

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI

DATE: 7-20-48

FROM : SAC, San Diego

Declassified
Authority: 35942 By:
Britney Crawford Date:
04-08-2014

SUBJECT: FOUNDRY ASSOCIATES, INC.
NEUTRALITY ACT

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Enclosed herewith are confidential reports dated 4-28-48, 7-13-48, and 7-14-48 which were received by this office from the District Intelligence Office, Eleventh Naval District, San Diego, California. From reading the first two reports, it appears that the Bureau and the Los Angeles office are thoroughly cognizant of the investigation being conducted in this case. (S-1)(C)

With reference to the report dated 7-14-48, the Bureau is advised that the individuals referred to as sources "A" and "B" are: Mrs. TEMPLETON TAYLOR and Mrs. FRED DAHMS, both of whom reside at Box 311, Palm City, California. (S-1)(C)

Mrs. TAYLOR and Mrs. DAHMS called at the San Diego Office on July 6, 1948, at which time they furnished practically the same information as that contained in the DIO report dated 7-14-48. The fact that they had been in the office and that this office had had no record of the matter was brought to the attention of Commander G. T. O'NEILL, Acting District Intelligence Officer, on the occasion of the weekly ONI, IDA, FBI Conference. Commander O'NEILL was very much interested, and he was given the names of the two women in order that arrangements might be made for their interview. (S-1)(C)

Also enclosed are clippings from the "Los Angeles Times" newspaper dated 7-14 and 7-15-48.

Inasmuch as there appears to be no further action to be taken by this office at this time, same is being referred to the Bureau for its information.

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EX-91
Enclosure (5)
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cc - Los Angeles

CLASS BY SP-6 [signature] LP 10-27-82

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EX-91

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CONFIDENTIAL

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DIO-11ND

San Diego

28 April

48

(a) 11ND NNI-96 rpt #48-48, dtd 3/30/48, same subj.

Confidential Informants

A-1

PANAMA-PALESTINE - Commercial Air Line, establishment of.

BRIEF: Reference NNI-96 report briefly reported the establishment of an air line which is to operate between Panama and Palestine. This report goes into much greater detail, relates latest developments, includes information on attempts to export 42 combat military aircraft engines without State Department license in violation of law, and gives detailed background information on the principals involved, which may be of interest to Naval Attaches at Panama and the Near East.

Note: This information is as of April 1948

SOURCE: Investigation in cooperation with two other agencies of the federal government at Los Angeles. Sources one through thirteen are confidential informants, and while their information is in minor detail slightly at variance, all are believed to be reliable.

REPORT: PANAMA-PALESTINE - Commercial Air Line - Service Airways, known in Panama as LINEAS AEREAS DE PANAMA.

In connection with the investigation of one Albert MILLER who was associated with Leonard WEISMAN of Foundry Associates, Incorporated, and who was involved in the purchase of M3 demolition explosives from the War Assets Administration for ultimate shipment to Palestine, the following information developed which indicates a general tie-in of Jewish agencies purchasing war materiel in the United States with the SERVICE AIRWAYS, INC. This company is setting up a Panama-Palestine air line under the name of LINEAS AEREAS DE PANAMA, and recently attempted to export 42 combat military aircraft from Los Angeles to Panama in violation of State Department regulations.

I. Excerpts from a report made at Los Angeles 1/16/48 by source #1:

(a) An interview of confidential source #2 indicates that A. E. OSCHWITZER, whose residence address was given as 206 Poplar Street, Bridgeport, Connecticut, had opened an account at a Los Angeles bank on 3 December 1947. He was listed as an aero-engineer, born in New York City. He listed the Postside Bank and Trust Company of Bridgeport, Connecticut as a bank reference.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 11/11/01 BY 60322/UC/SJS/MLC

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CONFIDENTIAL

DIO-11ND Serial 58-48

28 April 1948

Subject: PANAMA-PALESTINE - Commercial Air Line, establishment of.

Note: This information is as of April 1948

81195 "

stated that Mr. A. W. SCHWIMMER had purchased three of the Constellation planes then on the Lockheed Air Terminal. Mr. SCHWIMMER was to be granted the privilege of selecting the three best Constellation planes out of the total of six then on the field. Source #5 stated that he had delivered two planes to SCHWIMMER after SCHWIMMER had made the selection of the three that he desired to purchase, and that he had received the impression that the planes were to be flown to South America. He further commented that SCHWIMMER seemed very "closemouthed" about the necessary parts for modification of the airplanes. The three Constellations purchased by SCHWIMMER bore the following Army Serial numbers: C69-43-10316, C69-43-10315, and C69-43-10313. According to source #5, all engines on all three planes were Wright 2200 horsepower engines of Type R 3350-35.

(e) Interview of Adolph William SCHWIMMER, 206 Poplar Street, Bridgeport, Connecticut. Mr. SCHWIMMER was interviewed at Lockheed Air Terminal on 14 January 1947, by source #1. Mr. SCHWIMMER stated his local temporary address is 3611 N. San Fernando Road, Burbank, California. He gave the following information concerning himself: Age 30, born 10 June 1917 at New York City. Marital status-single. National lineage-Jewish. Occupation-Flight Engineer. Background-Member of Air Transport Command in World War II. Pilot's License #59667. Parents-John and Fanny SCHWIMMER, presently residing in Bridgeport, Connecticut.

Mr. SCHWIMMER stated that he was accompanied to Los Angeles by Mr. Reynold SELK, 35 Kensington Street, New Haven, Connecticut. Mr. SELK's activities were described as parts man and factory contact for the purpose of expediting new parts for airplanes.

Mr. SCHWIMMER stated that he is presently engaged in directing the modification of three Constellation airplanes at the Lockheed Terminal and that the operation will be completed approximately February 15, 1948. He stated there has been considerable idle talk about the ultimate destination of the three Constellation planes now undergoing modification. He stated that he has kept all information confidential inasmuch as he did not desire any publicity be given the fact that the Jewish Agency was purchasing airplanes in the United States, and that he specifically did not desire that any representatives of the Arab nation should receive the information.

He stated there was positively nothing illegal about the whole operation, but that the operation was shrouded in secrecy as a precautionary measure. He stated that he had formerly been employed by the Trans-World Air Lines as a flight engineer and had crossed the North Atlantic in that capacity 280 times. He claims to be well versed in the operation and maintenance of Constellation airplanes.

About September 15, 1947, SCHWIMMER stated he received a telephone call from Mr. Albert MILLER, who was then in New York. The telephone call was made to his home in Bridgeport, Connecticut. He stated that at that time he had just arrived from Wilmington, Delaware on termination of a flight across the Atlantic. Albert MILLER advised SCHWIMMER that he would like to talk to him on a matter of great importance and it was arranged that they would meet on the corner in front of the Grand Central Station, New York City, across the street from the air lines terminal.

SCHWIMMER went to New York and met MILLER as had been planned, and they immediately went to the office of the Pratt Steamship Company, 41 East 42nd Street, New York City. SCHWIMMER described Albert MILLER as follows: Age-about 50, height-5'7", weight-130, build-thin, hair-black, eyes-brown or green, race-Jewish, characteristics-smooth shaven, no scars, speaks with Jewish accent.

CONFIDENTIAL

DIO-11ND Serial 58-48

28 April 1948

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81194

The opening deposit was \$20,000.00. Source #2 commented that SCHWIMMER came to the bank on 3 December 1947, with a cashier's check in the amount of \$20,000 from the Chase National Bank in New York City. SCHWIMMER stated that he was buying three Constellation airplanes from the War Assets Administration and that he was going to be a resident for approximately two months while the planes were undergoing modification at the Lockheed Air Terminal, Burbank, California. SCHWIMMER commented that he was an ex-flyer and had previously flown as flight engineer for the Trans-World Air Lines. One R. SELK was listed as accompanying SCHWIMMER to Los Angeles to ready the Constellation planes. A review of SCHWIMMER's account reflected that a deposit was made in the form of a cashier's check from the Chase National Bank, New York on 6 January 1948, in the amount of \$39,000. As of 12 January 1948, SCHWIMMER's balance was \$67,116.45. A review of the records made 10 March 1948 revealed that on 28 February 1948, a deposit of \$50,000 was made to the account of Adolph SCHWIMMER and Ray SELK. On February 3rd, \$59,000 had been deposited to their account. Both deposits had been telegraphic transfers from the Chase National Bank in New York City.

(b) Interview of source #3: This source stated that he received a telephone call from source #5 approximately two months ago stating that one A. W. SCHWIMMER had purchased three Constellation planes from War Assets Administration, which planes were at that time located on the Lockheed field, and that SCHWIMMER was to appear at the Lockheed Air Terminal to ready the above mentioned planes. When SCHWIMMER arrived in Los Angeles, he immediately let it be known that he did not wish to discuss the ultimate destination of the Constellations purchased, advised that he would pay cash for all the necessary parts, and desired to hire personnel acquainted with the Constellation airplanes. Source #3 stated that he had learned through a local bank that SCHWIMMER's funds were coming through the Chase National Bank in New York. From a representative of the New York bank, he learned that the money was coming from "a large law office in New York City". Source #3 also stated that the Lockheed Company was preparing approximately \$8,000 worth of parts to be used on SCHWIMMER's Constellations. According to source #3, SCHWIMMER rented facilities on the Lockheed air strip, and persons employed in the reconditioning of the three Constellations dubbed the planes "The Palestine Express".

(c) Interview of source #4: This source stated that SCHWIMMER had been on the Lockheed air strip for thirty-four days reconditioning three Constellation planes which had formerly belonged to the U. S. Army; that SCHWIMMER had pirated employees from the Lockheed Company, and was using bad parts in the modification of the planes. He stated that the Lockheed Aircraft Company was somewhat concerned about the whole operation inasmuch as any resulting air tragedies would reflect on the Constellation planes, which had already received bad publicity in the past. He stated, however, the Lockheed Company could take no action against SCHWIMMER. He stated that SCHWIMMER seemed very secretive about the whole operation, refusing to tell the name of the person who had given him financial help. He seemed to ward off inquiry with the statement that the whole transaction was "cash on the line", and seemed to resent further inquiry. There had been a rumor that the planes were destined for Spain but that he had no authentic information regarding this.

(d) Interview of source #5: According to source #5, SCHWIMMER had declared six Constellation planes surplus to the War Assets Administration. All six planes were at the Lockheed Air Terminal. He stated that about two months ago source #12 at the War Assets Administration advised him that Mr. WADSWORTH, Director of Surplus

