CHAPTER II
THE U.S.A. AND THE INDIAN OCEAN

The primacy of US interests that has determined US policies in the Indian Ocean stems from the relevance of resources and geopolitics of the region to the worldwide balance of power. In this sense, US interests in this area are directly linked with her security interests in Europe and East Asia because of the dependence of her allies on the Persian Gulf oil. But the pursuit of secure and uninterrupted oil supplies to the West has increasingly required an integrated policy approach which envisions essential linkages between economic, political and security objectives. It is in part, the volatile nature of the regional geopolitics which has generally been influenced by domestic turmoils, intra-regional conflicts and the spectre of Soviet intervention that has necessitated the balancing of varying but integrated US policy objectives. In this respect, the political dimension of US policy can not be isolated from the economic and security interests that it attempts to maintain, secure or promote. Likewise, security policy, whether it takes
the form of commitments, arms sales or power projection capabilities, would not be effective without a parallel political and diplomatic framework. In the Indian Ocean region, the US policy encompasses a wider range of interactions because of the complex geopolitical milieu involving a great variety of threats—both indigenous and external. US interests in this region may be stated as follows: (1) to ensure access to secure oil supplies at reasonable prices; (2) to balance Soviet presence and if possible reduce Soviet influence; (3) to promote stability and peaceful change on the domestic political and regional level; and (4) to pursue regional security and advance the Middle East peace process, while guaranteeing the security of Israel.\(^1\) An analysis of various US objectives, their linkages and threat perceptions is in order.

**Political Objectives**

US political interests relate to two important goals. First is the objective of limiting Soviet

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influence, or undermining it wherever possible. Historically, the Indian Ocean region has been under Western influence. But Soviet third world diplomacy aiming to weaken this traditional influence through a combination of diplomatic, economic and military instruments had generated fears of domination. The attempts of the Soviet leadership to expand influence in the Indian Ocean region is seen by the US and her regional allies as a destabilising factor, and thus a threat to US interests. The concerns about Soviet pressures, which are generally psychological and a spectre of its grand geopolitical design for the region, had continuously raised questions about the US stakes. The pro-West regional states have in particular shown interest in the US role to balance the Soviet moves. The US declaratory policy addressed the fears of regional allies and had greatly responded to augmenting her capabilities to project power in contingencies. While in the security sense the US presence in the area served the purposes of deterrence, politically it not only reassured her allies of her interest in their territorial integrity but also signified her commitments.
The second political objective centres around the notion of stability which might be identified with political tranquillity in friendly states and intra-regional balance or with peaceful political change both domestically and in inter-state relations. The US policy-makers have taken a realistic or pragmatic view of political order in third world societies. In other words, despite adherence to democratic ideals at home, authoritarianism is acceptable overseas as long as the political interests of the ruling establishments in third world countries are congruous with US policy objectives.

The US view of stability boils down to support of status quo political arrangements which must grow, retard or evolve on their own in friendly states. As long as political change or the lack of it does not adversely affect US interests, the political status quo should be protected in states where substantial US interests are involved. It is orderly change that would potentially avert revolutions that have quite often resulted in a total chaos. More importantly, peaceful
change would not only ensure US interests, but would also minimize disruptive effects on the power base of the ruling elites.

The monarchies and sheikhdoms in the Indian Oceans had been looking to the US to counter the perceived Soviet pressures, and aid them to bolster their capabilities against the growing threat of Islamic Iran. US interests, of course, compel her to support friendly authoritarian regimes that share common security concerns and support Western objectives, because at present any change instigated either by Iran or by any other radical state in the region would jeopardize the American influence.

But unfortunately US policies have tended to rely heavily upon military components in both the stability of domestic political orders and intra-regional balance. The US failures in Iran prove in part the inadequacy of this approach. The process of socio-economic change that wealth and technology has introduced in South-West Asia requires creative
political responses. A long-term strategy of democratisation of governments in this area primarily in incremental and step-by-step fashion would not only ensure stability but would also promote internal cohesion and the political strength of the ruling elites that would be needed to balance the ideological pressure from the Islamic fundamentalists or socialist radicals. Given the political realities of the South-West Asian region that might look impractical, but if contemporary social change is denied political expression, it will generate conflict and frustrate any non-political solution.

SECURITY INTERESTS

US security interests in the Indian Ocean are interlinked with her security interests in other important regions of the world. The security networks developed by the US in the Indian Ocean, though designed to ensure regional security interests, are capable of supporting US strategic objectives in the Pacific and the Mediterranean. It is reasonable to assume that superpower conflict in any strategic region would
escalate horizontally to other important areas because either side would be tempted to open up new fronts in order to stretch the forces of its adversary. Although the likelihood of any US-Soviet confrontation in the Indian Ocean had been remote, US security planning addressed this contingency because of the possibility of conflict spilling over from other regions.

The US force structure, facilities and doctrine have been constructed to achieve two identical but mutually reinforcing security objectives. First, security against the soviet pressures. In this regard, US security concerns corresponded with the fears and sensitivities of pro-West regimes. The second objective relates to security against a variety of regional threats ranging from domestic turmoil in a friendly country to intra-regional conflict which threatens the security of friendly states.

The US military capabilities, while focusing on deterrence, have tended to reinforce a unified force structure that in the operational sense could be
employed against all varieties of threat, but domestic, local or external capabilities would largely determine the different measures of force application. While deterrence against the Soviet Union would require integration of overall US capabilities in the Indian Ocean theatre, including the allies' co-operation, the requirements of deterring regional threats could be met by a credible military presence capable of intervening and sustaining an operation until reinforcements are rapidly deployed from staging points within the region and from forces designated for this purpose.\(^2\) In this regard, US security objectives in the Indian Ocean might be explained with reference to strategic interests that relate to and integrate with her global security arrangements.

In the context of sea-based strategic planning, the Indian Ocean provides great potential for US deterrence against the former Soviet Union. The maintenance of a healthy balance and a credible deterrence in the area are the basic principles of US policy. The Indian Ocean, for American submarine purposes, has many advantages over other areas of strategic deployment, as many targets on Soviet territory was accessible from the Bay of Bengal or the Arabian Sea. Since 1960, the US Navy had opted for a full-scale undersea long-range missile programme for the advantages of mobility and lesser vulnerability. As land-based missiles have become increasingly vulnerable due to the accuracy and first-strike capability attained by the former Soviet Union, undersea offensive and defensive systems have become pivotal to US strategic considerations.

The latest SLBMs now carry 16 missiles and the Poseidons are fitted with multiple independently targeted re-entry vehicles (MIRVs), which make the


extremely difficult to detect because of their vast area of patrol, speed and sophistication. The acquisition of giant Trident nuclear submarines equipped with 24 6,000-mile range missiles by the US Navy in 1981 greatly increased American deterrence. But since the Trident submarine has the capability to strike at a Soviet target even when deployed close to the American Seas, its basing in the Indian Ocean did not make any sense except for the purpose of dispersal during an East-West conflict.

In order to ensure the effective operation and alertness of the American SLBMs, they must be in continuous wireless touch with Washington, so that the missiles may be dispatched to their predetermined targets at the shortest notice. Powerful very low frequency (VLF) transmitters are used within a specified distance from the patrol area of the submarine to enable it to receive messages while submerged. The US has such a station on the North-West Cape in Western Australia.
The other VLF station is on the island of Diego Garcia. In addition, America may have a VLF station in Berbera, Somalia. With these VLF stations, and with the aid of communication satellites, America can get into instant touch with the submarines in the Indian Ocean.

There was a direct linkage between the US security objectives in Central Europe and the stability in the Persian Gulf. In a global conflict, the USA was able to confront substantial Soviet naval and air forces in these regions. The USA was responsible not only for assuring allied access to oil from the Persian Gulf, but for supporting its forces and allies throughout the Western Pacific which was one of the Soviets' most important strategic frontiers.

Apart from a global strategic dimension, the US security interests in the Indian Ocean relate to two

6. Ibid.
additional objectives. First is the safeguarding of Sea Lanes of Communications (SLOCs). In peacetime, routine US deployments in the Indian Ocean, which also include periodic augmentation by carrier battle groups, are intended to demonstrate the capability to keep the SLOCs open to the oil and commercial traffic of the Western alliance. Any interruption in the supply of the oil by the local power through the Babel Mandeb Straits at the mouth of the Red Sea or the Straits of Hormuz at the end of the Persian Gulf would be met with the use of US forces in the area. The Iranian threat to close the Strait of Hormuz as a retaliation against Iraqi attacks on third-party shipping taking oil from Iran's facilities was rebuffed by the US declaration that she had the power and resolve to keep the straits open, using force if necessary. Although the United States has developed a clear margin of maritime superiority to deter attacks against SLOCs, the combat situations, particularly those involving the regional states, might make it difficult for the US to use force. The persistent Iraqi
attacks against third-party ships suspected of carrying Iranian oil were a case in point. Neither the US nor any power has attempted to influence this dangerous pattern. The USA began to show concern only when Iran retaliated against ships taking oil from GCC countries.

The second US objective is to ensure the security of friendly regional states, which complements US security interests because threatened and weak local allies would be reluctant to support the Western alliance. After the Soviet intervention in Afghanistan and the revolution in Iran, security assistance to the pro-West regional states has become the central concern of US policy. The 1979 crisis in South-West Asia had adverse effects on US credibility to stabilise the region. The pro-West states in the Gulf began to reassess their security links with the United States because of the perceived risks of such a relationship. Therefore, since the early 1980s, US policy has been attempting to reassure friends in the region of American commitments. To make these commitments

credible, the United States has not only augmented her own defence potential but has launched a massive programme of security assistance to friendly regional states, in which military modernisation has assumed great significance. The security co-operation includes not only transfer to US and Western equipment, but also training of local armed forces and sharing of surveillance and intelligence.

The maintenance of a strong military presence by the USA in the region and development of reinforcement capabilities outside the region signify an understanding with some of the regional states concerning availability of facilities for US access and pre-positioning.

There appears to be a considerable consensus among the pro-West countries and the USA on regional security issues. The regional allies of the USA had fear that in the absence of her naval forces in the Indian Ocean, the former Soviet Union might assume a more threatening posture.
In recent years, however, the threat to the security of states that are friendly to the United States has largely come from intra-regional conflict, which had neither been instigated nor sustained by the Soviet Union. The Iran-Iraq war is a case in point. This conflict had committed the GCC countries to support Iraq with huge financial contributions, which enabled Iraq to refurbish her armed forces. The GCC support to Iraq stemmed from the perception that Iran's domination of the Gulf region, which could result from Iraqi defeat, would entirely change the geopolitical map of the region. Iran had obviously interpreted GCC financial support to Iraq as a serious breach of neutrality, and had occasionally retaliated against Kuwait and Saudi Arabia either to punish or reduce their co-operation with Iraq. This had resulted in war against Iraq under the U.S. leadership.

The US support for the GCC countries is aimed at enabling them to safeguard against the spilling over of the Gulf War. In view of the escalation of the conflict in 1984 and the increasing Iranian threat, the USA decided
to sell Saudi Arabia CL 10 tankers for in-flight fuelling of the American-supplied airborne warning and control systems (AWACS), and supplied 400 Stinger anti-aircraft missiles on an emergency basis. Likewise, the USA had been implementing a programme to upgrade Kuwaiti defences. The programme included: (a) improving the maintenance and coverage of the battalion of Improved Hawk (C1-Hawk) and Soviet SAM 8 missiles; (b) extending coverage of the AWACs aircraft flying over Saudi Arabia to include Kuwaiti airspace and territorial waters; and (c) increasing 'loiter' range of Kuwait Air Force aircraft by adding external tanks that would permit the planes to spend more time in the air. The raising of the military capabilities of the friendly regional states is perhaps a better alternative to US or allied intervention in the Gulf quagmire. But this project failed when Kuwait could not resist Iraqi attack.

ECONOMIC INTERESTS

Oil is the life of modern industrial societies. Some 60 percent of the world's imported petroleum comes from the Persian Gulf region. There is no doubt that the total loss of this oil to the economies of the West and the industrial Far East would be a blow of catastrophic proportions.\(^\text{11}\) The importance of Middle East oil by itself is very marginal to the US requirements. The United States has significantly reduced oil imports from the Gulf to 1.4 million barrels a day. By adopting conservation measures alone, the United States cut down her oil consumption in the early 1980s by almost 2.8 million barrels a day. But the loss of supplies from that region would cause irreparable damage to US allies which it would be difficult to compensate for from other sources.

A combination of efforts—conservation, stockpiling and recourse to alternative energy sources—and a rise in oil production have considerably eased the

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oil supply problem. The United States has spent almost $13 billion for the Strategic Petroleum Reserve (SPR) programme which is designed to reduce her vulnerability to oil supply cut-offs.\textsuperscript{12} The SPR stored about 400 million barrels. The reserves would be used to minimise the impact of oil supply disruption on the price of gasoline primarily in the US market by releasing about 2 million barrels a day. In emergencies, the USA would also supply her allies with the minimal fuel requirements from SPR stockpiles.

The current trend in the international oil market suggests that oil demand may continue to be weak\textsuperscript{13} not only because of the recession in the world economy and new and effective energy-saving measures, but also because the over-production by the oil and petroleum exporting countries (OPEC) had created an oil glut. Frequent attacks on neutral shipping in the Gulf war and a significant reduction in the oil exports of

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\item \textsuperscript{12} Steven Kelman,'Using Our oil Reserves Now', Washington Post, 11 June 1984, p. C 15.
\item \textsuperscript{13} Dawn Economic and Business Review(Karachi), 2 June 1985.
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Iran and Iraq had not produced an oil crisis. Earlier, there was unutilised petroleum production capacity of at least 8 million barrels a day, which was equal to roughly 15 percent of the world usage. 14 About one-third of this capacity was understood to be outside to the South-West Asian region, which was to sufficiently compensate for even the total loss of oil from Iran and Iraq. According to James R. Schlesinger, neither Iran nor Iraq has the military capability to close the Gulf. 15 So far, neither of them has succeeded in strangulating entirely the oil exports of their adversary. However, the psychological and financial repercussions of an interdiction of oil traffic by the belligerants might cause closure of the Gulf, which would pose a serious challenge to the USA for her commitments to keep the oil flow from the Gulf open. 16

15. Ibid.
16. Ibid.
In addition to the energy security of the allies, the US multinational corporations have substantial capital investments in the Persian Gulf oil production, transportation and sale in the world market. The oil-producing areas of South-West Asia, with a petrodollar boom and ambitious development plans, have become a multi-billion dollar market for the manufactured goods of Japan, Western Europe and the United States. In 1981, the USA exported almost $11 billion in goods to the Gulf region alone, which is about 5 percent of American exports worldwide. 17

America's large-scale transfer of conventional arms to the Indian Ocean region is also a matter of great economic interest. Arms sales by the United States to third world countries grew from less than a billion dollars in 1970 to approximately $11.2 billion in 1977. 18


Arms transfers are rationalised as an instrument of diplomatic, military and economic policy. In recent years the Middle East/Persian Gulf region has become the focus of arms flow.\textsuperscript{19} In FY 1974, Iran, Israel and Saudi Arabia accounted for 82 per cent of all arms ordered through the US Foreign Military Sales Programme. In the same year, these three countries agreed to purchase nearly nine billion dollars of American arms. This trend has continued in the region, except for Iran, since the Islamic revolution. Egypt, Israel and Saudi Arabia have alone purchased US arms worth nine and a half billion dollars between 1978-82.\textsuperscript{20} The volume of military sale agreements and the transfer of advanced weapons to friendly states in the Indian Ocean region imply the rising economic and security stakes of the US and her allies.

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Apart from the issues of energy and security, US dependence on foreign sources of minerals which are essential to industry and defence has increased. Many of the most important minerals are imported from the most volatile areas of the world, thereby raising fears of the critical disruption of minerals and energy supplies. The US government lists 35 minerals as strategic and it depends heavily on imports from other countries for 23 of them.

The mineral crisis has the potential seriously to disrupt the international economic situation. In hearings before the House Subcommittee on Mines and Mining, Alexander Haig, then the Secretary of State, warned of a potential 'resource war'. It is feared that instability and conflict in African countries might endanger the supply of strategic minerals to the


22. Ibid.
Industrial core. Compared with American dependency, the Soviets were dependent on supplies of critical minerals, mainly from Warsaw Pact countries. The Soviet Union was almost self-sufficient in strategic minerals, except for aluminium, fluorine and tungsten. In order to ensure continued access to the strategic resources of Africa and Asia, American policy-makers have favoured an augmented Indian Ocean presence.

It should be evident, however, that a substantial growth of Soviet naval infrastructure and instability in the region was to generate uncertainty in the absence of US forces in the Indian Ocean.

US naval deterrence in the Indian Ocean had outgrown Soviet capabilities in the area. But the Soviet intervention in Afghanistan had added a new threat to the security of South-West Asia. The United States lacked resources to confront the Soviet Union on ground. The US inability to fight a major ground war against the Soviet Union in South-West Asia

23. Ibid.
stemmed from the primacy of her commitments in Europe and the Soviet proximity to the region. Although the United States had sufficient forces to deter Soviet intervention in Iran or Pakistan, the Soviet ground offensive in this region, if it happened, could be met by the US with horizontal escalation. Also, US counterintervention would depend greatly on the responses of US allies who are major importers of oil.

After the disintegration of the Soviet Union in 1991 the present threats to US interests may be seen as emanating from revolutionary wars and intra-state conflicts. After the revolution in Iran, the strength of Islamic fundamentalism has grown rapidly. The revolutionary momentum of fundamentalism is largely a response to the arbitrary and authoritarian rule of dynastic elites in South-West Asia who are perceived as the middlemen of Western domination. The low-intensity conflicts that often result from the revolutionary movements can hardly be fought by the kind of superior forces which the United States has the capacity to mobilise. Although political threats to the stability of pro-West elites exist, they would not inevitably lead
to successful revolutions. But if internal revolutions cause political upheavals, the United States would have only limited means to influence events.

In recent years an insurgent Iran and its Islamic fundamentalism have posed a serious challenge to the security of the Gulf region. The rulers of Gulf states fear Iranian-inspired subversion. Concerns about revolutionary Iran's intentions in the region intensified in December 1981 with an alleged Tehran-backed attempt to provoke chaos and presumably overthrow the ruling Khalifa family in Bahrain. The eagerness of some of the Ayatollahs in Iran to export their Islamic revolution to the Gulf countries has tended to draw those countries together through the Gulf Co-operation Council and has pushed them steadily towards the United States. The GCC countries have gradually changed their attitude towards the US military presence and access to Oman and have even begun to value an American connection despite considerable risks from militantly anti-American Arab states and elements. The United States shares the concern of friendly South-West Asian states
about internal subversion. However, the United States would prefer to help the regional states to help themselves by providing security assistance and logistic support.

The intra-regional conflict such as the Iran-Iraq war had the potential to escalate to other states. Where adjacent states fail to maintain a neutral position and involve themselves indirectly, though reluctantly and as a lesser evil, they became tempting targets, especially those which were weak and vulnerable. The option of the GCC countries to support Iraq was a strategic compulsion, because defeat of Iraq was not only to change the balance of power in the Iranian political and military assaults. The GCC's financial backing of Iraq, which was quite substantial, had on occasion caused retaliation from Iran. Iran attacked tankers from Kuwait and Saudi Arabia in May, 1984, and in the early stages of war bombed Kuwaiti oil facilities along the border with Iraq. And in June, Saudis downed two intruding Iranian jets close to Saudi waters. These
events showed the tendency of a regional conflict to explode into a larger conflagration - the "Operation Desert" against Iraq in 1991 is an example in this respect.