new Soviet ASW carriers, which will probably operate chiefly in the Mediterranean and Atlantic, will become operative in 1975 or 1976. They will give the Soviets a very limited air support capability they could deploy to the Indian Ocean in a crisis, albeit one markedly inferior in a strike role to that of a USN attack carrier.

D. Prospective opening of the Suez Canal

SNIE 30-74 (February 21, 1974) concluded that even though opening of the Canal would enhance Soviet flexibility, it would not by itself precipitate a major change in the size of the continuous Soviet naval presence. Available intelligence indicates little about Soviet intentions, as opposed to capability, regarding use of Suez to increase their Indian Ocean presence. It is obvious that the Canal route would make it easier than it now is for the Soviets to deploy and support ships from the Mediterranean and Black Sea, and in effect would remove the advantage we now enjoy through our "surge" capacity from the Pacific.

The SNIE concluded further -- like previous assessments -- that whether or not the Canal is reopened, the Soviet Union is likely to increase gradually its continuous naval deployments in the Indian Ocean, reaching a level (for illustrative

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purposes) of eight to twelve surface combatants in 1976-77. The SNIE made the further points that with or without the opening of Suez, a substantial increase in US naval presence over pre-October 1973 levels would likely produce a Soviet buildup faster and larger than the above; and that an accelerated buildup would require the Soviets to re-order their priorities and shift naval forces from other areas. Neither of the last two points is substantially affected by the prospect of a re-opened Canal.

These limited conclusions remain valid, on the assumption that the Soviets have not yet determined whether our post-October 1973 presence represents a permanent increase or a temporary surge, and are presently in a "wait-and-see" posture.

Prospective opening of the Canal, and the putative advantage it would give the USSR, has generated some discussion (e.g., by Senator Jackson) of an agreement to "demilitarize" the Canal by limiting, or prohibiting entirely, passage of warships. This step could be taken either informally, as an understanding with the Soviets, or proposed formally.

A formal proposal would raise numerous political and legal problems involving revision of the Constantinople Convention of 1888, and does not merit further consideration.

Advantages of a private bilateral approach to Moscow include (1) inhibiting Soviet deployments to the Indian Ocean, to the extent that they would be facilitated by opening the Canal, (2) avoiding US/Soviet confrontation in the Eastern Mediterranean if during a crisis both sought simultaneously to reinforce their deployments through the Canal. The proposal has serious disadvantages at the outset, however: 1) it appears to be directed mainly at Soviet capabilities, and thus to be of unilateral advantage to the US. If not related to a larger naval restraint package, it would for these reasons have little acceptability to Moscow; 2) as a precedent for the Straits of Malacca (and perhaps eventually the Panama Canal), it could be damaging to our interests; and 3) we may in the future wish to use the Suez Canal for Indian Ocean deployments.



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Broadly speaking, then, the opening of the Suez Canal will effect marginal shifts in the relative military positions of the outside players, but will probably not produce major changes in relative power positions in the Indian Ocean.

E. US force presence and support facilities in the Indian Ocean

Our permanent presence in the Indian Ocean, i.e., the three ships of MIDEASTFOR, has remained at virtually static levels since the earlier studies. Including transits and the two crisis deployments discussed above our average number of ships of all types per year has risen from 4.8 in 1970 to 6.9 in 1973 (as compared to a 1973 average of about six Soviet warships and fifteen support vessels). Apart from Bahrain and Diego Garcia, we have made no efforts to secure regular access to shore-based facilities in the area. To support crisis deployments, in addition to Diego Garcia, we used U-Tapao and Bandar Abbas in 1973-74. We have no agreement with the Thai on use of U-Tapao for Indian Ocean operations, and to consider our facilities there as directly relating to the Indian Ocean would require explicit endorsement from the RTG. The Thai are very unlikely to grant it, either under the present interim government or any likely civilian successor. A military government would probably demand additional military assistance or other quid in return.

In the case of Iran, Bandar Abbas was made available to us on a severely restricted basis. It is unlikely that the Shah would give us long-term rights that would appear to be potentially directed against the Arabs in the context of the Arab-Israeli conflict, or against Persian Gulf oil producing states in the context of deterring future actions to embargo oil shipments to the West. It is doubtful that Iran would allow a US naval base of any kind on its coast.

Our expanded facility at Diego Garcia will also rely in some part on our facilities at Subic Bay in the Philippines for logistics, repair, maintenance, and general support. While the Philippine Government has not manifested much interest in the Indian Ocean area, it does rely for its petroleum supply on the Middle East. Littoral or nonaligned states could attempt to influence the GOP to restrict the use of Subic to prohibit support of US naval forces involved in particular operations in the Indian Ocean. Such pressure would probably not be wholly effective, but it would cause

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difficulties for the Philippine Government, and indirectly for the US, if such pressure was initiated or actively supported by major petroleum suppliers to the Philippines.

F. Arms limitation initiatives

Any reconsideration of our Indian Ocean strategy should take into account existing proposals to limit great power military rivalry in the area. The littoral states themselves have shown considerable support for a "Zone of Peace" (IOZP) proposal initiated by Sri Lanka and adopted by the UN General Assembly in December 1971 (and adopted each year since then). It calls on great powers to consult with the littoral states to halt escalation of their military presence, and eliminate bases and other facilities, nuclear weapons, and other weapons of mass destruction "conceived in the context of great power rivalry". It also calls for consultations to ensure that warships and military aircraft do not use the area to threaten littoral and hinterland states. Otherwise, "the right to free and unimpeded use of the zone by the vessels of all nations" would be unaffected.

We, and most non-Asian maritime states (including the USSR), have abstained from voting on the proposal. We oppose the principle of regional states establishing a special regime for any portion of the high seas, on grounds it could prejudice the forthcoming Law of the Sea Conference, would probably create similar pressures for similar regimes elsewhere, and that it conflicts with our security interests.

The Soviets have also raised the issue. The most recent official public statement of Soviet policy toward arms control measures in the Indian Ocean was contained in the communique of the Brezhnev November 1973 visit to India, which states: "The two parties reaffirm their readiness to take part together with all interested states on an equal basis in the search for a favorable solution to the question of turning the Indian Ocean into a zone of peace". In a June 1971 speech, Brezhnev referred to the broader context of "great powers . . . cruising far from their own shores," and said the Soviets were prepared to solve the problem "on an equal basis". The Soviets have, however, consistently abstained on IOZP proposal votes in the UN and have been careful in media discussion to include statements of the need to avoid limitations on freedom of navigation.

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On the narrower question of US-Soviet mutual restraint, Ambassador Dobrynin in March 1971 proposed to Secretary Rogers the possibility of a joint declaration to keep the Indian Ocean free of major power competition. The following July Ambassador Beam in Moscow told Foreign Minister Gromyko we agreed "in principle with the proposition that it would be in our mutual interest to avoid military competition" in the Indian Ocean, and asked for clarification of the Soviet position. The request was not answered. In February 1974 USA Institute Director Arbatov informally suggested to visiting Americans that the US and USSR should get together on Indian Ocean naval limitations, and recently a Soviet Embassy official in Washington initiated low-level discussions probing Congressional testimony references to the possibility of some bilateral agreement. At the same time, however, the Soviets have been unresponsive to suggestions from India and Australia that they pursue mutual restraint bilaterally with the US.

A US-Soviet agreement that reduced visible great-power military presence in the Indian Ocean would probably be greeted enthusiastically by the littorals. The IOZP proposal complicates the issue, however. Any mutual restraint agreement could be construed as a victory for the "nonaligned" vis-a-vis the great powers, and thus could have repercussions elsewhere unless clearly set in the US-Soviet context.\*

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\*The Chairman of the NSC/IPMG notes that after this study had been approved by the Interdepartmental Group, differences came to light within the Department of State over whether, and to what degree, we should respond to littoral state demands for exclusion of non-regional forces from the Ocean, and whether setting restraints on military activity in the Indian Ocean could set a precedent that might eventually limit our flexibility elsewhere. These differences of view, as well as others highlighted in the study, will be aired as preparations are made for SRG consideration of the issues.

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III. National interests of the outside powers and littoral states

A. US Interests in the Indian Ocean

Apart from our new dependence on Middle East oil -- an important exception -- the conclusions of the earlier studies, that our interests in the Indian Ocean area are moderate but not vital or extensive, are borne out by subsequent events. US interests can be discussed under five broad headings:

1. Persian Gulf oil. The US is faced with a growing dependence on Middle East oil, transported from the Persian Gulf via the Indian Ocean. The implications of this fact for our Indian Ocean force posture are subject to considerable interagency disagreement. Broadly, the two views are:

a) The principal threats to our supply of oil from the Middle East, and that of Western Europe and Japan, are economic (e.g., pricing) and political (e.g., another embargo for Arab purposes). In the long term our national energy policies, the success of our diplomatic efforts to resolve the Arab-Israeli conflict and strengthen moderate Arab forces, and our ability to establish mutually satisfactory and interdependent trade and investment relationships with key states like Iran and Saudi Arabia, will decisively influence our need for and access to Middle East oil. In this view, our naval force posture in the Indian Ocean will only marginally influence our access to petroleum as long as the Soviets do not achieve a position of overwhelming military predominance. The tanker routes leading from the Persian Gulf are indisputably vulnerable, but there is no evidence pointing to a Soviet strategy of cutting off Western oil supplies using the Persian Gulf as a chokepoint. Moscow, to enhance its own Middle East position, encouraged the Arabs in their use of oil as a weapon to prevent the West from supporting Israel in the 1973 war, and they could support another oil embargo in the future. At the same time, Soviet naval forces were careful not to get too close to the Persian Gulf during the crisis.

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Military interdiction could still be a threat in the sense that the Soviets may have, or be able to develop, a force posture that would enable them to interdict the sea lines of communication through the Indian Ocean. In analyzing this problem, several points are worth emphasizing:

-- Interdiction of international sea lines of communication is a step that is highly unlikely to be undertaken by the Soviets directly except in a very serious confrontation or crisis.

-- In the event of such a crisis, the Soviets cannot be confident that the US (and its allies, if they were involved) would or could attempt to deal with the interdiction problem locally in the Indian Ocean. At the very least, the Soviets would have to assume a high risk of escalation to a war at sea, in addition to whatever risks of conflict were inherent in the original crisis.

-- Deterrence of a Soviet interdiction effort, therefore, does not rely solely on our Indian Ocean capability but rests very heavily on our general military strength and security policies worldwide. Even an enlarged US peacetime presence in the Indian Ocean would still be surrogate for those broader capabilities and might not, in and of itself, be able to deal with and thus deter a determined interdiction campaign.

In this broad view of the oil problem, there is considerable justification for a US force on a relatively limited scale. In support of our diplomatic and economic efforts with the Arab states and Iran we have an interest in maintaining our visibility and presence in the Arabian Sea area, and military deployments can assist in maintaining visibility. A local US force can also help deter lesser threats to the sea routes, e.g., from a small state or radical faction bent on exploiting the vulnerability of the tankers for its own, unrelated, purpose. Faced with challenges by the littorals to our right to navigate the Ocean, and in the absence of agreements on restraint, we should probably maintain some force level to preserve our contingency access.

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b) An alternate view of the relationship of oil to our Indian Ocean strategy argues that our energy requirements, and the threat of another Arab oil embargo, require us to establish an Indian Ocean regional military presence adequate to deter Soviet threats to our lines of communication and to encourage regional stability throughout the Persian Gulf and adjacent areas. Soviet military presence, in this analysis, supports overall Soviet foreign policy objectives directly, and is part of an effort to assume control of the oil-rich nations. Proponents of this view argue that recent expressions of Soviet military doctrine, especially a series of articles by Soviet Navy Commander Admiral Sergei Gorshkov, taken together with a Soviet naval program which has projected the USSR to prominence as a major naval power, prove that the USSR is formulating a new, activist naval policy in pursuit of global interests. Unchallenged Soviet military activity in the Arabian Sea, including threats against local governments, could eventually lead to Soviet hegemony over the entire region.

The threat of Soviet dominance, supported by Soviet willingness to maintain the necessary force posture, requires us, in this view, to use political, economic, and military means to demonstrate our resolve, reduce tensions, and maintain stability in the Indian Ocean littoral. Our general war nuclear deterrent does not itself achieve this purpose, because it is not credible where the stakes are something less than national survival. We would be remiss in not establishing a force presence in the Indian Ocean capable of deterring Soviet threats.

2. Reduction of tensions in the Middle East, and security of Israel (and possibly other states in the area). The October war demonstrated how vulnerable our support for Israel can be in the face of allied unwillingness to permit us to use their bases for the purpose. As an alternative route for peacetime access and surveillance, and for supply operations if hostilities are renewed, an Indian Ocean staging capability could be seen as a useful adjunct. A resupply effort on the scale of 1973 during renewed fighting, however, using Diego Garcia and the Red Sea route, would be longer, more dangerous, and logistically more complex than the Mediterranean route.

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Diego Garcia is more than 3,000 nm from Tel Aviv, and over-flight rights for military resupply of Israel during renewed hostilities would not likely be granted by any of the Arab states. The path through the Red Sea and into the Gulf of Aqaba passes through claimed Arab air space and could be used only with a high risk of engagement in the event of hostilities. We will still have to depend on shore facilities, particularly if protection is required for forces or material moving through or over the Indian Ocean (e.g., Bandar Abbas for ASW flights). We would thus not be entirely freed of the restraints imposed by views of littoral powers.

3. Global balance with the Soviets. We have a broad interest in not ceding a preponderant military position to the Soviets in the Indian Ocean, and have justified our recent deployments there in part as a response to the rise in Soviet activities. The Soviet naval buildup, and Indian Ocean presence, are intended in part to further the image of the USSR as a global military power able at least to hold its own with the US. Even allies (like Australia) publicly critical of our actions concede privately that Soviet pretensions require some response. Most littoral states have no wish to see the area become a Soviet sphere of influence. The problem is to define the level of US and allied force necessary to balance the Soviet presence, acknowledging that force matching of the Soviets in the Indian Ocean itself is only one possible course of action open to us to fulfill political and security objectives in the area. Our Pacific (and with Suez open, Mediterranean) fleets are within augmentation range under many foreseeable contingencies, and must be factored into the calculations of the Soviets and littoral states. Apart from the British and French, local navies -- Iranian, and even Indian -- should also be taken into account. In this respect the Indian Ocean is not analogous to a true "power vacuum", such as Antarctica or the seabeds.

4. Access for communications, intelligence, and possibly future strategic deployments. Previous studies have pointed out that while we do not now deploy SSBNs to the Indian Ocean, a breakthrough in Soviet ASW capabilities, constraints on SSBNs elsewhere in the future, or other considerations could make this important to us. Our scientific, monitoring, and communications facilities, while important, are not highly visible, and are under no particular threat.

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5. Broad interests in the littoral states, apart from the Persian Gulf. Aside from energy and other Persian Gulf resources, our interests in the states bordering the Indian Ocean are limited. At one time we believed ourselves to be in unrelenting competition with the USSR for power and influence in the underdeveloped world. We felt this nowhere more keenly than in the Indian Ocean area, particularly the subcontinent, where US-Soviet competition was treated as a zero-sum game. In the early 1970's we acknowledged, in effect, that our interests did not demand, and our assets would not underwrite, an effort to thwart Soviet progress everywhere in the Third World. Detente made it easier for us to set priorities and accept Soviet influence in parts of the Indian Ocean as non-threatening. In the subcontinent, without being explicit, we have indicated that we have no problem with the present Indo-Soviet relationship so long as our broad relations with the subcontinent -- predominantly humanitarian and commercial -- can develop on a mature basis. Where the Soviets have their own troubles, as in Sri Lanka, we do not try to exploit them to compensate for Soviet gains elsewhere.

(Some NSSM participants disagree with this view, and believe that the Indian Ocean littoral states are targets for hostile influence, with the single greatest hostile influence being the Soviet Union. They consider that the Soviets would not hesitate to use military power, or the threat of such power, to achieve their goals in the area were there no countervailing power. Our interest lies in checking unrestrained use of Soviet military power, and in demonstrating to the littoral states that there is an alternative to Soviet influence, dominance, and control. For example, we do not want Ethiopia just because the Soviets have Somalia. But we do want Somalia to have the option of dismissing the Soviets (a la Egypt), and we do not want the Soviets to be able to apply unrestrained military pressure on Somalia (or Yemen, or Iraq, or any other littoral nation). In addition we would like, to whatever degree our presence and other circumstances permit, to limit hostility and conflicts between the states of the region. Finally, recognizing the dynamic environment that characterizes the area, the US must be able to respond politically, economically, and militarily to the challenge which may arise in the future.)

Besides trade and investment, we are interested in the support of littoral countries on important issues like narcotics control and Law of the Sea in the UN and other multi-

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lateral fora. These countries take positions based on the politics of nonalignment, their own interests, and our bilateral relations, rather than our Indian Ocean force presence.

B. Soviet interests in the Indian Ocean

The Soviets have no vital interest in the region comparable to the dependence of the West and Japan on Middle East energy supplies. The Indian Ocean is close to Soviet Asia, as well as to the Middle East, and is thus intrinsically important, but secondary to European seas, the Mediterranean, and Northeast Asia in terms of Soviet interests. To circumscribe the influence of China, and to create an image of equality with the US, the Soviets have sought through a broad range of programs to gain a voice in regional political affairs.

Major Soviet efforts, including almost half its total aid disbursements since 1954, have been directed at a few countries in the subcontinent and Middle East. (Total Soviet aid, in contrast to ours, has stressed arms transfers over economic assistance). Arms sales and treaty relationships also supplement diplomatic initiatives. The Soviets enjoy positions of some political influence in Iraq, the People's Democratic Republic of Yemen, Somalia, India, and Bangladesh. Their interests in the first two relate to their larger ambitions in the Middle East; in Somalia they have had, since 1969, a foothold for broader efforts on the African continent besides use of the port at Berbera; in India they seek an Asian counterweight to the PRC, and still make efforts to secure base rights (unsuccessfully to date). Past efforts have engaged Soviet prestige, created client state relationships, and provided some economic benefits through aid-related trade agreements. Client-patron ties are likely to chafe in time, however. Moscow may have second thoughts about the advantages of intimate ties to resource-starved "soft states" like India and Bangladesh, particularly since the Chinese have made no determined effort recently to assert a forward position in competition with the Soviets. Littoral state wariness of Soviet intentions and limits on Soviet economic and military aid resources also constrain their expansion into new areas.

From the standpoint of strategic military considerations, Soviet planners probably view the Indian Ocean in the context of (a) a potential threat to the USSR from US SLBMs; and

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(b) possible US military action involving carrier air forces against Soviet client states, which could raise demands for Soviet involvement. (The potential strategic threat to oil was discussed above [II B]). Regarding the strategic nuclear threat, the Soviets probably recognize they have virtually no chance of effective countermeasures even with a major augmentation of their Indian Ocean fleet. This threat may nonetheless account to some degree for Soviet area familiarization and military intelligence gathering activities. Soviet naval combatant presence does not appear to be designed for local intervention, and would probably not be decisive in a significant regional conflict. It is likely the Soviets regard their naval force, as we do, as a symbol of political interest backing up other policy instruments, and an assertion of intent to maintain access to the area.

(There are alternative views of Soviet Indian Ocean policy, which stress that one major objective of the Soviets is to establish a position of power and military presence that would enable them to control, disrupt, or deny free Free World access to oil, as well as pressuring other states to work against US interests).

The sea lines of communication to and through the Indian Ocean are useful to the Soviets, but not essential from an economic standpoint, as only a fraction of foreign-bound cargos and domestic Soviet freight passes this way. The prospective opening of the Suez Canal, current Soviet efforts to expand commerce with Southeast Asia, and the possibility of a revived oil trade out of the Black Sea all enhance the potential importance of sea routes through the Indian Ocean for the Soviets, however.

Soviet activities in oceanographic research, fishing, space programs, and intelligence are important but not crucial.

### C. Other outside powers

The previous NSSM studies placed considerable emphasis on other outside military presence and on the possibility of US collaboration with allied forces. Intervening history suggests that British and French deployments do not relate to major regional interests; that the Australians are unlikely to join us in Indian Ocean patrols and task group

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deployments; and that Japan, rather than being an open and willing supporter of our Indian Ocean presence, would regard use of Japanese bases for naval activity there with reservation.

The British maintain loose Commonwealth ties with much of the littoral, but their economic interests are declining. They have based no ships in the Indian Ocean since their Far East Command was abolished in November 1971. They do maintain a modest naval presence through rotational deployments, as well as operating facilities at Gan and other Indian Ocean locations. The Indian Ocean policy of the new Labor government is not yet clear: any changes would probably be in the direction of diminishing the UK role. The British government has concurred in our plans for using Diego Garcia as a support base, subject to final approval by the new government, but has insisted that we consult on operations from Diego Garcia in "other than normal circumstances". They have also asked that we not publicly relate our activities there to our Persian Gulf/Middle East interests.

The French Indian Ocean force is one of the largest non-regional military presences in the Indian Ocean. It currently includes eight surface combatants, including deployment on a training mission of a Cruiser/Helicopter Carrier able to carry 700 troops. With troops and aircraft at Djibouti, as well as shore facilities, and troops also stationed on Reunion Island, France might appear to be signalling major interests. The French presence, however, comprises the residue of a colonial empire that once included numerous small enclaves on the Indian Ocean littoral. France's drawdown of colonial-related forces since World War II has been orchestrated slowly, for image purposes, rather than responding promptly to budgetary stringency and decline of influence, as the British did. Despite the establishment of a French Indian Ocean command in 1973, French naval deployments should probably be regarded, like the "force de frappe", as primarily symbolic to enhance France's image as a world power able to play an independent global role.

Australia has looked to East Asia rather than the Indian Ocean, apart from tentative moves by Prime Minister Whitlam since 1972 to establish a regional understanding with India. Even if Whitlam is succeeded by a Liberal-Country Party

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government, Australia is unlikely to follow our lead to the extent of contributing forces to a combined Indian Ocean presence, at least one that was directed at the Persian Gulf and Arabian Sea. We would probably have a greater chance of using Australian naval bases if the Opposition gains power, however. Australia's trade and investment interests still lie north and west, apart from energy.

Japan is heavily dependent on oil from the Persian Gulf. As a consequence of Arab pressure in 1973, Tokyo felt compelled to revise its Middle east policies and adopt a somewhat more pro-Arab stance, rather than continue to support UNGA resolution 242 without qualification. The decision was probably inevitable, since no alternative sources of oil were available to avert the crushing economic effects to Japan of resisting Arab pressures. As a result of this experience, Japan would be extremely sensitive to Arab charges that it was actively facilitating a US naval presence directed toward the Middle East. The possibility of Japan actually "showing the flag" with ships of its own west of Singapore, raised in an earlier paper, now seems remote, both in light of Japan's tenuous acceptability in Southeast Asia and its acknowledgment that it cannot conceivably protect its tanker routes with naval forces.

Peking has continued to demonstrate concern over the expansion of Soviet presence in the Indian Ocean. As a result of this concern the PRC has indirectly indicated its understanding of US/UK plans to expand Diego Garcia. Peking also supports the proposal for a "zone of peace". The Chinese have not yet shown any significant interest in their own use of the Indian Ocean. It is possible they may one day use the region for missile tests, and they could eventually deploy naval ships there.

#### D. Littoral states' interests

The earlier studies emphasized, and it is worth stressing again, that the Indian Ocean is not an integral region. India and Pakistan, and their smaller neighbors, together form a subregional power nexus. India is well on the way to consolidating its dominance therein, but apprehension in earlier studies that India would project itself further afield -- in Southeast Asia, for instance -- now seems less real. The other major littoral areas look primarily in other directions, toward Europe, the Mediterranean, and the Pacific Basin. To consider Malaysia, Indonesia, and Australia, for example, as primarily Indian Ocean powers would be to distort political realities. The same is true for East Africa.

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Insofar as one can generalize about littoral state interests, most can be covered under one of the following headings:

a) Stability. Conflict diverts resources, interrupts domestic programs, and can add to the strains already imposed by poverty and lack of resources in many countries. (Genuine regional equilibrium should, however, be distinguished from a false stability imposed from outside, which might perpetuate weak leadership and thus generate revolutionary pressures.)

b) Absence of great power rivalry. Nationalism is a powerful force in most of the region, and reactions against presumed meddling by the great powers are automatic and emotional. The Soviets suffer less from this syndrome than we do, but there is a growing tendency to identify even the USSR with the other "imperialists" at gatherings of the "nonaligned". The other side of the coin is fear of great power dominance, and many of those calling for a "zone of peace" would be alarmed by a unilateral US pullout that left the Soviets free to do what they wish. If great power absence is impossible, balance is the next best thing.

c) Technology and resources for development. Foreign assistance is still sought by most of the countries bordering the Indian Ocean. The region encompasses, in Bangladesh and India, the world crisis of population and resources in its severest form. Thus while the security presence of outsiders is not desired, access to the industrial nations for aid, trade, and investment will become even more important for most littoral countries in the future.

Because of its enormous economic power and the drive to modernize begun in the 1950's by the Shah, Iran presents a unique case. Iran clearly perceives for itself a need to project forces far enough into the Arabian Sea and adjacent areas to handle its own security problems, and is acquiring the military means to do so. An aid-giving, militarily powerful Iran may someday compete with India for influence in the Indian Ocean area in much the same way we and the Soviets have been portrayed as competing in the past.

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(Iran's military purchases announced in 1973 immediately aroused fears in New Delhi, couched in terms of possible Iranian help for Pakistan but probably relating equally to fears of broader competition. The Indians have since improved relations with Tehran, but the potential for rivalry remains).

The radical regimes bordering on the Indian Ocean and the white and colonial governments of southern Africa have an interest in selective encouragement of involvement by outside powers, for narrow and obviously quite different ends of their own. In the former case, the Soviets have been able to acquire access to useful military facilities in Somalia. South Africa, on the other hand, would welcome US dependence on its facilities and the implied legitimacy it would lend to its national policies.

E. Littoral state attitudes toward great power activity

Despite great disparity in their approach to security problems, the littorals show surprising consensus about great-power naval rivalry in "their" ocean. Twenty-two out of 26 have voted in favor of the Indian Ocean Zone of Peace (IOZP) resolution at the UN for the past two years; only Portugal (Mozambique), South Africa and Oman joined the US and USSR in abstaining. (The Maldives were absent.) For the vast majority, the danger is perceived not in terms of a specific threat to their own security, but in terms of prospect of a heightened level of tension in the area.

The range of littoral attitudes is best illustrated by reactions to the proposed expansion of US military facilities at Diego Garcia. Fourteen littorals have already taken an official public position opposing the American decision, and many of the rest are also unsympathetic. India, Sri Lanka and Bangladesh all termed the proposal a "retrograde step" that violate the wishes of the littorals. Sri Lanka sent a letter to the President expressing concern, but took a low public posture. India has publicly criticized the proposal in strong terms. New Delhi and Colombo might pursue their opposition in international forums, though neither state wishes to employ tactics which will unduly antagonize the US. (All three have probably muted their criticism because of food shortages that might oblige them to seek US assistance.)

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Malaysia and Indonesia are strong adherents of the Southeast Asian neutrality proposal as well as the IOZP. Malaysia's reaction was milder than expected, but Indonesia's was surprisingly strong; President Suharto said publicly the decision to upgrade Diego was against the wishes of the Indonesian people. Thailand expressed concern, and official Thai opposition has increased steadily since our announcement.

Tanzania's strong opposition derives from militant non-alignment, and from fear of possible US intervention in the event of heightened African conflict with the Portuguese in Mozambique. Tanzania has recently begun to criticize Soviet as well as US naval presence. The Malagasy Republic and Mauritius, because of relations with their neighbors and the nonaligned, both denounced the proposal.

The Australian and New Zealand governments were mildly critical of the US plan. Australian Prime Minister Whitlam, while personally critical of the proposal, is faced with a strong endorsement of it by the opposition party as well as general Australian sympathy for the US. The Australian government assured us privately that, despite its efforts to improve its position in the Third World and the pressures from the ruling party's left wing, the Diego Garcia issue could be handled to the "basic satisfaction" of the US.

Privately, the governments of South Africa, Singapore, Pakistan, and Iran have expressed approval. Singapore supports the IOZP proposal in principle but has concluded that regional security depends on a US naval presence to balance that of the Soviet Union. However, Singapore is unwilling to stand publicly at odds with Indonesia and Malaysia.

Pakistan has privately supported the concept of an expanded US naval presence and has made a standing offer of naval facilities on the Makran coast -- acceptance of which would again destabilize the subcontinent. At the same time, Pakistan is seeking to develop a more independent security posture based on ties to the Third World, particularly the Arabs.

A degree of tacit approval can probably be anticipated from Portuguese Mozambique, Yemen, Ethiopia, and Oman. Sudan and Somalia are likely to be negative in the absence of a significant change in US relations with them and Ethiopia.

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Burma's government-controlled press has given apparently deliberate prominence to criticism, and the Maldives are likely to be negative. Saudi Arabia's generally pro-West and anti-Soviet posture would place it in the positive category, but the possibility of US intervention to assure access to Arab oil requires all the Arab states to regard a US naval presence with some suspicion.

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IV. Indian Ocean strategy: policy choices

The foregoing discussion indicates that while there is general agreement on the level of our interests in the Indian Ocean, there is substantial disagreement over the degree to which they are threatened by developments there. Two broad areas of policy choice emerge:

a) In the light of events since 1971 -- Soviet naval buildup, realignment of power in the subcontinent, littoral state reactions, our own naval responses, and above all the shifts in perceptions caused by the October 1973 war and our increasing reliance on Middle East oil -- do our interests require us to adjust our posture, including an increase in our force presence, in the Indian Ocean?

b) Does the possibility of formal or informal arms restraint by outside powers, or simply between the US and the Soviets, offer a way of protecting our interests? Would broader gains in our relations with the Soviets and with the littoral states, particularly the oil producers, flow from such an agreement?

Although answers to these questions are not clearly evident and depend on factors over which there is still honest disagreement, a few tentative conclusions emerge from the foregoing discussion:

a) Requirements for a significantly increased US force presence in the Indian Ocean depend largely on an interpretation of Soviet strategy in the Middle East. If we judge that the Soviets stand a reasonable chance of using military pressure via the Indian Ocean, together with other means, to secure control of Persian Gulf oil, and thus to gain enormous leverage vis-a-vis the West and Japan, it becomes essential to counter the Soviet challenge. If, on the other hand, we conclude that the oil producers will formulate their policies more or less independently on the basis of their own perceived interests -- including calculations of economic benefit, economic interdependence, and regional political developments,

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predominantly the course of Arab-Israeli relations -- we can continue to regard our Indian Ocean force presence as an adjunct and supplement to our broader policy efforts.

b) The level of our force presence in the Indian Ocean is, and is seen to be, in flux. Retention of Bahrain is problematical; we are planning to change the nature of Diego Garcia; and we have announced a new, but unspecified, level of deployments from the Pacific. Our next moves will be closely watched.

c) Some level of permanent naval presence, whether or not configured as MIDEASTFOR and located in the Persian Gulf, serves broad interest common to any major ocean area -- access, monitoring, intelligence, operational familiarity -- that cannot be achieved any other way.

d) In terms solely of littoral state attitudes, a significant increase in force presence would involve political liabilities. The neutrals and our opponents would criticize us more harshly: the Soviets would gain propaganda points and a pretext for increasing their own deployments; and our friends and allies would give us covert support at best. However, as noted earlier, our interests in the littoral states apart from the oil producers are limited, and littoral state attitudes are not the most important factors we should consider.

e) Both we and the Soviets would face constraints in expanding shore facilities to support a larger presence. Even with an upgraded Diego Garcia base, we would require P-3 staging rights and other access closer to the Persian Gulf to support a Carrier Task Group, in addition to expanded base rights outside the area altogether. The quid necessary to obtain such rights could involve new security and assistance commitments. The Soviets are more willing than we to establish new client state relationships, but even they have encountered reluctance on the part of littoral governments to appear to be facilitating expanded Soviet military presence.



f) Our Indian Ocean force presence will be a unilateral one. We are unlikely to have NATO, Japanese, or ANZUS participation under present circumstances.

g) Arms control is already a regional issue, having been raised repeatedly by the littorals. Our strategy must deal at a minimum with the "Zone of Peace" concept. It appears useful, if we decide to pursue a restraint option with the Soviets, to disengage it explicitly from littoral initiatives. Any agreement should allow us to initiate SSBN patrols in the future, and should avoid dealing with access.

### Policy Alternatives

Earlier studies covered almost every conceivable option: four force levels (NSSM 104), alternative policy packages contrasting arms limitation vs. balanced forces (110), and seven variations of arms control proposals (110 follow-on). This section will not attempt to describe all possible combinations of force levels and arms control measures, but rather to identify a series of feasible policy options in which arms limitation efforts are related to various force levels in protecting our interests.

Excluding as unrealistic the two ends of the force spectrum -- a complete withdrawal, or the permanent basing of sizeable ground, naval, and air force units -- there appear to be three broad levels of force presence available to the policy maker:

a) A low level, comparable to our pre-October 1973 presence, consisting of the three ships of Mideast Force as a permanent presence, with limited additional deployments to the area for periodic exercises and goodwill visits, in addition to an active program of military assistance and sales.

b) A moderate level, optimized for contingencies, consisting of the above with the addition of more frequent deployments, a support facility in the region, and possible working arrangements with certain key littoral states for access rights in the event a larger force presence is required.

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c) High level, involving a significant increase in force presence, possibly including a larger permanent naval presence, B-52 flights, and periodic exercises involving US Army and Marine forces.

Similarly, the various forms of possible arms control arrangements can be summarized under these broad headings:

a) Tacit restraint. The US force presence would be fashioned so as to minimize the perceived need for others to respond with force increases of their own. If considered useful, unilateral statements by US spokesman indicating that our presence was not intended as a threat, and that we would exercise restraint, could reinforce this effort.

b) Mutual restraint. We would determine whether Moscow would be willing to join us in a declaration that we will exercise "mutual restraint" in deploying military forces to the Indian Ocean. A contingency clause could allow "surges" by each side in unusual or threatening circumstances.

c) Formal agreement. We would seek a formal arms limitation agreement with the Soviets, perhaps in stages beginning with an interim freeze on force levels, followed by phased reductions to a mutually acceptable level.

Both sets of alternatives are arranged in ascending order -- of economic and political cost, in the case of force levels, and cost in military and political flexibility, in the case of arms control variations. Thus, the greater the force level, the greater the potential costs in base construction, ~~guids for base rights~~, draw down on forces elsewhere, and ~~unfavorable reactions~~ from some littoral states. Likewise, the more formal an arms control agreement, the greater the probability that it will impose restrictions on US freedom of action in future crises, and establish precedents that could limit our flexibility elsewhere.

The following discussion will not attempt to describe all possible combinations of force levels and arms control measures, but rather will identify a series of feasible policy options in which arms limitation efforts are related to various force levels in protecting our interests.

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Alternative A: Low force presence with either tacit or mutual restraint. We would retain MIDEASTFOR at Bahrain if possible, otherwise seek an alternative that would permit us to retain a similar level of permanent presence; occasionally participate in combined regional exercises; and monitor Soviet activities closely. Military assistance and sales programs in the region, especially in Iran and Saudi Arabia, would be continued.

Deployment of such limited forces in the Indian Ocean would in itself signal clearly our intent to exercise restraint. We could, in addition, accompany this policy by public or private assurances stressing our restraint. We would hope that these measures would persuade the USSR to limit its force deployments essentially to pre-October 1973 levels, and persuade littoral and other nations that our posture was intended to avoid great power competition.

Advantages:

-- A low force posture would accord with most of our other regional policies, which have emphasized development of bilateral ties based on a conservative estimate of our interests, and the desire to avoid the intense, donor-client relationships of the past. Criticism from some of the littoral states would diminish.

-- Economic costs of our force presence would be minimized, while operational access would be preserved.

-- Comparable limits on the Soviet force presence could result.

-- Iranian and Saudi Arabian strength, supported by our arms sales, would grow in proportion to other forces, including Soviet forces if tacit restraint worked.

-- A subsequent increase in force levels after we had made clear our restraint could be blamed on the Soviets if they unilaterally increased their deployments.



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Disadvantages:

-- The Soviets might build up their forces anyway, claiming publicly to be exercising restraint. We could be at a disadvantage in responding, if a unilateral public declaration of restraint were already on the record.

-- The lack of an established support structure and regular training and familiarization deployments would complicate any future crisis deployments.

-- Our restraint could be misinterpreted by the more radical littoral states as a reaction to their criticism of US deployments, Diego upgrading, etc. (Alternatively, we and the Soviets could declare our intention to limit our respective forces, calling on other states to exercise restraint. Arms limitation provisions of such a declaration, as well as advantages and disadvantages, would be similar to those under B2 below.)

Alternative B: A moderate force presence, optimized for contingencies, with either tacit or mutual restraint. In addition to retaining Mideast Force and pursuing the other steps in Alternative A we would continue efforts to expand Diego Garcia to a support facility and periodically deploy larger forces to the area.

Sub-Option B1: Contingency presence with tacit restraint. As in Alternative A we would make clear that our policy was a restrained one, limited essentially to contingency support and periodic exercise of access rights to the Indian Ocean. However, since it would involve a force presence noticeably greater than that maintained prior to October 1973, some increase in Soviet force levels would probably have to be accepted in the process of arriving at a mutually acceptable "balance". Littoral states could be expected to continue to object to such a policy at least until it was established over time that an escalatory spiral had not been set in motion.

Advantages:

-- If tacit restraint was achieved, we would gain maximum flexibility for possible future contingency deployments while maintaining a relatively low level

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of actual presence, with the attendant economic and political advantages.

-- Littoral protests would, over time, be muted, as we would be seen not to be in naval competition, with the Soviets in the area.

-- Since this is essentially the policy we have been following since October 1973, we have already paid some of the political costs (e.g., initial hostility, dislocations resulting from a change in policy).

Disadvantages:

-- Soviet forces might grow to higher levels, with Moscow justifying the increase in terms of our own higher presence.

-- If tacit restraint were established in the public mind, it would be politically more difficult to "surge" in contingencies, even though we had the support structure for doing so.

Sub-Option B2: Contingency presence with mutual restraint.  
Alternatively, the same level of force presence could be linked to a declaration of mutual restraint by the US and USSR. This possibility could be raised privately with the Soviets on the basis of their earlier suggestion that we agree not to compete in the Indian Ocean. A formal announcement would commit each side to exercise restraint and avoid actions that would give rise to competition in naval or other forces. It could call on other states to join in exercising restraint. A contingency clause could provide for "surges" by either side in unusual circumstances. If the Soviets declined to consider the proposal we would let it drop without further reference or public comment at the time.

(NOTE: Without a definition of what "mutual restraint" would entail, it would be impossible to determine whether or not restraint is being observed. Depending on what it is agreed to restrain, a number of questions would bear on determining compliance in the absence of a formal agreement, e.g., how precisely should permanent deployments be defined? How is loitering distinguished from transit? What time

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restrictions, if any, should be placed on surges of naval forces? What is a base? Possibilities include setting an upper limit on surface warships but excluding submarines and support vessels, establishing time limitations for transit and surges, and defining bases practically as having facilities necessary to support warships and being readily accessible to US and Soviet naval forces. This problem and its implication for policy choice are covered in detail in the February 15, 1972 interagency study, Non-Strategic Naval Limitations in the Indian Ocean, which will be redistributed for reference).

Advantages:

-- Beyond the advantages listed under B1 above, this sub-option would still permit considerable flexibility while retaining some assurance that the Soviet response would not be unduly escalatory.

-- It would go further, by being more explicit, toward eliminating complaints from the littoral states.

-- The Soviets, by joining us in a public declaration, would be less able to exploit our presence for their own purposes.

Disadvantages:

-- Unless carefully defined, a "mutual restraint" declaration could be subject to different interpretations and thus become a source for recrimination between us and the Soviets, or the littorals.

-- We would be more constrained than in B1 from actually exercising our contingency option: if it were not clearly covered by the "escape clause", it would be subject to criticism.

-- A formal declaration would also be more subject to misinterpretation as acceptance of littoral demands for a "zone of peace".

Alternative C: Any force level, combined with a formal arms limitation agreement. The mechanism of a formal arms control agreement could permit the US to establish whatever

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level of military presence was felt necessary to preserve our interests and ratify it by formal agreement. In this scenario, the initial level of force presence would be established at the level we judged necessary to protect our interests, and we would then propose a formal agreement to Moscow. The level of forces could be used as a bargaining lever in the attempt to establish a mutually acceptable agreement.

Since this arms control strategy would be formulated as a means of protecting security interests, it should be formal and explicit about the numbers and types of military forces and, if desired, bases involved. If agreement were reached, we could maintain a visible, vigorous military presence within the prescribed limits. The strategy could be designed to facilitate a permanent increase in our force presence, if it failed, minimizing the political costs by dealing in advance with both domestic and littoral demands for arms control. Thus, if the Soviets declined to consider a formal agreement, delayed beyond a reasonable point to discuss specifics, or appeared to be using the time to strengthen their position, we could -- if we judged it necessary -- publicly announce that we had sought without success to limit great power rivalry in the Indian Ocean, but were compelled by Soviet intransigence to proceed to establish a force level independently to protect vital interests.

(An alternative way of proceeding with this option would be to cast it primarily in terms of US-Soviet relations, and only secondarily in terms of our Indian Ocean interests. The advantages and disadvantages would be basically the same, but more value would be attached to the gains for detente. Tactics might differ. We might, for instance, propose a formal agreement to Moscow before deciding on a force level and base our decision on their response. We could be inclined to make greater concessions in the size of our permanent presence. We would probably not publicize our arms control effort if it did not succeed, unless this appeared likely to cause the Soviets to be more forthcoming. In the interim, we could retain our current presence, and might orchestrate deployments from other areas to support our negotiating efforts).

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Advantages:

-- We would retain the initiative, by compelling the Soviets to react at each stage.

-- If we succeeded in reaching a formal agreement, this course would take US-Soviet detente one step further.

-- It would respond to objections of the littoral states.

-- If our force presence were set at a sufficiently low level, it could free significant forces from the Indian Ocean and reduce costs.

-- If we failed to reach an agreement, we would be in a good position to protect our interests unilaterally later if required.

Disadvantages:

-- We could put ourselves at a disadvantage later by freezing forces at a level set now, when the situation in a volatile and unpredictable area is not clear.

-- A formal agreement on naval force levels could set a precedent for US forces in other areas, e.g., the Mediterranean, where our interests are more important.

-- The appearance of limiting our forces in response to littoral states' demands is probably greatest under this option, regardless of our disclaimer.

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