

~~CONFIDENTIAL~~

Approved For Release 2003/04/24 : CIA-RDP80B01676R00120060043-8

29203



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT CHIEF OF STAFF, ~~EXX~~ INTELLIGENCE
WASHINGTON 25, D. C.

ACSI-PRW

MEMORANDUM FOR: DIRECTOR, CENTRAL INTELLIGENCE AGENCY

SUBJECT: Possible Shipment of Arms to Israel (U)

1. Information has been received from a confidential source whose name and address have been furnished to Security Division, ACSI and to Federal Bureau of Investigation, to the effect that one Walter S. Gabler, associated with the Yemen Oil Exploration, who works for George Allen and Victor Emanuel, has been offering 20,000 Garrand M-1 rifles for sale. Israel reportedly has an option to purchase these rifles at \$97.50 each. These rifles are new, only test rounds having been fired from them. It is further reported that an unlimited amount of ammunition is available. These rifles are crated for export in boxes of 25 each and presently are being held in New York; possibly at the following address:

W. J. Kappel
Petroleum Machine Corporation
(Office Address: 30 Rockefeller Plaza).

It is believed that Kappel has or knows who may have these rifles. It is possible that they may be located in the Petroleum Machine Corporation warehouse.

2. Additional information has been received alleging that 200-300 M-8 armored cars (SNL-G1-136) have been sold to the State of Israel at a price of approximately \$6,500 each and are being shipped from the United States to France. According to the informant, it has been further reported that guns for these M-8's will be shipped to France or some other European country where they will be mounted and the units transshipped to Israel.

3. Credibility rating - C-3.

Copies furnished:

State
FBI
DCSLOG
Army review(s)
completed.

Robert J. [Signature] *Case*

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UNABLE TO DETERMINE REGRADING DATE

Army

MEMORANDUM FOR: MR. DULLES

Copy of the attached has been sent to

for information.

17 Feb 56
[Handwritten signature]

[Handwritten initials]
FMC

16 Feb 56

(DATE)

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

(47)

25X1

25X1