

~~SECRET~~

**DECLASSIFIED**

No 292

# GEOGRAPHIC INTELLIGENCE REVIEW

Number 57



CIA/RR MR 59-1

April 1959

## CONTENTS

The Minority-Area Policy of Communist China in Perspective . . .	1
Finland Straddles the Iron Curtain . . . . .	25
Offshore Petroleum in the Persian Gulf . . . . .	35
A Recent Series of Soviet Economic-Geographic Monographs . . .	45
Polish Land-Use Mapping . . . . .	50

# CENTRAL INTELLIGENCE AGENCY

## OFFICE OF RESEARCH AND REPORTS

DOCUMENT NO. 2  
 NO CHANGE IN CLASS.   
 DECLASSIFIED  
 CLASS. CHANGED TO: TS S C  
 NEXT REVIEW DATE: \_\_\_\_\_  
 AUTH: HR 70-2

**DECLASSIFIED**

~~SECRET~~

**WARNING**

This material contains information affecting the National Defense of the United States within the meaning of the espionage laws, Title 18, USC, Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

~~S-E-C-R-E-T~~



GEOGRAPHIC INTELLIGENCE REVIEW

Number 57

CIA/RR MR 59-1

March 1959

CENTRAL INTELLIGENCE AGENCY

Office of Research and Reports



~~S-E-C-R-E-T~~

CONTENTS\*

	<u>Page</u>
The Minority-Area Policy of Communist China in Perspective . . . . .	1
Finland Straddles the Iron Curtain . . . . .	25
Offshore Petroleum in the Persian Gulf . . . . .	35
A Recent Series of Soviet Economic-Geographic Monographs . .	45
Polish Land-Use Mapping . . . . .	50

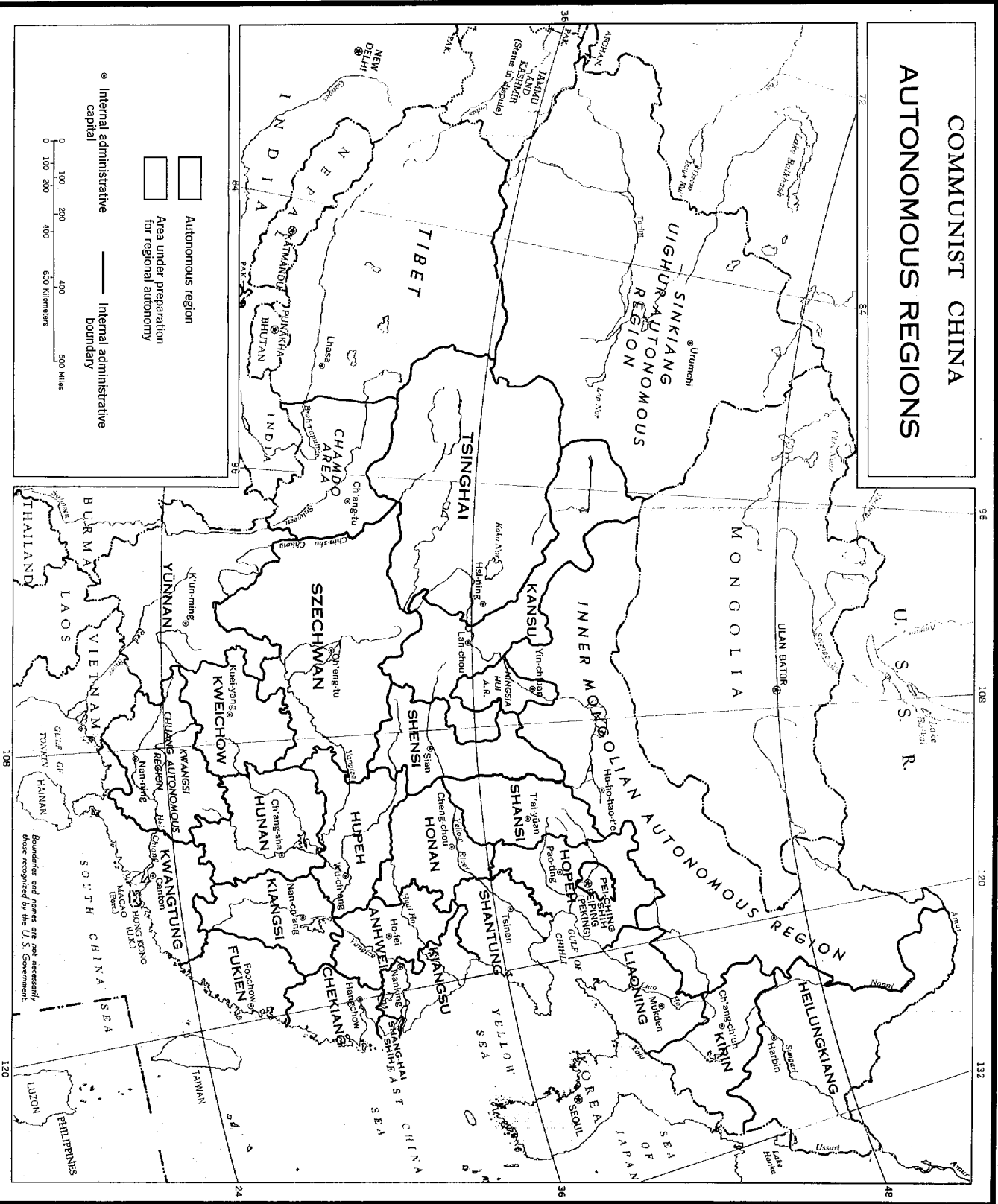
Maps

Communist China: Autonomous Regions . . . . .	Frontispiece
	<u>Following page</u>
Kwangsi Chuang Autonomous Region: Chuang Settlement (27550) . . . . .	10
Kansu and Ningsia Hui Autonomous Region: Hui Settlement (27551) . . . . .	12
Finland (27553) . . . . .	34
Persian Gulf Area: Petroleum Concessions (27389) . . . . .	44

---

\*The individual classification of each article in this Review is given at the end of the article. The cut-off date for research on all articles was 1 February 1959.

# COMMUNIST CHINA AUTONOMOUS REGIONS



FOR OFFICIAL USE ONLY

THE MINORITY-AREA POLICY OF COMMUNIST CHINA IN PERSPECTIVE

I. Introduction

An estimated 35 to 40 million persons of China possess characteristics sufficiently different from the Han Chinese\* to be classified as minorities. The largest concentrations of minority peoples occur in the frontier areas of northwestern and southwestern China. Politically, the three most important groups are the Mongols, Tibetans, and Muslims, of which some have traditionally maintained varying degrees of independence from the Central Government. Numerous aboriginal groups also inhabit southwestern China, where many of them have until recently lived in isolation and seclusion from the Chinese. The major conflicts between minority groups and the Chinese that have occurred in the past were caused chiefly by the encroachment of Chinese agriculturists on areas traditionally inhabited by minorities and by attempts to secure political control over minority areas by every Chinese Government in the past.

In Communist attempts to secure control of the minority-inhabited frontier areas, the most striking feature of the early effort was the unprecedented speed with which these areas were brought under the

---

\*"Han" means Chinese by culture and language.

domination of the People's Republic of China (PRC). Thereafter, the most striking development has been the effectiveness with which "local and regional autonomy for minorities," has been implemented as a comprehensive program of administrative control. Each autonomous unit is fitted closely within and subordinated to the Chinese Communist administrative system at an appropriate level. The degree of independence allowed an autonomous unit, however, is slight. It is under the jurisdiction of an ordinary people's government (by definition a Chinese body), from which it receives "leadership" and "guidance."

Autonomy is not granted merely at the desire of the local inhabitants. Its implementation has always been preceded by a preparatory period -- sometimes prolonged -- of intense political indoctrination by specially trained cadres (government or party functionaries).\* The selection, nurture, and correction of this group -- in particular those cadres of non-Han Chinese origins -- is of immense importance to the Chinese Communists. Propaganda materials dealing with or directed at this group which have appeared in the press provide a little insight into the workings of the program, and were the chief source for the analysis that follows.

---

\*In translations of Chinese Communist press materials, the word "cadre" is used in the singular and normally refers to one person only.

S-E-C-R-E-T

## II. Progress Toward the Unified State

Since 1954, when the last CIA map of "autonomous" administrative units in Communist China (Map 13517) was published, the administrative structure set up to implement the autonomy concept has moved from what might be called a romantic youthful stage, which was designed to appeal to local aspirations of non-Han peoples concentrated in various parts of China; through a more intense mature stage, in which the nationality cadres emerged as an actively participating force in local government; into a repressive third stage, which cannot yet be fully characterized.

During the first stage, lasting from 1952 into 1955, the rudimentary forms of tzu-chih ch'ü (autonomous areas) were in vogue; but nationality cadres (government or party functionaries) probably played a definitely subordinate part in their administration. Since several useful studies of developments in this stage are readily available, only a few selected aspects of the historical background are referred to in this article.

The second or mature phase extended from 1955 to early 1958. It was characterized by territorial expansion of many of the previously existing units and rise in status of most. Virtually all of the tzu-chih ch'ü, as they met the preconditions for formal autonomy (land reform, cadre readiness, mass acceptance), were elevated to the status of autonomous hsien (counties) or chou (districts).

S-E-C-R-E-T



The changes in numbers and administrative status of autonomous administrative units during the past 6 years are given in Table 1, which shows clearly the 1955 break. The degree of territorial expansion of "autonomous" administrative units during the second phase of policy development will emerge when Map 26970 (now in preparation) is compared with the 1954 map.

The third phase apparently began in early 1958 after the promulgation at the end of 1957 of a harder Party line, which was closely geared to the much-publicized Rectification Movement of 1957-58. As it was implemented in the minorities problem the new line stresses the obligations of minorities to the country and deemphasized the significance of national differences. During this third stage, the position of national minorities may decline further in political importance as the country becomes more deeply involved in communalization. Certainly, never before have the ultimate objectives of the Communist regime been stressed with such consistent candor as at present. This new and harsher phase is based on the considerable achievement in constructing an administrative machine and in building up reliable local cadres during the past 8 years of organizational effort, when softer treatment was the rule.

The percentages of the minority peoples living under local autonomy as of November 1958 are indicated by Table 2. At that time the regime claimed that over 90 percent of the people of 36 minority nationalities living in compact communities were living under adminis-

Table 1. Number of So-called Autonomous Administrative Units  
July 1952 to November 1958

Date	Province Level		Special District (Chuan-ch'ü) Level		County (Hsien) Level	
	Regions (Tzu-chih ch'ü)	Areas (Tzu-chih ch'ü)	Districts (Tzu-chih chou)	Areas (Tzu-chih ch'ü)	Counties (Tzu-chih hsien) and Banners (ch'i)	
1 Jul 52	1	6	--	5	--	
20 Jun 53	1	11	--	17	--	
Aug 54	1	25	--	33	--	
1 Jan 55	1 <sup>a</sup>	25	--	45	1 (Hunan)	
1 Jan 56	2	3 (Yünnan)	23	5 (Yünnan)	43	
1 Jan 57	2	1 (Yünnan)	29	2 (Yünnan)	48	
1 Nov 58	4	--	29	2 (Yünnan)	58	

a. The Kuei-hsi (West Kwangsi) Chuang Autonomous Area was accorded the status of "administrative office," which falls between Province and Special District in the People's Handbook for 1955.

S-E-C-R-E-T

- 5 -

S-E-C-R-E-T

S-E-C-R-E-T

Table 2. Political Status of Minority Groups Under the Autonomy Policy: 1 November 1958

Minority	Approximate Numbers <sup>a</sup>	Percent under Autonomous Governments <sup>b</sup>	Numbers of Autonomous Administrative Units <sup>c</sup>				
			Regions	Districts		Counties <sup>d</sup>	
				Unshared	Shared	Unshared	Shared
Uighur	3,640,000	Nearly 100	1	--	--	--	--
Chuang	7,000,000	Probably over 95	1	--	1	2	1
Mongolian	1,463,000	80-85	1	2	1 <sup>e</sup>	6	--
Hui	3,559,000	Perhaps 35	1	2	--	9	1 <sup>e</sup>
Tibetan	2,775,000	Perhaps 40	--	9	1 <sup>e</sup>	2	--
Miao	2,511,000	Probably over 75	--	--	5	4	1 <sup>e</sup>
Yao	665,000	--	--	--	--	7	1
I (Yi)	3,250,000	Perhaps 50	--	2	1	5	2 <sup>e</sup>
Kazakh	509,000	Over 85	--	1	1 <sup>e</sup>	3	--
T'ung	712,000	Probably over 75	--	--	1	3	--
Thai	478,000	70	--	1	1	--	2 <sup>e</sup>
Korean	1,120,000	Probably over 50	--	1	--	1	--
Pai	567,000	Close to 100	--	1	--	--	--
Li-su	317,000	Over 30	--	1	--	--	--
Kirghiz	70,900	Perhaps 66	--	1	--	--	--
Pu-i	1,247,000	65	--	--	1	--	--
Li	360,000	Close to 100	--	--	1	--	--
Ha-ni	481,000	Perhaps 55	--	--	1	--	1
T'u-chia	300,000	Close to 100	--	--	1	--	--
Ching-p'o	101,000	Close to 100	--	--	1	--	--
Ka-wa	286,000	--	--	--	--	1	2 <sup>e</sup>
La-hu	139,000	Probably over 75	--	--	--	1	1 <sup>e</sup>
Nu	12,700	--	--	--	--	--	1
Tu-lung	2,400	--	--	--	--	--	1
Manchu	2,418,000	None	--	--	--	--	--
Tajik, Sibo, Yu-ku, Tung-hsiang, Ch'iang, Shui, T'u, Salar, Oronchon, Daghor, Evenki, Na-hsi	641,000	35 to 100 averaging 60 to 70	--	--	--	1	--
Russians, Uzbeks, Tatar, Mo-lao, Mao-nan, Yu, Ch'i-lao, Pao-an, A-ch'ang, Pu-lang, Ho-che, Peng-lung	396,350	None	--	--	--	--	--
Total	35,021,350		4	Districts: 29		Counties: 62 <sup>f</sup>	

a. "The Populations and Distribution of Minority Nationalities in China," *Ti-li chih-shih*, No. 6, 14 Jun 1958, pp. 285-289. Translated in FDD Summary No. 1907 (221), 16 Sep 1958, pp. 59-65. OFF USE

b. Based on fragmentary figures of various dates that have appeared in the press and to some extent on distributions given in source a. Generally the error is on the low side.

c. Nationality townships (min-tau hsiang) are not included since little is known about them. In Fukien Province, for example, 45 have been established for the Yu, who number 210,000 but have no nationality administrative units at higher levels.

d. Includes autonomous banners (ch'i) and 2 autonomous areas (ch'u).

e. One of the units included is shared with 2 other minority groups. For details see Map 26970.

f. Two multinational autonomous hsien in Kwangai Chuang Autonomous Region are not listed because the participating minorities are not definitely known. The total number of autonomous units of county level is therefore 64.

S-E-C-R-E-T

trative autonomy. Slightly over 1 percent of the minority population had become reliable cadres and party members by early 1958, as compared with 2 percent for all Communist China. Party membership is further increased by the large numbers of Han cadres posted to minority areas. Thus the political grip of the Chinese Communist Party (CCP) on the minority areas is becoming increasingly firm.

Tibet remains an exceptional area. There, preparations for the switch from genuine autonomy in the sense of self-determination to "autonomy" in the sense of self-administration have been greatly slowed by the postponement of the reform of the social system until 1963.

After a full generation of institution building, during which the approach to minorities was worked out, the 38-year-old CCP now stands on the eve of its tenth anniversary in power. It is difficult to dismiss its long-standing regional autonomy policy for minorities as a simple facade for totalitarian rule. The concept of administrative autonomy is now becoming institutionalized as a mode of administrative control. It provides, within the framework of regional autonomy, an orderly and equitable basis for effective administration.\*

---

\*It would go beyond the scope of this article to examine the special features of revenue, disbursement, and budgeting procedures under local autonomy, or their political significance. A new set of provisional rules for local finance in national autonomous areas (State Council, 13 June 1958) decrees a slightly greater degree of financial decentralization and self-sufficiency than that decreed for other local areas (State Council, 15 November 1957).

III. Policy and Practice at the Province Level

A. Theory

Some of the intra-Party discussion of autonomous-area policy that was publicized during the early months of 1958 revolved around matters of definition and delimitation which merit brief review. A nationality has recently been defined as "a body of people living in a common area, historically formed, with a common language, a common economic life, and a common psychology."\* Few groups, however, possess all of these attributes.

In the case of the Chinese Moslems (Hui), several of the criteria had to be stretched. For the most part, the Hui are well Sinicized but more illiterate than their Han counterparts. Religion, therefore, forms the logical basis for the definition of this group, which requires separate treatment for such practical reasons as their uncooperative personal and social behavior and their turbulent history as a minority. Although the Hui were officially estimated at 5 to 6 million in 1952, the 1953 census gave their number as only 3.6 million.

An example of redefinition of a minority group involves the merging of three groups -- known hitherto as Solun, Tungus, and Yakut -- under a new label, Evenki (O-wen-k'o). The Soluns of the vicinity of Hailar in northwestern Manchuria are a Tungusic tribe speaking a Manchu-related dialect and resembling Mongols. Historically

---

\*State, Hong Kong. Survey of China Mainland Press, No. 1764, 5 May 58, p. 22. OFF USE.

they were a stalwart limb of the Manchu Federation; and, hitherto, their name was assigned to a banner (ch'i) within the Inner Mongolian Autonomous Region (IMAR). In 1958 the 4,900 Soluns were combined with 1,205 Tungus and 137 Yakuts to form a new "nationality" banner -- the O-wen-k'o Autonomous Ch'i. Meanwhile the Soluns in the Ili Valley of Sinkiang have dropped out of sight. They may have become identified with their more numerous racial cousins the Sibos (Hsi-po) in their Chapchal Autonomous Hsien, whose number increased from 9,000 two decades ago to almost 20,000 in 1958.

One of the showcase features of autonomy is the encouragement given to the use of local languages in areas where the study and use of Chinese would present a hardship for cadres and populace and hamper achievement of political goals. By the end of 1958, 1 central and 10 local nationality publishing houses had been established and were publishing books and other materials in Mongolian, Tibetan, Uighur, Miao, I, Chuang, Pu-yi, Korean, Kazakh, Thai, Kawa, Ha-ni, Li, Khalkha (Kirghiz), Li-su, La-hu, Ching-po, and Salar. The CCP organ Red Flag is now published in 4 minority languages -- Mongolian, Tibetan, Uighur, and Korean -- as well as in Chinese.

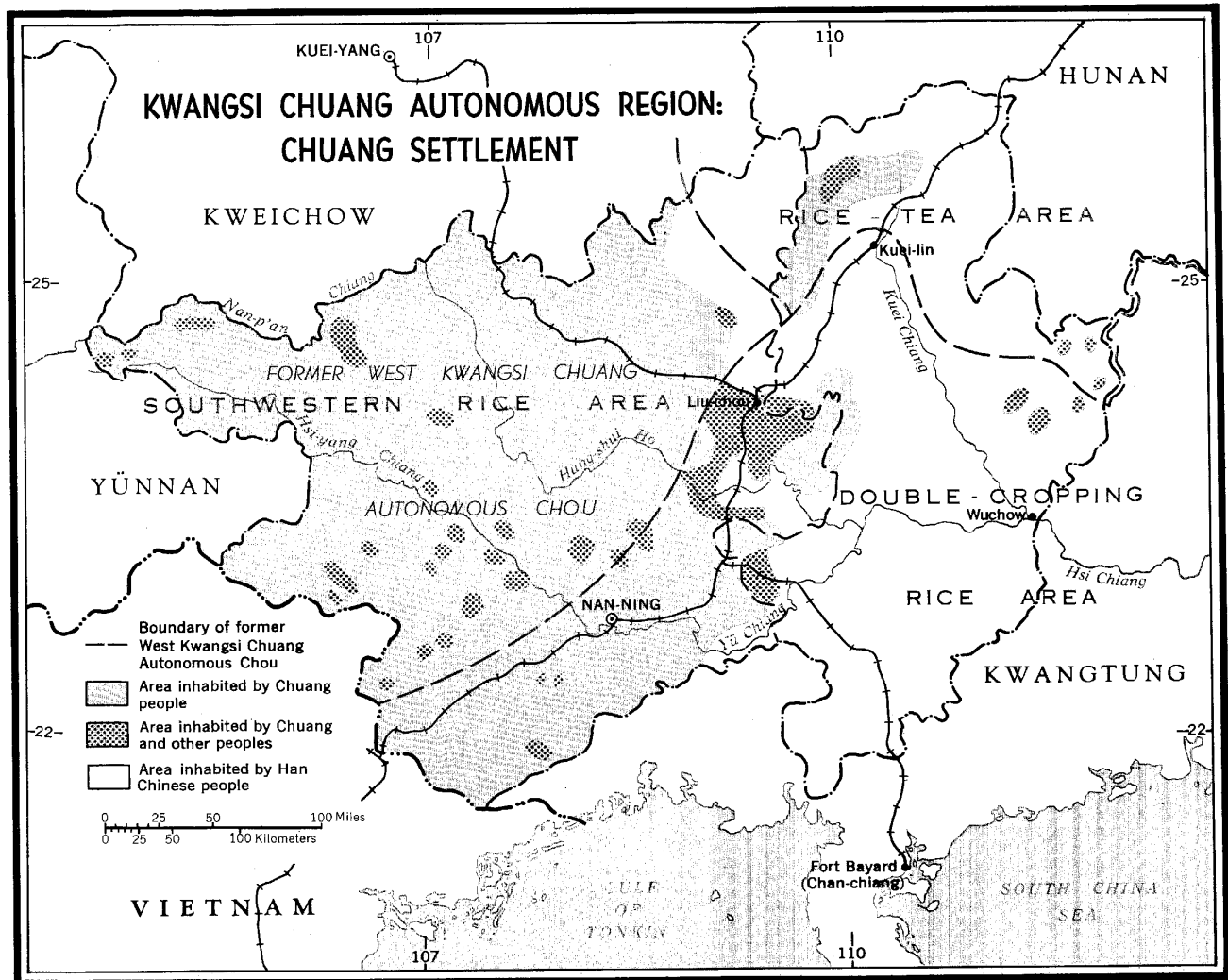
The geographical requisite for the granting of local or regional autonomy to a people is its effective settlement and occupation of enough territory to form a conspicuous concentration of settlement. This elusive concept does not require numerical preponderance, since other peoples may be more numerous but more scattered. In practice,

a nationality group honored with autonomy is likely to be either (1) a majority in its own area, even though the group is much more numerous but less concentrated outside or (2) mostly included within its own autonomous area but as a minority within the total population. The generalizations discussed are illustrated by the current situations in the four province-level autonomous regions of Communist China.

B. The Kwangsi Chuang Autonomous Region

In the former Kwangsi Province, for example (Map 27550), the West Kwangsi Autonomous Area (KCAR) was first organized for the Chuang people in December 1952, with 34 hsien and 1 municipality. It was enlarged in the following year to 42 hsien and in 1955 became a chou. In March 1958 the unit was further enlarged and elevated to provincial status as the Kwangsi Chuang Autonomous Region (KCAR), taking in all 70 hsien of the former Kwangsi Province, and superseding that province. From being a 66 percent majority within the 42-county autonomous chou, the Chuang people become a minority of 37 percent within the autonomous region; only 5 percent of their total number, however, now remain outside the enlarged borders.

Before the establishment of the KCAR, an ostentatious debate over unity versus partition of Kwangsi as a geographic entity was publicized and quickly resolved in favor of making the entire province the unit of regional autonomy for the Chuang. Financial administration within the province was already difficult because the poorer and more sparsely-settled Chuang areas of western Kwangsi needed more supplementary





funds for administration, education, and capital investment than did the better-favored eastern areas occupied by Chinese. Unity perpetuated the maximum degree of economic self-sufficiency for the KCAR as a whole and probably served the best interests of the Chuang people themselves.

C. The Ningsia Hui Autonomous Region

The Ningsia Hui Autonomous Region (NHAR) illustrates a second type of situation and is of especial interest because it was so recently established -- on 24 October 1958. Its formation, which involved greater social and political difficulties, lagged behind that of the KCAR by 7 months. Surprisingly, the NHAR was granted province-level status despite its small size, which would seem more appropriate to an autonomous chou (Map 27551). The new region has a population of 1,822,000 and an area of 77,800 square kilometers, 11 percent of which is cultivated. It has only 3/4 the area of Chekiang, previously China's smallest province, only 1/13 its population, and is only 1/2 as extensively cultivated. Of Communist China's autonomous chou, however, 8 are comparable in population, and at least 8 are of comparable size.

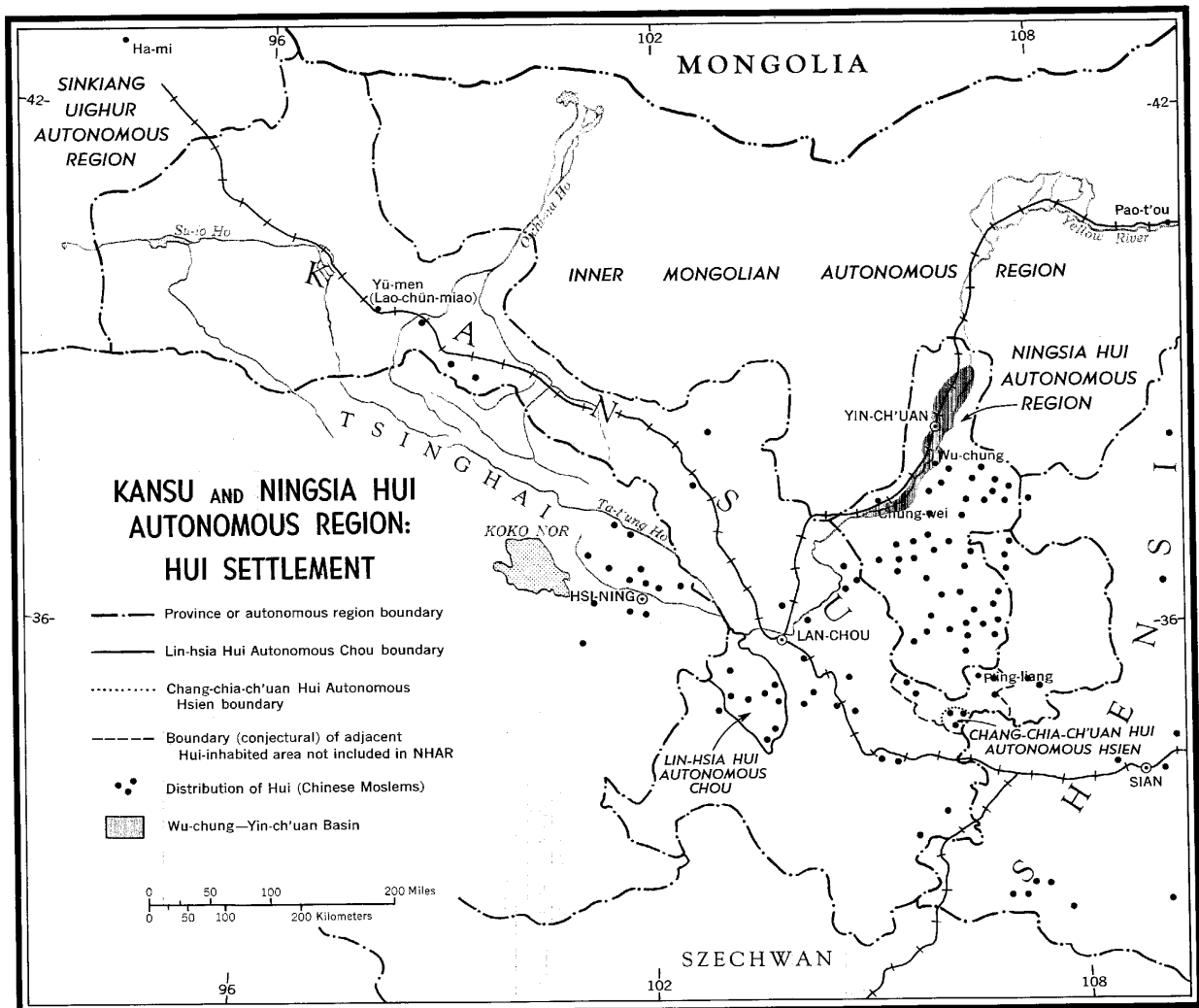
The Hui, or Chinese Moslem, minority is in a class by itself for truculence and dispersion of settlement but has had close ties with the CCP for 20 years or more. During this period, local autonomous administrations were established for the Hui in Kansu, old Ningsia, and Shantung. Within the NHAR, anti-Chinese sentiment persists at the community level, and mutual contempt and distrust are deeply rooted.

Two village-scale "uprisings" or riots occurred within the last year -- one on 1 June 1958, involving two localities in the southeastern portions of the new Region, and the other on 4 April in the nearby Chang-chia-ch'uan Hui Autonomous Hsien.

The delimitation of the NHAR was difficult. To make the new region a rational geographic unit, it was given as its core area the irrigated agricultural lands of the Yin-ch'uan--Wu-chung Basin and the Hui-inhabited highland areas to the southeast, extending to within 20 kilometers of P'ing-liang Shih, the seat of the special district for easternmost Kansu. Only half of the 1,200,000\* Hui in Kansu were taken into the jurisdiction of the NHAR; those left out include an estimated 80,000 in the adjacent P'ing-liang area, 100,000 in the nearby Chang-chia-ch'uan Hui Autonomous Hsien and 320,000 in the more distant Lin-hsia Hui Autonomous Chou on the south side of the Kansu Corridor. According to the official explanation, P'ing-liang Shih and its environs could not be included in the NHAR without depriving the P'ing-liang Special District of its "cultural and economic center," nor the Chang-chia-ch'uan Hui Autonomous Hsien without bisecting Kansu. Another factor, candidly stated and possibly decisive, was that "more time is needed for the complete elimination of the national differences" in the P'ing-liang area -- admission that anti-Chinese feeling there apparently remains explosively strong.

---

\*FBIS, Daily Report (Far East), 23 Jun 58, pp. CCC6. OFF USE.



D. The Sinkiang Uighur Autonomous Region

A third type of situation in which definition and delineation becomes complex is illustrated by the Sinkiang Uighur Autonomous Region (SUAR). Within the province as a whole the Uighurs have a 75 percent population majority. They have an almost total predominance in the southwestern half of the province, and are also found in many parts of northern Sinkiang. In the SUAR the political interests of non-Uighurs are formally recognized in 11 autonomous chou and hsien, at least 7 of which show the familiar population-proportion anomalies. Only the inconspicuous Tajiks in their remote Tashkurghan Tajik Autonomous Hsien in the far southwest and the formidable Kazakhs in their vast Ili Kazakh Autonomous Chou on the northwestern frontier have numerical preponderance and numerical majority of their respective nationalities within their autonomous units.

The Kazakhs have been further recognized by the creation of two other autonomous hsien in the eastern part of the SUAR. No other nationality group in Sinkiang has been handled more circumspectly than the Kazakhs since the completion of its sanguinary conquest by the Peoples Liberation Army in 1952. The regime's present leniency toward the Kazakhs has the earmarks of sound expediency, since the subjugation of no other people except the Tibetans has cost the Chinese Communists greater effort and since the largely nomadic Kazakhs still remain sensitive to developments in the Russian sphere of Kazakhstan, where the majority of their people live. The remaining

bonds of mutual sympathy with the Kazakhs of the USSR are probably both a theoretical help and a practical hazard to Chinese Communist administration along the strategic Kazakh segment of the China-USSR border, since it complicates the problem of controlling the traditional hostility of the Kazakhs toward the Chinese. Recent indications suggest that greater conformity and sterner treatment will be the future lot of the Sinkiang Kazakhs. Several of their leading cadres have recently been purged, and the Kazakhs have been publicly reminded that their anti-Chinese excesses during the revolutionary regime of 1944-48 still sully their record.

E. The Inner Mongolian Autonomous Region

Differing from the other three autonomous units at province level is the Inner Mongolian Autonomous Region (IMAR). As it is currently delimited, the Mongols are outnumbered by the Chinese by more than 7 to 1. The region itself is not a single potential economic unit (as it should be in the Communist scheme) but includes three economic areas.\* Historic, cultural, physiographic, and strategic factors, however, give the IMAR some degree of physical and social unity. The region was founded in 1947 -- 2 years before the PRC itself. It is the catch-all for all the nonagricultural desert and semidesert areas of the northwest border from Sinkiang to the Amur, and includes those parts of traditional Manchuria that are sparsely

---

\*State, Hong Kong. Extracts from China Mainland Magazines, No. 141, 8 Sep 58, p. 33. U.

populated by Tungusic groups. In the past, nomadic herding and hunting at a subsistence level were the normal way of life throughout most of this vast region, which insulated China from Outer Mongolia. The agricultural areas along the southern margins have always been highly vulnerable to the vagaries of climate and to political strife. With the introduction of industrialization into the agricultural areas, the borders of the IMAR are becoming less relevant and further revisions would not be surprising.

#### IV. The Pattern and Objectives of Recent Developments

The new hard policy toward minorities that came into effect after November 1957 represents a definite change of direction, and not merely another passing phase. It is not a question of failure of the more indulgent policy of the past; probably, having served its purposes, it had simply become outmoded. For 8 years, through a variety of appeals, the sympathies of minority populations were courted, and the Han cadres were under almost continual criticism for unsympathetic ("chauvinistic") attitudes. In the present phase, by contrast, the minorities cadres have come under severe attack for excessive loyalty to the minority group and its interests ("local nationalism") and for related conservative and negative sentiments which for purposes of censure have been called "anti-Han" and "anti-Party".

##### A. Thwarted Nationalistic Ambitions

The attacks on the nationality cadres mesh closely with the present overall objective of total participation by minorities in

the construction of a Communist state, regardless of obstacles. Any effort to mitigate the forcible break-up of old societies in South China or to temper the impact of Chinese immigration on the industrially backward minority-occupied territories of the north must now meet the test of whether or not such effort would hinder China's metamorphosis into a socialized, industrial nation.

Some high-ranking nationalities cadres lingered too long over the problems of adapting administrative autonomy to the existing patterns of dispersion and intermingling of peoples, and consequently were censured as deviationists. Several types of deviation of which these nationality cadres were allegedly guilty were defined. One was attempting to expand autonomous areas and increase their administrative powers. Another was support of the once-encouraged principle of more-or-less proportional representation in local government and on local committees ("nationalization of cadres"). This principle was set aside since, under the guidance of a new generation of local leadership by Party members of local origin,\* it might become the first step toward resurgent self-determination of nationalities.

---

\*The language of the warnings to nationalities cadres suggests strongly that the emphasis was more on thoughts and suppressed aspirations than on deeds. The primary target was those people who permitted themselves to display "a pessimistic attitude . . . toward the Han Chinese cadres and the resettlement of Han Chinese . . . , a love for the old, backward things and a fear for the new, advanced things . . . [and a desire] to set up Party organizations according to the nationality status . . . and discriminate against the Party members from outside, particularly those in charge of leadership." (State, Hong Kong. Extracts from China Mainland Magazines, No. 130, 2 Jun 58, p. 20. U.)

Among the Miao, Yi, and T'ung of the south, and among the Mongols of the north, for example, there were apparently some who proposed regroupings and boundary realignments into larger units of higher status. One of these was the vice-governor of Kweichow, who was accused in late 1957 of having "plotted to place the provinces of Hunan, Szechwan, Kweichow, and Kwangsi under his thumb" within a new autonomous region. Possibly he may merely have wanted to improve upon the fragmented pattern of small autonomous units which characterized all of South China prior to the establishment of Kwangsi as the KCAR.

In the IMAR, on the other hand, certain leaders were criticized for having proposed a division into Mongolian and Han areas, and the resettlement within the strictly Mongolian area of Mongolians from the present mixed areas. Among the grievances of the so-called local nationalists in the IMAR is the growing preponderance of the Chinese which increased from 3:1 in 1953 to 7:1 by 1957 through immigration and boundary extensions, and is expected to reach 10:1 in the foreseeable future. The answer to the local nationalists in the IMAR left them with little hope for the future. China's highest-ranking minority cadre, Ulanfu, a Mongol by heritage, told them: "We Communists hold that nationalities . . . run their own course of genesis, development, decline and death." Within the next 4 years, all Mongolians in the IMAR are scheduled for permanent settlement. At present only 8,000 households are still nomadic, and 25,000 seminomadic -- probably 200,000 individuals out of a total Mongol population in the IMAR of over 1,100,000. The threat to the traditional Mongol way of life, however,



is partly tempered by a recently announced decision to stress intensive agriculture, at the expense of extensive, within the IMAR and thus release marginal agricultural land for pasture and fodder crops. This decision may help preserve the pastoral areas by rolling back the agricultural frontier.

In the Greater Khingan Mountains area, the Tahir (Daghor) minority of 40,000 is divided almost equally between the IMAR and Heilungkiang. In Lung-chiang Hsien of Heilungkiang, an autonomous subdistrict was established for the Tahir in 1952. In 1958, their leaders in the IMAR were found guilty of "local nationalism" when they requested establishment of an autonomous chou, whereas the IMAR Party Committee had already resolved to limit the Tahir to an autonomous ch'i, at the hsien (county) level. Within the boundaries of the new autonomous ch'i only 14,000 Tahir are included -- only 22 percent of the total ch'i population of 64,000.

The complaint of the Manchus is lack of recognition as a nationality group by the regime. Although thoroughly Sinicized, the Manchus are historically distinct and in many places continue to live in separate communities and think of themselves as Manchus. Alone among the larger minority groups, they are conspicuously lacking in autonomous units above the township (hsiang) level, despite their 2.4 million population. Manchus number some 640,000 in Heilungkiang alone. A member of the Heilungkiang People's Political Consultative Conference, allegedly dreamed of having two autonomous hsien for the Manchus and

complained that "the brilliant light of the party's nationalities policy has not shone on the Manchu people." Of 49 nationality hsiang established in Heilungkiang prior to February 1957, only 2 were Manchu.\*

B. Rejection of the Pattern Established by the USSR

The common denominator for most of these examples of thwarted nationalistic aspirations appears to be the desire on the part of nationalities cadres for further development and expansion of the autonomy concept and, in direct opposition, the intent of the CCP to hold the line against over-expansion of autonomy. To hold this line, the strongest argument of local nationalists -- the constitutional precedent set by the USSR -- had to be refuted. In order to emphasize that the right of national self determination, which is accepted in form in the USSR and expressed in a federal state organization, is completely unpalatable to the PRC, party spokesmen and apologists laid great stress on the unitary state organization of China as the basic principle of the constitution of the Peoples Republic of China. Thus, in 1957 and 1958, to advocate self-determination for nationalities and to hark back to the older Soviet model of "federal republics" became deviationist, antiproletarian, and anti-socialistic.\*\*

---

\*The remainder were: Korean, 29; Tahir (Daghor), 6; Mongolian, 5; Olunchun, 2; O-wen-k'o (Evenki), 1; Ho-chieh, 1; mixed, 3. See State, Hong Kong, SCMP 1492, 14 Mar 57, p. 25, U.

\*\*A Russian commentator has recently agreed that the Chinese approach is theoretically ideal, and that the Russian approach is exceptional, confirmed as correct through practice and concrete analysis rather than Marxist-Leninist logic. V. S. Petrov, The Type and Form of the State in the People's Republic of China, Joint Publications Research Service, JPRS/DC-212, 8 July 58, p. 14, U.

The potentially embarrassing differences in viewpoint and polity are not surprising when the lesser importance of minority people in Chinese national life is recognized. Of the total Chinese population, 94 percent is Han Chinese. The remaining 6 percent (35 to 40 million people) belongs to about 49 groups defined as minorities and is spread over 55 to 60 percent of China -- in Tibet, the Ch'ang-tu Area, Sinkiang, Tsinghai, Inner Mongolia, and large parts of other provinces, including Szechwan, Yunnan, Kweichow, Kwangsi, and Kansu. Some of these areas contain resources essential to the economic development of the PRC, and in some areas the intensive development of these resources has begun. Nevertheless the areas occupied by minorities are generally marginal to the economic heartland of China, which is centered in Southern Manchuria and in the lowlands of Central and Northern China. Only the Chinese Moslems, or Hui, have become widely dispersed within this area. Since the minorities have a low potential for genuinely autonomous political existence, it is both understandable and strategically desirable for the Chinese Communists to define their nation as a unified state, of which the territories of minority peoples are inalienable parts.

The population of the USSR, in contrast, is more heterogeneous. The leading group, the Great Russians, constituted only 53 percent of the population in 1926. The three dominant peoples -- Great Russians, Ukrainians, and Belorussians -- together constituted only 77 percent of the population, and a total of 87 percent of the population belonged

to no less than 11 nationality groups which were historically associated with European Russia.\* The structure of the Soviet Union reflects this situation. It is theoretically a voluntary union of republics -- each of which nominally retains the right of secession. The formal legislative function is bicamerally divided between the Soviet of the Union and the Soviet of Nationalities.

Even the original revolutionary leadership reflects the differences between the USSR and the PRC. The top leadership of the CCP is almost entirely Han Chinese whereas, among the old Bolsheviks, such homogeneity was lacking from the start, with Lenin a Mordvian, Trotsky and others Jewish, and Stalin a Georgian.

It was quite natural for the CCP, once in power, to turn its back on the classic Soviet formulas for the government of minority nationalities. From self-determination of nationalities, the watchword of the PRC after the takeover became solidarity among nationalities. The candid elaboration of this issue is a strong indication that the PRC has permanently reversed its nationalities policy. The case of the dissenting comrades was far from weak. They could cite not only the Soviet example in proof of their own orthodoxy but also the historic CCP commitments to some form of self-determination for minorities, which dated from 1922 to at least 1945, the date of

---

\*Recent estimates provide comparable figures of 75 percent and 83 percent.

Mao Tse-tung's report "On Coalition Government". Finally, some veteran nationalities cadres could voice an emotional plea -- that of their own loyalty to the CCP long before victory was assured.\*

V. Prospects

From the viewpoint of Western strategists, the minorities of Communist China represent a real, albeit diminishing, weakness in the organizational framework of the country and a potential source of embarrassing doctrinal difference between China and the USSR. With a few exceptions however, notably Tibet, the geographic distribution of the minorities and formidable linguistic barriers will make Western exploitation of this vulnerability extremely difficult.

The social sifting that the Chinese people have been enduring since the war-induced migrations began more than 2 decades ago is reaching a climax in the current phase of communal collectivization. The minorities have become increasingly involved in the larger program as the regime's nationalities policy has brought them, step by step, in the direction of political and social communization. As long as the central government of the PRC remains strong, it is unlikely that the weak and outnumbered minorities of China (excepting the Tibetans) can long resist final, crippling overhaul of their original institutions

---

\*Some Tibetans, Hui, Mongols, and Koreans have served the CCP for 20 years or more, and Hui autonomous areas at the township level were being organized as early as 1942. See State, Hong Kong, Survey of China Mainland Press, No. 393, 9 Aug 52, p. 39; Current Background, No. 195, 25 Jul 52, p. 7, U.

and attitudes. They are apparently destined to become whatever the Chinese people become in the next few years, unless some new resistance element enters the picture.

There is a possibility, however, that nationalities cadres as such may be developing an incipient sense of mutual interest among themselves that transcends their concern for the specific minority groups they represent. This is suggested by the many recent warnings to the larger minorities against the display of anti-Han attitudes and by the new trend in the education of nationalities cadres. In early 1958, the deans of the several nationalities colleges, at the direction of the Nationalities Affairs Commission, decided to abandon the stress on national consciousness ("patriotism" and "nationalities solidarity") which had characterized their work of the previous 8 years. They decided, instead, to stress proletarianization ("class education") and the inevitability of ultimate denationalization ("Marxist-Leninist view of nationalities"). This new stand reflects the familiar Communist ideal of proletarian assimilation into an ultimately classless, homogenized, internationalist society in which all nationality loyalties are finally submerged. It also suggests that the institution of local and regional autonomy for minority nationalities, as now established in Communist China, is not designed to be a permanent structure. Changes and revisions will undoubtedly continue. The present situation may represent virtually the maximum territorial extent of autonomous administrative units.

Under the assimilative pressures now being imposed upon them, probably only a few of some of the larger, more virile, or more adaptable minority groups -- such as the Kazakhs, Tibetans, or Hui -- will be able to retain some intrinsic integrity. Contacts between nationalities cadres, however, will multiply in schools, committees, and conferences. It is these men who are the core of potential resistance to total conformity and assimilation. The more capable they are, the more hope there is that mutual sympathy may develop and perhaps survive, and that a new sense of identity among cadres from previously dissimilar peoples may make them a perceptible political force within the framework of the PRC itself. (OFFICIAL USE ONLY)

FINLAND STRADDLES THE IRON CURTAIN

The strategic importance of Finland lies in its unique position geographically, politically, and economically. It is a land bridge between the Soviet Union and the Scandinavian Peninsula (see Map 27553). So far, Finland has survived as a free nation despite its adverse strategic location on the periphery of the USSR and is the only European state bordering the Soviet Union that is outside the Iron Curtain (if the northern tip of Norway is excluded). The northern third of Finland lies beyond the Arctic Circle but Helsinki, on the southern coast at approximately 60° north latitude, is closer to Moscow than any other non-Communist capital. Finland's position means its probable involvement in any conflict in which its neighbors might engage, since the country's lifeline can be cut by the closing of the Baltic Sea or the blockading of Finnish ports. It is evident that Soviet control of Finland would give the USSR an additional foothold on the shores of the Baltic and the Gulf of Finland. Recent Soviet propaganda aimed at the creation of a Baltic "sea of peace" has been viewed with alarm by all the Scandinavian countries as an attempt by the USSR to make the Baltic a "Russian lake." The recurring tragedy of Finland is that as a frontier state, with a 790-mile common border with the USSR, it has been subjected to the



alternate control of Eastern and Western Europe and has been used by the Russians as a buffer against the West.

The land frontier of Finland has been described as "geographically demilitarized," its very nature being a deterrent to any large-scale conventional military campaign. The extensive forests, combined with the countless lakes and swamps, have played a significant defensive role, especially in summer. They have provided this low-lying country with an eastern barrier more effective in some ways than a mountain range.

Since the end of World War II, one of the cornerstones of Finnish policy has been to avoid provoking the Soviets. Such a policy has been part of the price of a precarious national survival, but it has succeeded largely because it suited Soviet purposes to leave Finland free politically but closely linked to the Soviet bloc economically. As an economic unit, Finland had been oriented to western markets until the Moscow settlement of 1944 saddled the country with heavy reparations, the problem of resettling the entire population of the ceded territories (see Map 27553), and the reconstruction of devastated Lapland. Finland not only lost about 12 percent of its prewar territory to the Soviet Union but also some of its most valuable economic assets, which were included in this territory. In the southeast, Finland lost the greater part of Finnish Karelia, including large tracts of the best forest, fertile agricultural land, and nearly one-third of the country's harnessed

waterpower. This area also included more than one-tenth of the industrial facilities of the country and the vital port of Viipuri (Vyborg). In the north, it lost valuable nickel mines -- the largest in Europe -- and the ice-free Arctic port of Petsamo (Pechanga). Despite this severe blow to its economy, Finland met all of its wartime obligations by the end of 1952.\*

At the end of the Winter War of 1939-40 the USSR leased the winter port of Hanko (Swedish, Hangö) for a 30-year period, thus realizing in part the long-standing Soviet desire for ice-free ports and naval bases. Later, as a result of the Finnish defeat in World War II, Finland was forced to grant the Soviet Union a 50-year lease on the Porkkala Peninsula, to be used as a naval base; but at the same time the Soviet Union renounced its lease of the peninsula of Hanko. The fact that Porkkala was also returned to the Finns in 1956 even though it guarded the sea approaches to the important industrial complex of Leningrad, was probably motivated by the Soviet premise that in the present nuclear and missile age Porkkala may have lost some of its military and strategic value. As a part of the postwar settlement with the Soviet Union the Finns were forced to construct the Salla railroad from Kemijärvi to the frontier railhead

---

\*It is estimated that between 1944 and 1952 shipments of timber and woodworking products, locomotives, ships, electric-cable products, machinery, and other equipment from Finland to the USSR for war reparations amounted to \$226,500,000 computed in U.S. dollars at pre-World War II value.

at Kellosekä. This single-track line, which has the same broad-gauge (5'0") as Soviet lines, connects with the Murmansk railroad south of Kandalaksha, in the USSR. The Salla railroad provides the Soviet Union with a continuous route from its own rail net to Tornio on the Swedish border, a strategic outlet to the Gulf of Bothnia (see Map 27553).

Forest industries, agriculture, and -- since World War II -- heavy metallurgical industry are all important elements of the Finnish economy. For a long time, however, Finland has depended largely upon its forests. Although wartime negotiations and the Peace Treaty of 1947 deprived Finland of much of its best wooded area, forest acreage in Finland still is surpassed in Europe only by acreages in the USSR and in Sweden. Some 71 percent of Finland is covered by forests (see Map 27553), the highest percentage of any European country. Pine predominates, providing nearly a half of the total timber stand; spruce furnishes about a third, and birch one-fifth. Lumbering and logging give winter employment to a large number of small farmers and agricultural workers; and the sale of pulpwood, pit props, poles, and timber brings in a sizeable income. Thus, the forest not only is the chief natural resource of the country but also is its "green gold," the main source of wealth. Most important of all, the output of the wood-processing industries -- pulp, cellulose, plywood, wallboard, cardboard, prefabricated houses, and newsprint -- constitutes one-third of the total industrial production and provides employment for approximately one-quarter of the workers.

Two-thirds of the Finnish population lives in rural areas, but only one-third obtains its livelihood from farming. The cultivated area covers less than 10 percent of the land; and, since the climate is best suited to the growing of fodder crops, animal husbandry predominates. Hay and oats are by far the main crops, followed by rye, wheat, barley, and potatoes. Three-fourths of the value of the agricultural output is derived from dairy products and pork. As in other Scandinavian countries, most Finnish farms include adjacent woods large enough to provide fuel and also timber for building needs (see Map 27553).

Having no coal or oil of its own, Finland, like Norway and Sweden, has turned to waterpower. Even though the Soviet Union acquired one-third of Finland's hydroelectric plants through annexation, the Finns now produce a great deal more hydroelectric power than before World War II -- and only one-third of the potential waterpower has been harnessed. Many factories and some of the steam locomotives, however, still burn wood as fuel; and a large part of the total cuttings from the forests is consumed in heating homes and buildings. Finland imports about 2-1/2 million tons of coal annually, the major part of which (about 1,500,000 tons) comes from Poland. In the past, oil imports were supplied by the West, but in recent years the bloc countries have provided an increasing share of the expanding requirements; the Soviet Union alone supplied more than 1 million tons of petroleum products in 1958. Since the loss of the nickel mines,

copper is the only mineral resource of major importance in Finland and the Outokumpu copper mine is the most important mining operation in the country. In Europe (excluding Soviet bloc countries) the copper production of Finland is surpassed only by that of Yugoslavia.

Although industries are scattered throughout central and northern Finland, their density is greater south of a line drawn from the town of Kokkola on the Gulf of Bothnia to Jyväskylä and continuing in a southeasterly direction to Imatra close to the Soviet border. By far the most industrialized part of this southern area lies south of a line drawn from Pori through Tampere to the Kymi Valley region; and within this area the Helsinki-Turku-Tampere triangle forms the most highly industrialized complex in Finland. In general, the industries are located adjacent to existing railroads -- mainly on the coast and the shores of rivers and lakes.

Since the basic economy of Finland is centered on the two chief natural resources -- forests and hydroelectric power -- the country, before World War II, had been geared to the export of forest products, both raw and finished. One of the worst aspects of the war indemnity for the Finns, however, was that they were required to pay so much of it not in forest products but in ships and machinery, which had never before been included in their major industrial output for export. In order to meet Soviet demands, Finland had to expand manufacturing not connected with wood, and to build up an entirely new machine and shipbuilding industry (see Map 27553), which it did not need and

which eventually upset its economy. The expansion of the newly established heavy manufacturing industries has been most significant -- particularly the expansion of the metal industry, which has become the largest in Finland and which in 1952, when the indemnities had been paid off, employed about one-third of all industrial workers. This growing industry turns out ships, locomotives, railway cars, motors, complete woodworking plants, powerplants, electronic gear, and hundreds of different kinds of machines. Altogether the metal industry accounts for a little more than a quarter of the total industrial production.

Among Finland's important trading partners, the USSR normally ranks below the countries of Western Europe. In 1953, however, the Soviet Union for the first time in history temporarily replaced Great Britain as Finland's best customer. Between 1950 and 1957 the proportion of the total trade that was conducted with the Soviet bloc rose from 19 to 29 percent. Finland is therefore extremely vulnerable to Soviet economic pressure. During the last few months of 1958, such pressure mounted considerably as evidenced by the cancellation of large orders of wood and metal products from Finnish manufacturers. The largest shipyard in Finland was forced to close when the Soviet Union canceled orders for a 22,000-horsepower icebreaker, two 8,500-ton freighters, and several small ships that had kept the shipyard busy. Moscow also canceled orders for paper and other goods "not yet boxed for delivery." Negotiations for a

Finnish-Soviet trade agreement for 1959 were suspended, and Satellite trade with Finland was curtailed. Hungary reportedly issued instructions for the diversion of its timber purchases from Finland to Austria. East German-Finnish trade talks were delayed, and Communist China postponed its annual Finnish trade negotiations. Finland's troubles were further aggravated by a trade surplus with Moscow, which developed because of a new payments system for the purchase of ships and because of a limited market in Finland for Soviet autos, canned vegetables, crab meat, and caviar -- the only items that the USSR will sell to the Finns in quantity. Meanwhile, a Finnish offer to buy more coal, oil, and gasoline was rejected. On 23 January 1959, however, it was officially announced from Leningrad that the USSR and Finland would resume the trade negotiations broken off in the fall of 1958 and that a long-term trade agreement linking Finland's postwar factories with the new Soviet Seven-Year Plan probably would be drawn up in the spring.

Since the Sino-Soviet bloc is the major purchaser of many Finnish products, trade with the East is mandatory if Finland is to alleviate its critical unemployment problem. Because of the decrease in exports and a slackening in building construction, approximately 80,000 workers were unemployed at the end of 1958. This is the highest number of jobless workers since the 1930's and the situation usually becomes worse in the spring, in part because thawing weather affects the lumbering industry and in part because of other seasonal factors. A total of 100,000 unemployed can be expected by March 1959

unless the recently signed trade agreement helps solve the unemployment problem. It is estimated that 6.3 percent of the male working population of Finland is now unemployed and that in part of northern Finland, which has been subject to chronic unemployment for some years, the ratio is as much as 17.7 percent.

If the general drift of Finnish trade to the Soviet Union continues, there is danger of Finland becoming so economically dependent on her eastern neighbor that her political independence will be critically jeopardized. Largely because of internal domestic problems, especially the increase in unemployment, the Communists emerged from the elections of July 1958 as the largest single party in the Finnish Parliament. Gaining 7 seats, they now have a total of 50 or exactly a quarter of all the seats in the Chamber. Of the 7 parties taking part in the elections the Communist Party polled 420,803 votes or 23.7 percent of the popular ballot, and they therefore agitated for a left-wing coalition government. The complete absence of Communists in the newly formed Finnish Government, and the Soviet belief that it signified a new orientation in Finnish foreign policy, caused the Soviet reappraisal of trade negotiations and resultant economic pressure and led to the Finnish cabinet crisis of 4 December 1958. This issue was temporarily resolved by the formation on 13 January 1959 of an Agrarian minority cabinet whose efforts will be directed toward improving foreign relations with the USSR. Thus Finland has already paid a price for an economic truce.



~~SECRET~~

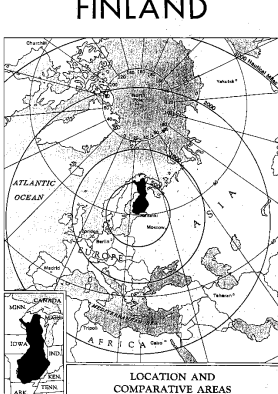
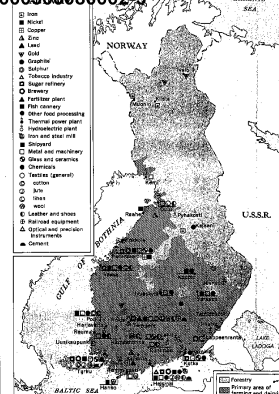
Despite the growing web of ties linking Finland to the Soviet bloc and the uncertainty of whether their country will ever emerge from the Soviet shadow, the Finns feel that their chances of surviving as an independent nation are good. They base their conclusions on the fact that the USSR obtains more economic benefits, especially in terms of greater productivity, from a "free" Finland than it would from a captive country. Geographically, Finland would be difficult to control as a satellite because of the long western sea frontier and extensive forests that facilitate guerrilla activities. Strong measures against the Finns would harm the Communist cause on the world propaganda front, since it suits Moscow's policy to have Finland exist as a showpiece to prove that a small capitalist nation with an essentially western outlook can live in peaceful coexistence with the Soviet Union. Finally, the absorption of Finland by the USSR would jeopardize Swedish neutrality and, in all probability, force Sweden to join NATO and the rest of Western Europe in creating a stronger defense union. Soviet treatment of Finland, therefore, should be closely watched since changes in the Kremlin line toward Finland could foreshadow major changes in Soviet policy. (SECRET)

S-E-C-R-E-T

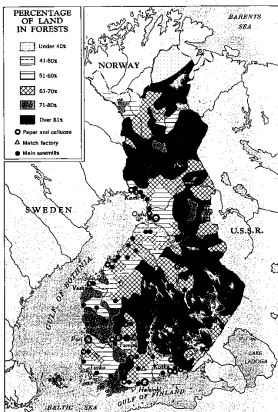
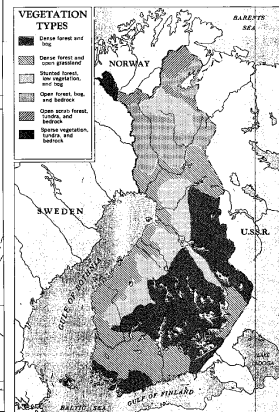
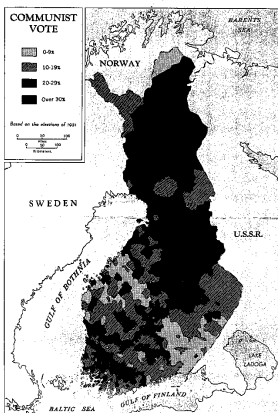
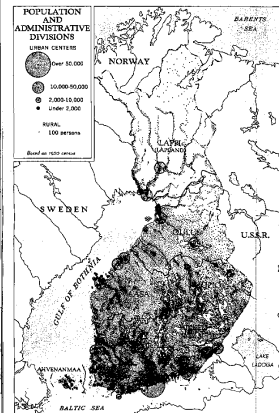
Approved For Release 2001/08/08 : CIA-RDP79-01005A000300080002-3

### TERRAIN AND TRANSPORTATION

- International boundary
- National capital
- Railroad
- Road
- Port
- Airfield
- Spot height (in feet)



LOCATION AND COMPARATIVE AREAS



Approved For Release 2004/08/08 : CIA-RDP79-01005A000300080002-3

OFFSHORE PETROLEUM IN THE PERSIAN GULF

I. Changing Patterns

The rapid expansion of the petroleum industry in countries surrounding the Persian Gulf has occurred in the short span of 20 years. In 1938, the Middle East was producing oil at the rate of some 300,000 barrels per day; by 1948, oil was coming from fields surrounding the Persian Gulf at the rate of more than 1,000,000 barrels per day; and at the end of 1958, Persian Gulf production was about 4,000,000 barrels per day. The drive for still greater production has centered attention on offshore waters of the gulf.

Persian Gulf crude petroleum is being produced almost entirely from onshore\* fields. Not until 1957 did production from an offshore field begin, and as yet only one such field is in production. Interest in offshore oil, however, is high; and it is probable that six companies will have offshore platforms or barges in action by the end of 1959. This activity is unique in that it is taking place in a gulf in which no concession is completely defined or free from dispute.

The increasing interest in offshore oil in the Persian Gulf is the result of a combination of factors at work within the industry and within the countries of the Middle East. To date Middle East oil has been highly profitable from the producer's point of view, and

---

\*The dividing line between offshore and onshore concessions, in this report, is assumed to be the seaward limit of territorial waters.

therefore more and more oil companies are willing to sign leases for Persian Gulf acreage in the hope of a quick return on their investments. Many of the most promising onshore areas are already under lease, but profitable offshore operations are now possible because of the rapid advance of drilling techniques and the availability of dependable equipment and experienced personnel. The unstable political situation in the Middle East has had little apparent influence on Persian Gulf oil investments.

Several of the countries that border the Persian Gulf have found that petroleum is highly profitable to them as well as to the oil companies and have experienced the benefits of an active petroleum operation. These countries are generally dissatisfied with the level of oil production, desire higher royalty payments, and feel that more competition within the industry will benefit national governments. Companies new to the Middle East are being encouraged to bid on lease acreage that has been given up by long established operators or that has never been offered for lease, and newcomers to the Middle East have acquired concessions on terms more profitable to national governments than agreements in effect with currently producing companies. Middle East oil is still "cheap" oil, but as nationalistic gains are solidified, Middle East oil may well become "expensive" oil.

## II. Boundary Considerations

Until recent times, boundaries -- as known to the Western world -- have been of little concern to nations facing the Persian

Gulf (see Map 27389). This is particularly true of boundaries on the Arabian Peninsula and in the Persian Gulf itself. The lack of historical acceptance of precise common boundaries is today creating friction among Persian Gulf countries and the problem will become increasingly troublesome as the significance of fixed boundaries is highlighted by new discoveries of oil.

Traditionally a ruler's domain has been defined by the location of the tribes acknowledging his leadership. As the tribes migrated from place to place and occasionally shifted their allegiance, so the domain of the ruler was altered. Certain grazing lands, wells, towns, and some islands constituted the only firm claims of a given monarch. Territorial or jurisdictional rights concerning a number of areas in and around the Persian Gulf have been claimed, but there has been little concern for the actual delimitation of boundaries across desert wasteland or waters of the Gulf where a boundary line was of no practical value.

The development of the oil industry is beginning to change this attitude toward delimitation of boundaries. Many of the concession boundaries in the Persian Gulf area coincide with the limits of territorial claims or claims to jurisdiction of offshore waters. When such is the case, the discovery of oil brings new meaning to a boundary. The desirability of agreements on common boundaries, however, is not fully realized and discussion on the subject usually generates a great deal of heat and very little light.

An exception to the usual vague arrangements is the recent agreement on division of jurisdiction over the subsoil of the seabed between Bahrain Island and the mainland of Saudi Arabia.

Undefined or disputed land boundaries are common in the Gulf area. Disputes have arisen over the boundary between Iraq and Iran in spite of the Frontier Treaty of 1937. The boundary between Iraq and Kuwait has been delimited, but no agreement has been reached on demarcation of the line. The boundaries of the Kuwait--Saudi Arabia Neutral Zone have never been demarcated and the undivided half-interests of the respective nations have never been defined. Boundaries south of the Qatar Peninsula -- between Qatar, Saudi Arabia, and the Trucial States -- have never been delimited. The median line of the Gulf has never been fixed by agreement, and the only agreement on lateral jurisdiction of gulf waters is the one between Bahrain and Saudi Arabia.

Claims to territorial waters in the Persian Gulf caused relatively little controversy until Iraq claimed a 12-mile territorial waters limit in order to permit petroleum activities to expand. Iran retaliated with a threat to extend its territorial waters to 12 miles. Such claims add confusion to the already vague division of waters at the head of the Persian Gulf. The issue is further complicated by the lack of agreement on division of rights to the seabed and subsoil under offshore waters of the Gulf. It is probable that offshore drilling operations during 1959 will mark the beginning of a new era

of boundary negotiation -- or a new round of conflicts -- about the Persian Gulf.

### III. Offshore Operations

Three of the six companies scheduled to conduct offshore operations in 1959 are new to the Persian Gulf: the Arabian Oil Company, the Iran Pan American Oil Company, and the Société Irano Italienne des Pétroles. The Abu Dhabi Marine Areas, Ltd., the "Shell" Overseas Exploration Co., and the Arabian American Oil Company have had experience in the area, but the Arabian American Oil Company is the only company that already holds offshore rights in addition to extensive onshore producing concessions. The Arabian American Oil Company offshore concession is based on an agreement that specifies company rights to offshore areas under the jurisdiction of Saudi Arabia. Onshore concessions in the Persian Gulf area are understood to include waters up to, but not beyond, the limit of territorial waters unless seaward boundaries are specifically noted in the concession agreement. Agreements with Iran, for example, expressly limit the seaward extension of onshore concessions to 3 nautical miles even though Iran has long claimed a 6-mile territorial waters limit.

#### Saudi Arabia

The Arabian American Oil Company is currently the sole producer of oil from an offshore field. In 1948 the company gave up all claim to rights in the Kuwait--Saudi Arabia Neutral Zone in favor of

confirmation of company rights in offshore waters of Saudi Arabia. The concession thus granted expires in 1999. Offshore exploration began in 1949 and resulted in the discovery of the Safaniya field in 1951. This field was brought into production in 1957; and the same year a second field, Manifa, was discovered 20 miles southeast of Safaniya. A new drilling platform, constructed for the development of the Manifa field, is now in operation.

#### Qatar

In 1949, a concession covering offshore waters under the jurisdiction of the Sheikh of Qatar was granted to the Superior Oil Company and the Central Mining and Investment Company. The operating company for these interests, the International Marine Oil Company, did exploratory work seaward of the 3-mile territorial limit in both 1950 and 1951; but results of the exploration did not warrant development. The concession was turned back in 1951 and reissued to the "Shell" Overseas Exploration Company in 1952, with an expiration date of 2027. Field exploration began in 1953, but an offshore drilling site near Doha was abandoned in 1955, and another unsuccessful site 40 miles offshore was given up in 1956. Plans were well advanced for a third test when the drilling barge, en route to the new site, was lost. A replacement is under construction in the Netherlands, and offshore drilling is scheduled to resume in 1959.



The Trucial States

Seismic, gravity, and core drilling operations have been in progress for several years in offshore waters of the Trucial Coast but, until recently, results have not been promising. Through a concession signed in 1952 and valid until 2012, the Dubai Marine Areas, Ltd. -- controlled by the British Petroleum Co., Ltd. and the Compagnie Française des Pétroles -- obtained rights to the offshore waters of Dubai. In 1953, the same controlling interests, operating as the Abu Dhabi Marine Areas, Ltd., acquired an exploratory lease in offshore waters of Abu Dhabi through a concession that expires in 2018. Abu Dhabi Marine Areas, Ltd., prepared a base on Das Island to support offshore drilling activity and in 1958 completed Umm Shaif, a promising test 20 miles off Das Island and 60 miles offshore. The mobile drilling barge is now working on a second test east of Das Island. If confirmed, the strike near Das Island will become the third offshore field in the Persian Gulf.

Iran

A new phase in Iranian oil activity was introduced with the announcement of the Petroleum Act of 31 July 1957, which opened up unleased onshore areas and offshore acreage in the Persian Gulf. In 1957 the Italian firm, Ente Nazionali Idiocarburi, completed an agreement with the National Iranian Oil Company for an inland lease, a coastal lease, and an offshore lease. In April 1958 the Pan American Petroleum Corporation [Standard Oil Co. (Indiana)] and the

National Iranian Oil Company signed a lease for two offshore areas near the head of the Gulf. Sapphire Petroleum, Ltd., of Toronto, concluded a contract with the National Iranian Oil Company in June 1958 for a coastal lease on the Gulf of Oman. Unlike Iranian onshore leases in the Persian Gulf, which terminate 3 nautical miles from the shoreline, the Sapphire lease is bounded by the 10-fathom line. Each of these contracts calls for a 12-year period of exploration and 25 years of exploitation commencing with the first sale of oil.

The Italian operators have a drilling platform, which is en route to the Gulf from New Orleans, and expect to put it in operation sometime in 1959. Pan American's offshore barge, now en route from Texas, is expected to arrive in time to meet a drilling schedule starting in July 1959.

#### Kuwait--Saudi Arabia Neutral Zone

A concession for the Saudi Arabian undivided half-interest in offshore waters of the Neutral Zone was granted to the Japan Petroleum Trading Company, Ltd., in 1957. This wholly Japanese-owned firm then set up a second Japanese company, the Arabian Oil Company, as an operator for the concession. The Arabian Oil Company signed a concession for the Kuwait undivided half-interest in offshore waters of the Neutral Zone in July 1958. A mobile platform is presently en route from Texas for use in offshore waters of the Neutral Zone. Both concessions call for an exploratory period of 4-1/2 years, which may be extended at the option of the respective rulers, and for an

exploitation period of 40 years following discovery of oil in commercial quantities.

#### Bahrain

The American-owned Bahrain Petroleum Company concession, which expires in 2024, includes all the waters under the jurisdiction of the Shaikh of Bahrain. For several years after World War II, investigations were conducted in waters clearly under the control of Bahrain but no prospects worthy of development were found.

An agreement on division of waters between Saudi Arabia and Bahrain was reached early in 1958. Saudi Arabia is to arrange exploitation of the whole area, and profits from production are to be shared equally between the two nations. It is probable that this area will be developed in conjunction with offshore operations of the Arabian American Oil Company.

#### Kuwait and Iraq

No concessions have yet been granted for the vaguely defined offshore waters of Kuwait and Iraq. At present the rights of the Kuwait Oil Company, the largest producer in the area, terminate at the 6-mile territorial waters limit claimed by Kuwait.

The Basra Petroleum Company concession currently in force does not include the territorial waters or offshore waters over which Iraq claims jurisdiction. The original concession did include rights in territorial waters, which until late 1958 were bounded by a limit of 3 nautical miles. In November 1958 the new government of Iraq

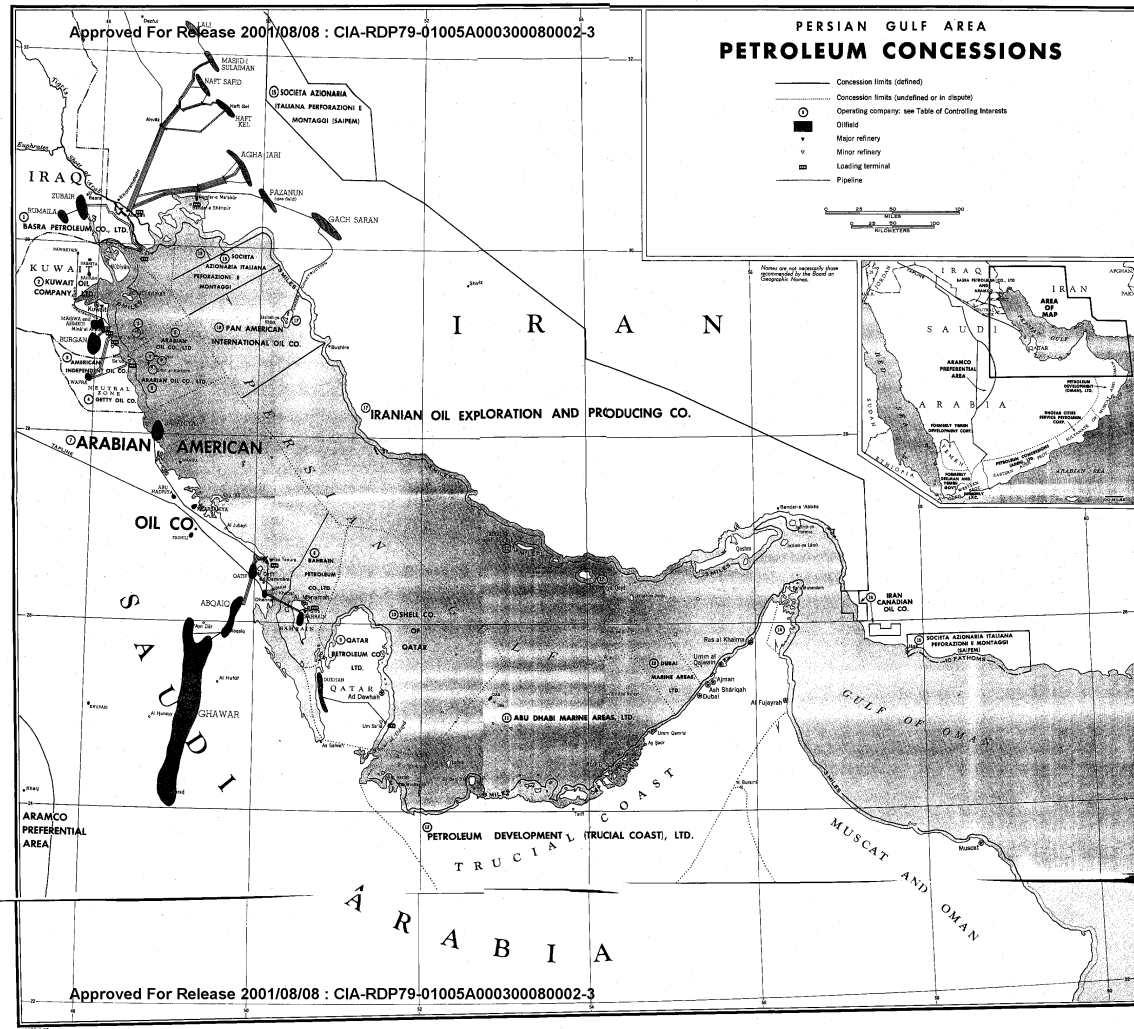
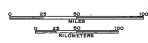
announced a 12-mile territorial-waters claim, but in the same month reached an agreement with the Basra Petroleum Company that confined the seaward extent of the company's concession to 3 nautical miles from the coast. In December 1958 the company relinquished claims to all rights in territorial waters. The present situation, however, permits territorial waters to be added to any lease of the seabed and subsoil of the offshore waters under the jurisdiction of Iraq.

(UNCLASSIFIED)

### PERSIAN GULF AREA PETROLEUM CONCESSIONS

— Concession limits (defined)  
 — Concession limits (unconfirmed or in dispute)  
 — Operating company: see Table of Controlling Interests

○ Oilfield  
 ● Major refinery  
 ◐ Minor refinery  
 □ Loading terminal  
 — Pipeline



Operating Company	Company Holding Concession	Ownership
Arabian American Oil Co.	Arabian American Oil Co. (A.A.O.C.)	50% American, 50% British
International Oil Co.	International Oil Co. (I.O.C.)	50% American, 50% British
Iranian Oil Exploration and Producing Co.	Iranian Oil Exploration and Producing Co. (I.O.P.C.)	50% American, 50% British
Qatar Petroleum Co. Ltd.	Qatar Petroleum Co. Ltd. (Q.P.C.)	50% American, 50% British
U.A.E. Petroleum Co. Ltd.	U.A.E. Petroleum Co. Ltd. (U.A.E.P.C.)	50% American, 50% British
Abu Dhabi Marine Areas Ltd.	Abu Dhabi Marine Areas Ltd. (A.D.M.A.L.)	50% American, 50% British
Trucial Coast Petroleum Co. Ltd.	Trucial Coast Petroleum Co. Ltd. (T.C.P.C.)	50% American, 50% British
Arabian American Oil Co. (A.A.O.C.)	Arabian American Oil Co. (A.A.O.C.)	50% American, 50% British
International Oil Co. (I.O.C.)	International Oil Co. (I.O.C.)	50% American, 50% British
Iranian Oil Exploration and Producing Co. (I.O.P.C.)	Iranian Oil Exploration and Producing Co. (I.O.P.C.)	50% American, 50% British
Qatar Petroleum Co. Ltd. (Q.P.C.)	Qatar Petroleum Co. Ltd. (Q.P.C.)	50% American, 50% British
U.A.E. Petroleum Co. Ltd. (U.A.E.P.C.)	U.A.E. Petroleum Co. Ltd. (U.A.E.P.C.)	50% American, 50% British
Abu Dhabi Marine Areas Ltd. (A.D.M.A.L.)	Abu Dhabi Marine Areas Ltd. (A.D.M.A.L.)	50% American, 50% British
Trucial Coast Petroleum Co. Ltd. (T.C.P.C.)	Trucial Coast Petroleum Co. Ltd. (T.C.P.C.)	50% American, 50% British

**MAJOR REFERENCES**  
 Arabian American Oil Co.  
 International Oil Co.  
 Iranian Oil Exploration and Producing Co.  
 Qatar Petroleum Co. Ltd.  
 U.A.E. Petroleum Co. Ltd.  
 Abu Dhabi Marine Areas Ltd.  
 Trucial Coast Petroleum Co. Ltd.

S-E-C-R-E-T

A RECENT SERIES OF SOVIET ECONOMIC-GEOGRAPHIC MONOGRAPHS

A series of economic-geographic regional monographs of great interest to the regional analyst is now being published in the Soviet Union. Out of an eventual total of 24 volumes, the 20 that are now available cover more than half of the USSR.\* Despite the fact that this series was first proposed in 1933 and outlined in detail in 1937, all but 1 of the 20 volumes have been published since mid-1955 and are based on reasonably current data. The single exception, Kirgiziya (1951), was supplemented in 1956 by a more up-to-date but drastically shortened paper-back version not itself a part of the series. Three volumes originally included in the series have since been replaced. Turkmenskaya SSR by Z. G. Freykin (1954) and Gruzinskaya SSR by G. G. Gvelesiani and B. A. Klopotovskiy (1955) were superseded in 1957 and 1958 respectively by lengthened revisions. Krym by Ye. P. Mazlov (1954) was absorbed, in a much abbreviated form, into the two-volume Ukrainskaya SSR (1957).

The series is a joint project of the Institute of Geography of the USSR Academy of Sciences and the academies of sciences of the union republics and is published by the State Publisher of Geographic

---

\*An additional recent book of a similar nature but not a part of the series -- Yakutiya, published by the Academy of Sciences in 1957 -- covers another 13.8 percent of the country. That Soviet geographers are also studying areas outside the USSR in the same detail is indicated by the recent publication of similar monographs on parts of the Far East and Southeast Asia.

S-E-C-R-E-T

S-E-C-R-E-T

Literature (Geografiz). The monographs were prepared by more than 200 geographers, many of them leading academicians of the Soviet Union. They cover 14 of the 15 union republics, 5 of the 9 basic economic regions of the RSFSR -- the Volga region (Povolzh'ye), the Northern Caucasus, the Urals, Western Siberia, and the Far East -- and the Karel'skaya ASSR (begun when it was a union republic).

Except for the first monograph, Kirgiziya, the volumes appear in a standard 5" by 8" format, with uniform blue hard covers, but they differ greatly in both length and quality of writing. Some, such as the 734-page Kazakhskaya SSR, provide the most complete coverage of their respective areas available in a single volume; others, like Ural which has only 164 pages, are little more than superficial sketches.

Despite these differences in length and quality, the general organization of the monographs is similar. All are divided into two main parts, the first treating the region as a whole and the second discussing individually its economic-geographic areas (rayony).

The first part of each volume contains sections on relief, climate, water resources, soils, vegetation, wildlife, industry, agriculture, and transport. With a few exceptions, the monographs also include sections dealing with the geology and useful minerals of the region, the general aspects of the economy, and regional history. Each volume except Ural contains a section on population and culture. Eight volumes also include discussions of natural

S-E-C-R-E-T

zones (fiziko-geograficheskiye oblasti), which are determined primarily on the basis of relief, climate, and soil-vegetative cover.

The economic-geographic areas and subareas (podrayony), that form the basis for the second part of each monograph, are determined not only by the above criteria but also by the influence of political history and of man-made features such as transportation nets and urban centers.

In many instances, as in Zapadnaya Sibir', the economic-geographic areas are coterminous with the political-administrative oblasts (for example, Novosibirskaya Oblast' and Omskaya Oblast'), and are broken down into subareas. In some volumes such as Kazakhskaya SSR, however, each economic-geographic area comprises several oblasts, which are themselves treated as subareas. The regions that have no oblasts -- the 3 Baltic republics, the 3 Transcaucasian republics, and Moldavia -- are divided into areas and subareas by grouping the political-administrative areas (also called rayony), each economic-geographic subarea comprising 2 or more rayony.

The descriptions of the individual economic-geographic areas and subareas are organized very much like the regional descriptions in the first part of each volume. Descriptions of the areas generally give equal emphasis to physical geography and the economy, with short discussions of history and population. Descriptions of the subareas, on the other hand, devote more attention to economic development, with special emphasis upon the cities and towns.



One of the most outstanding features of the monograph series is the wide variety of maps included in each volume. Belorusskaya SSR, for example, contains 34 maps covering topics such as basic relief, useful minerals, forest cover, climate, and history. Five of the maps show the distribution of industry, and 12 others deal similarly with agriculture. Six maps portray the economic-geographic areas as they are broken down into subareas.

This same monograph is illustrated by 98 photographs, a representative number for the series. They include many that are of interest to the geographic analyst: 15 pictures of terrain and vegetation; 21 of settlements; 17 of individual buildings; and several of people engaged in local agricultural practices.

Reportedly, work is in progress on four additional monographs in this series -- Rayony Tsentra (Central Industrial Region), Severo-Zapad (Northwest RSFSR), Vostochnaya Sibir' (Eastern Siberia), and Yevropeyskiy Sever (European North) -- all of which are scheduled for publication by the end of 1960. These volumes will complete the coverage of the entire USSR.

It has been officially proposed that after the series has been finished the individual volumes then be revised and reissued as a complete set. Soviet critics emphasize the increased importance of a comprehensive economic-geographic study in connection with the decentralization of economic control in the Soviet Union. They point out that the series as written falls far short of its original

purpose as a comprehensive Geografiya SSSR (Geography of the USSR) and suggest that it be improved by the formation of a single editorial board for the series; by greater use of primary sources and field studies; and by more emphasis on both geographic theory and the detailed study of the practical problems of future economic development.

Monographs Available as of 1 March 1959

Armyanskaya SSR, Moscow, 1955, 284 pp.  
Azerbaydzhanskaya SSR, Moscow, 1957, 445 pp.  
Belorusskaya SSR, Moscow, 1957, 488 pp.  
Udovenko, V.G. Dal'niy Vostok, Moscow, 1957, 248 pp.  
Rostovtsev, M.I. & V.Yu. Tarmisto. Estonskaya SSR, Moscow, 1957, 367 pp.  
Gruzinskaya SSR, 2nd ed, Moscow, 1958, 400 pp.  
Karel'skaya ASSR, Moscow, 1956, 335 pp.  
Kazakhskaya SSR, Moscow, 1957, 734 pp.  
Ryazantsev, S.N. Kirgiziya, Moscow, 1951, 251 pp.  
Veys, E.E. and V.R. Purin. Latviyskaya SSR, Moscow, 1957, 440 pp.  
Litovskaya SSR, Moscow, 1955, 391 pp.  
Odud, A.L. Moldavskaya SSR, Moscow, 1955, 224 pp.  
Povolzh'ye, Moscow, 1957, 464 pp.  
Severnnyy Kavkaz, Moscow, 1957, 508 pp.  
Tadzhikskaya SSR, Moscow, 1956, 228 pp.  
Freikin, Z.G. Turkmenskaya SSR, 2nd ed, Moscow, 1957, 451 pp.  
Ukrainskaya SSR, Moscow, 1957, 2 vols, 557 pp. and 314 pp.  
Stepanov, P.N. Ural, Moscow, 1957, 164 pp.  
Uzbekskaya SSR, Moscow, 1956, 471 pp.  
Pomus, M.I. Zapadnaya Sibir', Moscow, 1956, 643 pp.

(UNCLASSIFIED)

POLISH LAND-USE MAPPING

Since World War II, Polish geographers have placed much emphasis on land-use studies and have progressed further in preparing certain types of land-use maps than their colleagues in other countries. Although pertinent data that have become available are not complete, they do set forth clearly the outlines of programs underway and projected.

Land-use mapping in Poland since World War II falls mainly under two programs: (a) an "old" program started in 1947 and not yet complete, although many maps have been published; and (b) a "new" program started in 1954, which is far from complete, no maps having been published to date.

The program started in 1947 involved the preparation of maps at 1:300,000 and 1:500,000, which were reportedly based on prewar topographic maps at 1:100,000. The precise ways in which the 1:100,000 topographic maps were used is not made clear by available data, but they may have served as work sheets for recording field observations and as sources of substantive information. Other materials used to some extent in the compilation of the 1:300,000 and 1:500,000 sheets included cadastral maps, statistics, and aerial photographs. The land-use maps were prepared on an assignment basis by the geography departments of seven Polish universities at Kraków,

Lublin, Łódź, Poznań, Toruń, Warszawa, and Wrocław. So far as is known, none of these maps is now available in the United States. The only available record of their content is a group of maps at the scale of 1:1,000,000 that was recently received in Washington. These maps are a coordinated product prepared and published by the Geographic Institute of the Polish Academy of Sciences (Instytut Geografii Polskiej Akademii Nauk; IG-PAN) from the maps at 1:300,000 and 1:500,000 that were compiled by the universities mentioned above. All of the available sheets carry the title Polska: Przeglądowa Mapa Użytkowania Ziemi (Poland: General Land Utilization Map)\* and were published in 1957. Each sheet measures approximately 31 by 34 inches and portrays all of post-World War II Poland on the modified polyconic projection of the International Map of the World. The nine available sheets cover hydrography, forests, meadows and pasture, arable land, and settlement. These categories are presented on separate sheets but are also combined on four sheets as follows: (1) meadows and pasture -- forests; (2) meadows and pasture -- arable land; (3) meadows and pasture -- hydrography; and (4) arable land -- settlement. When complete the set will comprise 22 maps, which means that 13 are yet to be published. Although the subjects that will be covered by the forthcoming sheets are not known, it is likely that they will include both individual distribution patterns and combinations

---

\*All sheets are under CIA Map Library Call No. 115354.

of two or more patterns. Since the maps are relatively detailed for their scale and are suitable for further reproduction, the available 1:1,000,000 sheets and others that may be received could be of use to the U.S. intelligence community in a number of ways. For example, they could contribute much to the selection of special-purpose areas and routes; aid in many types of economic, demographic, and military analyses; and advantageously illustrate a wide range of basic reports.

The rather ambitious land-use mapping program started in Poland in 1954 under IG-PAN aegis calls for the eventual mapping of the entire country at a large scale -- probably either 1:25,000 or 1:50,000. Work thus far has been concerned mainly with the development and testing of classification schemes -- an activity that has involved preparing maps of about 10 percent of the country in manuscript form at 1:25,000. To date, nothing has been published other than fragments of sheets for sample purposes. Polish policy-making officials have not yet given this costly program their complete endorsement and, apparently, their approval will be contingent on their estimate of the value of the proposed maps as aids to economic-policy planning. Thus, it is possible that the program may be reduced in scope or cancelled at some future date. If maps from the 1954 project are published, it is unlikely that they will be freely available to U.S. agencies in the near future. The Polish Government, to the displeasure of many Polish geographers, treats practically all special-subject maps at scales larger than 1:500,000 as "official use only" material.

To a considerable extent the postwar Polish land-use mapping effort was necessitated by territorial changes, vast resettlement programs, and the advent of a state-controlled economy. Although the period of wholesale resettlement is largely past, Poland still faces complex tasks in consolidating its position within tenuous boundaries and improving productivity to meet the needs of a rapidly growing population. Since resolution of these problems will require detailed knowledge of current land-use patterns, the preparation of land-use maps will probably continue to receive emphasis. (CONFIDENTIAL)

Approved For Release 2001/08/08 : CIA-RDP79-01005A000300080002-3

~~SECRET~~

**DECLASSIFIED**

~~SECRET~~

Approved For Release 2001/08/08 : CIA-RDP79-01005A000300080002-3