

SECRET  
(When Filled In)

DOCUMENT TRANSFER AND CROSS REFERENCE

SUBJECT OF DOCUMENT		DOCUMENT IDENTIFICATION			
Turco-German Munitions Agreement		RI FILE NO.	71	11	3
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DOCUMENT DISPOSITION					
<input checked="" type="checkbox"/> CROSS REFERRED TO THIS FILE			TRANSFERRED TO RI FILE NO. :		
PERTINENT INFORMATION					
<p>*1. The 740,000,000 DM agreement for the manufacture in Turkey and shipment of munitions to Germany has been made between the Friedrich Krupp A.G. and various private industries in Turkey during the visit of <u>Alfred KRUPP</u> to Turkey in May 1957. The terms of the agreement are as follows:</p> <ul style="list-style-type: none"> <li>a. 170,000,000 DM will be paid by the Bank of German Lands to the Krupp A.G. The Krupp A.G. will in turn deliver the machines and supplementary new installations which the Turkish munitions factories in Ankara-Kirikkale will set up in order to carry out the munitions delivery contract.</li> <li>b. 185,000,000 DM will be paid in the near future from the Bank of German Lands in Germany to German industries involved in the agreement against old general Turkish debts which total 340,000,000 DM.</li> <li>c. The disbursements in "a" and "b" amount to 355,000,000 DM. The rest of the 385,000,000 DM of the agreement will be used to cover within one-half year the remaining 155,000,000 DM of the Turkish debts to Germany.</li> <li>d. The surplus sum of 230,000,000 DM is intended for use as investment capital for the acquisition of industrial products from Germany. This includes the purchase of factories, trucks, bulldozers, agricultural machines, and raw materials.</li> </ul> <p>2. The Krupp A.G. will deliver the machines for the munitions factories in Ankara-Kirikkale and will at least administer and do the accounting for supplementary investment deliveries of 230,000,000 DM. The German factories involved will not be paid by Turkey for this additional investment, but will be paid instead by the Krupp A.G. on the basis of an agreement between the Krupp A.G. and the Bank of German Lands.</p> <p>3. An agreement amounting to 82,000,000 DM has been drawn up for the expansion of the Karabuk Steel Works on the Black Sea. The 82,000,000 DM were originally to have been included in the 230,000,000 DM for capital investment, but according to the most recent information, the 82,000,000 DM will be excluded from the</p>					
FILE THIS FORM IN FILE NO.		➔			

FORM NO. 867 REPLACES FORM 867, 1 APR 54  
1 MAY 56 AND FORM 137 WHICH ARE OBSOLETE.

SECRET

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4. Another agreement reportedly was reached by KRUPP for 100,000,000 DM to be used in building a second steel plant in Edremit. The plant would use the thus far unexploited low quality ore found in the Edremit region.
5. The German heavy industries which will be involved in the transaction are located in the Krupp A.G. area in Hanover, North Germany, Schleswig-Holstein, etc.
6. The firm of Schenker and Co., Bonn, has been involved since the beginning in the transactions concerning transportation of the munitions from Turkey to Germany. Four or five test deliveries consisting of individual items of 10 and 80 tons were loaded in Turkey by Fasting-Schenker and Co. In February the Kuehne and Nagel firm, Bonn, also became involved in the transportation. This firm was promised 50 percent of the future loading, and the efforts of Schenker and Co. to delay the total amount of all loaded material to be shipped appear to have been in vain (sic).
7. The large munitions loading will begin in the fall of 1957. The munitions will be take over by Schenker and Co. and Kuehne and Nagel in Kirikkale. The transportation to the shipping place, Istanbul-Maltepe, will be carried out by Fasting for Schenker and Co. and by E.R. Weisshaeupl for the Kuehne and Nagel firm.
8. Turkish Army General, Kamil Argut, has been named representative in the Turkish Legation, Germany, for the purpose of carrying out the munitions agreement. He accompanied Krupp on his trip through Turkey and has visited the German heavy and Machine industries which will be involved in the munitions agreement.
9. The Minister Director of the Ministry of Commerce in Bonn, Dr. Staedtfeld, is the German counterpart of General Argut and will represent the German industries in future transactions with Turkey."

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