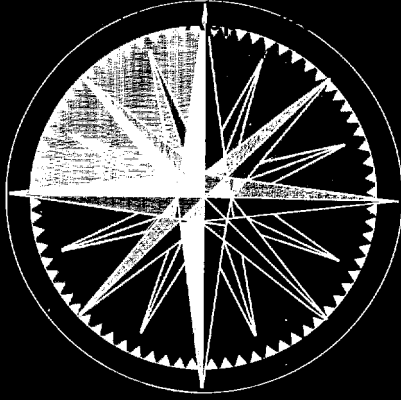


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# CURRENT INTELLIGENCE WEEKLY SPECIAL REPORT

## EUPHRATES RIVER DEVELOPMENT

### CENTRAL INTELLIGENCE AGENCY DIRECTORATE OF INTELLIGENCE



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### EUPHRATES RIVER DEVELOPMENT

On 22 April the USSR agreed to undertake a project to develop Syria's Euphrates River valley and to extend a credit of \$133 million. The agreement is the first Soviet economic commitment to Syria since 1957. A \$150-million aid credit extended in that year included \$70 million for the Euphrates development plan, from which the Soviets withdrew in 1960.

The USSR is now involved in two of three major Euphrates River development schemes. The other Soviet-assisted one is a large multipurpose project in Iraq. The third and largest project is a dam in Turkey near the Syrian border, to be constructed with Western aid.

With all three projects about to move into the implementation stage, the three Middle Eastern countries will need to make new attempts at breaking their long-standing deadlock over the division of the Euphrates water.

#### Initial Soviet Involvement

Plans for the development of the Euphrates Valley in north-eastern Syria, the country's most important agricultural area, have been under study since 1948. In 1955 the World Bank conducted a study of the project and estimated the total cost, including the cost of a dam, at about \$200 million. The first step toward realization of the project, however, did not occur until 1957 when the USSR extended the credit for the Euphrates project.

Soviet engineers completed a \$1.3 million survey of the project in 1960, while Syria was a part of the UAR. Their estimate of total cost approximated that of the World Bank. Their report, however, recommended location of the dam at Tabqa, down-

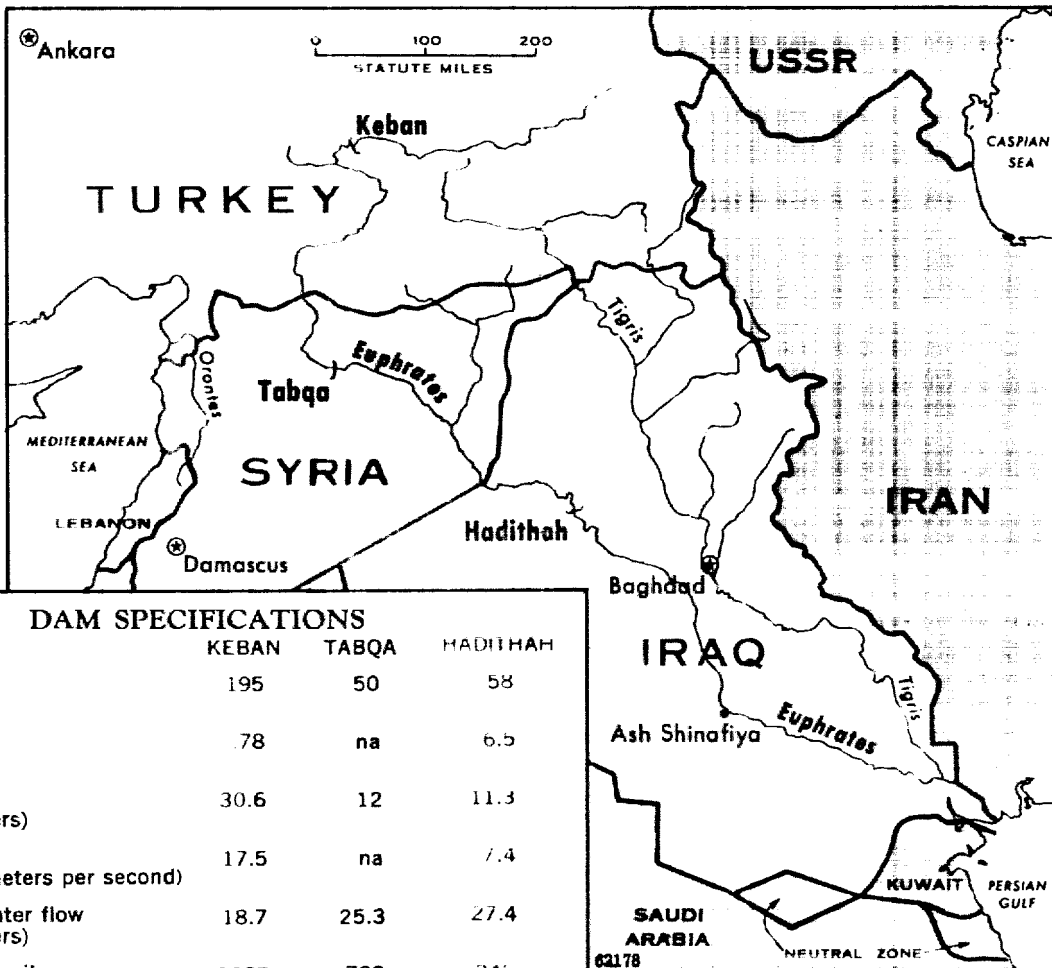
stream from the site originally considered by the World Bank. At the Tabqa site, the Soviets estimated that about 1.5 million acres of land could be cultivated and about 600,000 kilowatts of electric power capacity installed.

In March 1960, however, UAR officials were informed that the USSR did not intend to participate further in this project. The Soviet intention to withdraw was repeated to Syrian officials during a visit to Moscow the following September to conclude additional protocols under the 1957 Soviet aid agreement. The Soviets have never disclosed why they decided to withdraw, but the inability of the three riparian countries to settle on distribution of the Euphrates water was probably a major factor.

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**EUPHRATES RIVER VALLEY DEVELOPMENT**



**DAM SPECIFICATIONS**

	KEBAN	TABQA	HADITHAH
Height (meters)	195	50	58
Width (kilometers)	.78	na	6.5
Capacity (billion cubic meters)	30.6	12	11.3
Spillway capacity (thousand cubic meters per second)	17.5	na	7.4
Average annual water flow (billion cubic meters)	18.7	25.3	27.4
Electric power capacity (thousand kilowatts)	1085	700	345
Cost (million dollars)	330	250	140

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This was the only major aid commitment to a less developed country on which the USSR has ever reneged.

#### The West German Commitment

In June 1961 West Germany concluded an economic aid agreement with the UAR and allocated \$120 million for the construction of the Euphrates project. The sundering of the Egyptian-Syrian union in September 1961, however, led Bonn to reconsider the scope of its aid for the project and to reduce its credit to \$87.5 million. Since that time the Germans have dragged their feet, largely because of doubts over Syria's ability to finance its share of the costs. Nevertheless, they did conduct a series of technical and feasibility studies at a cost of more than \$6 million.

What may have concerned the West Germans the most were the questions raised concerning the economic feasibility of the project. A study completed by a German engineer named Press recommended that the Euphrates project be constructed in two stages. The first stage would include the construction of the main dam, power stations with an annual capacity totaling 200,000 kw., and irrigation facilities for about 500,000 acres of land. This stage would take five years to construct and cost about \$250 million. The West German credit of \$87.5 million applied only to this stage. The second stage would have required an additional ten years, during which

the electric power capacity would be raised to 700,000 kw., and the irrigated area to 1.5 million acres. An additional \$165 million would be invested during this period, bringing the total cost of the project to \$415 million.

A subsequent critical review by a German firm, however, stated that the Press report had underestimated the total cost of the project and overstated its potential returns. The review claimed that no allowance was made for a variety of activities, such as grading of the land, construction of roads and concrete ditches for water distribution, and reallocation of the land. The addition of these activities, the review stated, could raise the total cost to about \$720 million. Moreover, the 1.5 million acres of land to be irrigated included acreage of varying productivity. It was estimated that only 500,000 to 600,000 acres could be irrigated at moderate cost. The rest would require larger expenditures and some acreage could not be cultivated at all, regardless of the cost.

#### Soviet Re-entry

With Syrian frustration over the lack of progress mounting, and with diplomatic relations with West Germany severed over the latter's recognition of Israel, discussions between Syrian and Soviet officials apparently were initiated in 1965 after Iraq and the USSR had agreed to construct a dam in Iraq. In

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mid-December the director-general of the Syrian organization responsible for the Euphrates project visited Moscow. [REDACTED]

The Syrian coup in February 1966, which brought to power the leftist faction of the Baathist party, smoothed the way for Soviet participation in the project. In March the Syrian President authorized his Communist minister of communications, Samih Atiyah, to negotiate with the USSR for assistance for a number of projects, including the Euphrates Dam. In mid-April, Prime Minister Zuayyin visited Moscow and obtained a Soviet credit of \$133 million for the first stage of the project, which includes the dam, a power station, and transmission lines. The credit will be repaid over 12 years beginning one year after completion of the project, at 2.5-percent interest.

#### Soviet Aid to Iraq

In March 1965 the USSR agreed to provide \$70 million to Iraq for dam construction on the upper Euphrates expected to cost about twice that amount. Some of this assistance may come from still unobligated portions of a \$137.5-million credit extended in March 1959.

The USSR previously had undertaken surveys for developing the Tigris and Euphrates river basin, for improvement of navigation on the two rivers, and for a drainage system with a 310-mile canal to remove salinated water to the Persian Gulf. The

cost of these surveys totaled about \$8.4 million and was financed under the 1959 credit.

The Soviet project will form part of a complex of dams and barrages designed to regulate the flow of the Euphrates River in Iraq. The complex will serve as a major source of irrigation water for much of the cultivated area in central and southern Iraq. The Soviet offer covers both a regulator dam near Ash Shinafiya in southern Iraq and a major multipurpose dam at Hadithah. The latter undertaking will provide irrigation for about 750,000 acres.

#### The Turkish Project

The largest of the three multipurpose schemes planned for the Euphrates River is a high dam near Keban in Turkey, just south of the confluence of the Euphrates' two main sources. The Keban project, primarily for flood control and the production of hydroelectric power, will cost about \$330 million, with foreign exchange costs totaling \$135 million to be financed by a Western consortium. The project will take about six years to complete.

The government of Turkey has indicated that its long-range plans for developing the Euphrates call for the construction of 77 dams of various sizes, with 66 separate irrigation systems which would water 2.5 million acres--compared with only 375,000 acres currently. Such activity, however, is still far in the future.

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### The Problem of Riparian Rights

The USSR's agreement to support the Syrian Euphrates project suggests that it will attempt to move toward the construction stage as rapidly as possible. . . Consequently, it will bring to a head an issue which has been an irritant in Turkish relations with the two Arab countries--the division of the Euphrates waters. The headwaters of the Euphrates, as well as most of the important tributaries, lie in Turkey. River development projects in Turkey would immediately affect northern Syria and, eventually, the flow of water to Iraq. Discussions among Iraq, Syria, and Turkey concerning the amount of water each country is entitled to draw off have been in process for several years with Soviet encouragement but have achieved little progress.

Iraq and Syria are not as much concerned with the probable flow of water during the period when the Keban reservoir is being filled, as with the longer term problem of water loss through further development of the Euphrates headwaters in Turkey. Although Turkey currently does not use much of the estimated 26 billion cubic meters of Euphrates water flowing into Syria annually, its development plans envisioned requirements rising to as much as 17 billion cubic meters.

Another subject at issue between Turkey and the two Arab countries is the scope of discussions. In talks with the Syrians, the Turks have insisted upon a comprehensive review which would include the use of waters

of the Orontes River, the mouth of which is in Turkey. The Syrians, however, refuse to discuss the use of the Orontes, contending that it is entirely a Syrian river. Similar difficulties exist with Iraq, which refused to include discussion on the use of the Tigris River, the source of which also lies in Turkey.

### Conclusion

The Soviet agreement to construct the Euphrates project in Syria is part of a continuing effort to expand and consolidate the USSR's influence in an area stretching from Turkey and the UAR to Pakistan and India. For nearly two years Moscow has concentrated its new economic aid commitments in this region. The post-Khrushchev regime apparently is convinced that this area promises significant dividends, particularly in the CENTO countries which have become increasingly disaffected with their close ties with the US.

Now that implementation of the three projects on the Euphrates may be accelerated, the three countries may be compelled to reach an agreement over the use of the waters, and some kind of joint planning may come to be recognized as essential as well as beneficial to the riparian states. With Turkey controlling the headwaters, a system for timely withholding and release of water to coincide with downstream requirements is imperative if the development plans of Iraq and Syria are to succeed.

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