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INCL: 3 PREPAID BY: H. V. MICKEY, Lt Colonel, GS SOURCE: Cal. Schmidhofer

SUMMARY OR SID REPORT: Transmitted herewith find copies and translations of three trip reports made by an engineer, K. W. Schmidhofer, representative for the MG 42 (German Machine Gun Model 1942). The report describes events that took place during the demonstration of the MG 42 in Egypt and names German personnel in the employ of the Egyptian Government.

COMMENTS: Information may be of interest to those trying to find the complete picture of armament progress in Egypt.

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INCLOSURES:

3 - Trip reports

APPROVED:

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REPORT NO. R-151-53  
WEB NO. EXPOSURE A

## TRANSLATION

COPY - Travel Report

Report 42 -- Visitor's demonstration before the Egyptian Army in Cairo, October 27 to 10 November 1952.

Discussions, meetings, and negotiations with the following officers:

General Ibrahim .. Chief of the General Staff  
Colonel Riskalm .. Director for Organisation  
Colonel Peltti Riskala .. Quartermaster General

These officers, in my opinion, form the most important circle of individuals in concluding negotiations. I got the impression that the gentlemen are very favorable to the German business and would be prepared to collaborate with German industrial circles in spite of the political difficulties in existence at present. I was quite openly approached by all the Egyptians in Germany to work in behalf of the Arabs. With all due respect to the Germans, the German policy concerning the Arab countries cannot be approved.

Gordon specialists present at the demonstration and who worked for the use of the FG 42 by the Egyptian Army were the following:

Dr. Voss -  
General Fahrzeuge  
General Munsell - Tank expert  
Colonel Richter - General Staff  
Colonel Zollnerkopf - Training  
Colonel Helmrich - Training  
Colonel Dr. Gellert - Fortress engineers  
Colonel Koenig - Communications  
Major Mille - Artillery  
Colonel Müller - Infantry  
Major Mertens - Parachute troops  
Major Baumann - Service of supply  
Colonel de Bouche - Ordnance Office  
Dr. Schulz - Ammunition sales  
Mr. Eulent - Armor; armament delivery

The persons of importance to us are: Colonel Heinz Müller, an experienced  
line officer who enjoys great popularity among the Egyptians; thanks to his  
exemplary personal training efforts, he has had great response from both men and  
officers in the Egyptian Army. He also enjoys the personal friendship of General  
Naguib, who has shown particular interest in Colonel Müller's work. It personally  
is grateful to Colonel Müller for his intercession in our behalf in a situation  
which was unfavorable to us and in which he threw all his energies without regard  
either for his position or his personal well-being, and spoke in favor of our  
affair against the Egyptians.

Regarding Dr. Wilhelm Voss and his satellite General Faberdrücker, as well as Dr. Voss' secretary Mr. Bieferwitzky, I have the impression that those gentlemen set up contacts on all sides which they proceed to exploit to their own personal advantage.

Om'k

Dr. Voss is the head of a service bureau in the War Ministry which is somewhat similar to a military planning office.

The impression is that Mr. Voco is not the proper person for this position since he is incapable of performing the technical duties which are required to him there.

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Security Information

Report No. RA 154-53

Page No. 2 to DMZ 01

As a former economic engineer, Dr. Voss was able through influence to obtain a position in the management of former Greek armament factories, which he then carried on by means of a staff of capable people. It is questionable whether the successful operation of these organizations could be ascribed to the ability of Dr. Voss. I personally know Dr. Voss through my activity in certain important armament plants during the war.

Dr. Voss entered the service of the Egyptians through a certain Mrs. Hansen who has lived in Egypt for a number of years. This Mrs. Hansen is a friend of Mrs. Voss' of long standing, and supported the Voss family after the war and finally acted as go-between in the procurement of this position. Dr. Voss then called in Falckenbacher as military adviser, and Kiefentacher as secretary; the latter was formerly an SS leader and for a time the CO of the former Hitler headquarters.

I have been informed by a section of the German specialists that some of these men are not satisfied with the leadership of Dr. Voss and Falckenbacher for the following reasons. Dr. Voss held himself to the Egyptians relatively cheaply and has taken every precaution to see that subsequent experts are kept under his influence. They are then limited in their financial advancement and blame it on Dr. Voss. General Falckenbacher does nothing against Dr. Voss since he is said to have sworn to be Voss' true disciple. He, with his 67 years, is considered by all the men as too old and played out.

I personally have spoken with Dr. Voss twice, and got no clear response to any question. The conversation was directed by him with the greatest caution, and I had the impression that Dr. Voss was interested in making contacts with German industrial concerns and if possible to edge his way into their leadership somehow. Dr. Voss spoke also of connections with German financial groups who are developing certain basic industries (the projected iron industry at Assuan was meant, for which Horr Roland acts as consulting specialist) into which he plans to worm his way.

Regarding the M-42, Dr. Voss stated to me that the Credo Company offered the gun again through Mr. Herzlett; he had had dealings with him before, but there was nothing said to me about the offer beforehand. The offer by Mr. Herzlett was told me afterward by Colonel Riskala and the replacement of Herzlett certainly made the negotiations more difficult. Please in the future see to it that only one offer is made and through several agents, not through fear that the existing contact is not functioning. The replaced Herzlett had a very bad reputation.

Our connection with the Egyptians can be considered satisfactory, coming through the German Oriental Company's representative Erich Olbrück, former lieutenant colonel and advisor in the Africa Corps, member of Rommel's staff, personal friend of General Speidel to whom he reported my personal greetings, and Engineer Walter Deter and Ali Bey Eschmai. Deter has been in Egypt 26 years and has been a representative of the Rheinmetall-Borsig AG for years, after having come from the firm and having done armament business for this firm for years in the Orient. He understands the Orientals perfectly, speaks Arabic fluently, knows General Naguib personally and has gone around with him for years. This is even the more remarkable considering the short length of his stay. Through him I made the acquaintance of the General Secretary of the Arab League - whose name I have forgotten meanwhile because I made no particular effort to remember it - and the financial secretary, a man of authority in the Muslim Brotherhood who is the propaganda and financial leader of this group; then Abd el Krim and his son, and learned of the good relations with Ibn Saud who also aids the last-mentioned two individuals financially.

I think well of the German Oriental Company as collaborator and representative of the firm. However, no financial burden should be put on the group since the firm has not very much money. In addition, it should be

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REPORT NO. D-15463

PAGE NO. 3 TO INCL 4

observed that the company cannot stand in government circles as an independent commercial company, but can only function as the official representative of the mother company. The government has definitely declined to deal with representatives. They were offended that such a threadbare manner of legalization was chosen by Mr. Lipp. This legalization required still further clarification and must be responded to by letter which I have received from Herr Rischala.

The MG demonstration required a long period of preparation which must be taken into consideration in the Orient. With Mr. Miller I preferred a tactical demonstration. This was somewhat frustrated - of course subsequently by the Egyptians who went their own way. The conduct of the Egyptians during the demonstration was objectionable at times. For example, the belt was drawn through sand after being dipped in oil, the MG was flooded with water, thrown with sand and thrown to a depth of 3 meters just to see if the safety device operated. Such treatment of a weapon is unmilitary. I made strenuous objections against it and was strongly supported by Mr. Miller. Objections were raised that we had come with only an old weapon. I myself was not particularly pleased about it and attempted to make it clear to the gentlemen that it had been constantly demonstrated in various places. A reference to the old sale steep by the Egyptians was sufficient to say everything. An absolutely new weapon was requested for the next demonstration.

The SIG Schaffhausen offered the MG51, but did not receive the contract since the authorities felt that it was important to work with the MG 42. The SIG group was represented by Herr Friedlander and Hussein Abul Fath. The latter is the representative of an apparently large Egyptian financial group and has money at his disposal as well as good contacts. Abul Fath takes advantage of every opportunity to come into the shop and does not hesitate over the shabbiest methods often relaying the most malicious tales about prominent people in the process. Abul Fath has tried to make contact with me, but I have declined to have anything to do with him.

Colonel Rischala has officially laid down qualifications which definitely show how the Egyptians expect the contract to be fulfilled. These qualifications were set down in Arabic since that is the official language, and a stand had to be taken immediately toward the points which came up. I have already discussed with the Germans a part of the reply and as a result we can start the answer at once. It seems absolutely necessary for strengthening the position of all those men in the Egyptian Government and the German experts connected with this business that Rischala be telephoned, letters received, reply be undertaken by .... (date) Credo Meusko. We must answer the letter together after complete discussion of all points.

I was informed in a round-about way that the Egyptians have £350,000 for procurement of MG during the fiscal year. They want the MG with carriage and sight for use as SIG. I had Mr. Miller explain this case to me exactly and am of the opinion also that in the operation in Egypt the MG must replace the artillery and therefore will also be brought forward for covered firing over rolling terrain (Translator's note: This could also be "brought forward over rolling terrain for firing"). In addition the delivery of the spare parts is important - belts, cartridge cases and breech blocks, all of which must be offered. The viewpoint of Mr. Neitzel that this does not interest us and is the business of the delivering firm is false. Mr. Miller gave me the opportunity through friends in Germany to provide sample carriages with deep firing devices and sights, so that observing equipment could be provided thereby. I will establish contact with the gestapo immediately.

I am of the opinion that the Egyptians within the states of the Arab League prefer to do the armaments business themselves, and intend to provide those states with weapons for resale. The two principal customers would be Syria and

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Security Information

REPORT NO. R-112-53  
PAGE NO. 10 IN PGCL-61

and Saudi Arabia. Also, the domestic production of the MG 42 is probably only being considered with those two countries in mind.

I personally consider the production in Egypt at the present time impossible since the technicians and raw materials required for this type of thing are completely lacking. It is therefore entirely probable that ordnance machine shops would be set up first where repairs could be made, and then by constant repetition in changing the parts become sufficiently well grounded in the necessary technique and gradually achieve a state of efficiency so that they might eventually carry out the work themselves. I am of the opinion that the Egyptians themselves are not at all clear as to what would be necessary to achieve an even moderate understanding of a technical education. I gathered this from remarks made by Mr. Richter who has the idea that a MG factory could be set up and reach production within a year. This is impossible.

I am of the opinion that the Egyptians have not much money at present. This may have some connection with the political conditions of the times. I have been asked by men in authority whether there is any interest in German industrial circles to settle in Eg. st for manufacturing their products there, with the assistance of the Egyptian Government. (Finishing industries.)

According to information I have received there are no storage depots for munitions at hand. I have been informed that a branch of the firm Hanau in stores infantry munition which is still packed in cases in a place which is not finished. For unexplained reasons the depot is not filled and nobody bothers about it. The firm is said to have declined to finish the depot. The same situation applies in the case of artillery munitions delivered by Bofors, but in this case it is the business of Stabilo Rheinhausen Company to construct a factory.

Communication is difficult since everything is censored at the present time. Cables go through the private Marconi Company, the clerks are British and therefore to be handled with care. I, therefore, could only give out concealed information and hope that it would be forwarded from Vaduz correctly. We have to do everything to make up for losses through the time gained, but this has to take place without delay.

Please take the bad preparation from a special page. It is certain, however, that if anyone gave me a new weapon I would have obtained a larger order immediately.

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REPORT NO. R-154-53

PAGE NO. ENCLOSURE #2

SECURITY INFORMATION

TRANSLATION

Engineer K.-H. Dittberner VDT  
(17a) Marlerstrasse-Durlach  
Plattwiesenstrasse 1

12 November 1952

Re preparation for the trip to Cairo.

In preparation of the MG 42 for the trip to Cairo the following details are submitted.

According to a knowledge of things in Egypt, Credo has not been informed as to exactly what the Egyptians wanted. Mr. Olbrück showed me copies of his correspondence demanding the MG 42 for use as SMG with cartridge and grazing fire device as well as sight, spare barrels and chamber. It has taken a great deal of energy and made bad blood eliminating the bad impression. In the future such preparations must be made exactly and not be influenced by the lack of time. In addition, the details of the negotiations must be made available by the negotiators in this case Dr. Lipp.

It was explained to me that my stay in Egypt was absurd. When I arrived in Cairo Mr. Olbrück told me that he had no money for that purpose and he wondered whether he could stand the expense of it since he had already had so many expenses prior to my arrival. He loaned me then initially 5 pounds. I begged him - to avoid being without money - to sell my Retina Kodak immediately. Thanks to his aid it was possible for me to obtain 40 pounds for the camera - the requested money's arrival was questionable. It did arrive three days before my departure so that I was in difficulty three days beforehand trying to decide how to pay all my bills and was already dried up by the German experts and friends.

I should like to state definitely that it is irresponsible to carry out a trip of such importance into a foreign country without previous assurance of having sufficient funds to do so. It must be known here what monetary requirements are necessary for the Orient.

I will present an exact report of the expenses, which were increased by the cost of sending the weapon back, which was paid by Mr. Olbrück. The gun was returned specially and will go through the Egyptian Consulate General in Frankfurt.

/s/ ----- Illegible

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REPORT NO. E-154-53  
PAGE NO. DISCLOSURE #3

DISCUSSION

9 December 1952

Addition to the Teily Report:

It has come to my attention that Mr. Peter has made an unfavorable report about the business in Cairo, against Mr. Olbrück and me - meanwhile, Mr. Deter has been here without reporting to us.

It is particularly upsetting to me that I was not invited to the conference with Mr. Peter, and it is now clear why a daily report has been requested of me. I have made a total report which contains everything that is of value to be known. I find it very peculiar that an hour-for-hour report should be requested.

It is certain that if I had taken a new weapon with me and the preparations had been made exactly, I should have obtained the contract - the other gentlemen were also of that opinion and discussed it openly. No Mr. Deter did anything about it, nor could he have done anything to improve matters. On the contrary, that gentleman showed his true colors by his dirty dealings, his behavior here and where he unsuccessfully attempted to attack those very people who, like Mr. Olbrück and I, paid everything for him over his taxes. For the watch he gave Mr. Ristek he was given 5 pounds; and I do not know who he gave the money to, in any case it was not to me, and I have not yet heard anything from Mr. Olbrück.

I obtained the following information from Mr. Buchholz, Procurist for the company Beton und Monierbeton AG: Mr. Peter worked out the delivering firms for the company on a construction plan, for which he decided on fixed prices and accepted large sums of money. In addition, he goes by a false title - he is not a graduate engineer - and attacked one of the directors of the firm, Mr. von Falk, without any cause. Therefore, the Beton und Monierbeton AG will have nothing more to do with Mr. Peter. The preparation of the technical details by Mr. Deter is, in addition, so badly done that the firm is afraid they will lose money because of it. This information was given me verbally through the Procurist Mr. Buchholz, and Engineer Haussmann the construction director there, and certified by my friend there Engineer Joachim Walter.

Mr. Hussein Abu'l Fath is a sworn enemy of Mr. Deter since Deter is said to have swindled him out of several thousand pounds worth of provisions. Unfortunately, I got this information somewhat late, but I beg that you take note of it so that it may be known who has been sent down there as representative.

/s/ Illegible

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