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SAC, New York

August 27, 1948

Director, FBI

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There are enclosed herewith for your office as well as Newark,
two photostatic copies of an intelligence report disseminated by ONI,
11th Naval District, San Diego, California, dated July 16, 1948. (C)

EX-60

The Bureau understands that Sources "A" and "B" referred to
in the enclosed report are the wives of Fred G. Dahms, San Diego,
California, and Templeton Taylor, San Francisco. These two individuals,
you will recall, traveled to Czechoslovakia as employees of Service
Airways, Inc. (c)

- Tolson
- E. A. Tamm
- Clegg
- Glavin
- Ladd
- Nichols
- Rosen
- Tracy
- Egan
- Gurnea
- Harbo
- Mohr
- Pennington
- Quinn Tamm
- Nease
- Gandy

cc Newark
Enclosures

KW:rb

COMMUNICATIONS SECTION
MAILED 5
★ AUG 27 1948 P.M.
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

CLASS. BY SP6 BJA/LPT
DATE OF REVIEW OADR

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP
DATE

Class 1/2/82 HB/...
12/26/82
KW

DATE: 12-7-2004
CLASSIFIED BY 60267 UC/NLS/BJA/Kum
DECLASSIFY ON: 25X3.3(1) 12-7-2029

ISSUED BY THE INTELLIGENCE DIVISION
OFFICE OF CHIEF OF NAVAL OPERATIONS
NAVY DEPARTMENT

CONFIDENTIAL

INTELLIGENCE REPORT

[Handwritten signature]

Serial 86-48
(Start new series each year, i. e. 1-43, 2-43)

Monograph Index Guide No. _____
(To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each main title.)

From DIO-11ND at San Diego, Calif. Date 16 July, 1948
(Ship, fleet, unit, district, office, station, or person)

Reference DIO-11ND Conf. NAI-96 Report of 14 July 1948. Serial 81-48; same subj.
(Directive, correspondence, previous related report, etc., if applicable)

Source See below Evaluation B-2
(As official, personal observation, publication, press, conversation with— identify when practicable, etc.) A-1 to E-0 etc. AS/EN 3-10; SER. 4312416-11-10-42

Subject PANAMA/PALESTINE; LINEAS AEREAS DE PANAMA (LAPSA); Further Information
(Nation reported on) (Main title as per index guide) (Subtitles) (Make separate report for each title)

BRIEF.—(Here enter careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

THIS INFORMATION IS AS OF JUNE 1948.

ALL FBI INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12-7-2001 BY 60267 UC/AJS/BJA/Cum

SOURCE:

Reference (a) reported information concerning foreign operations of subject airline, obtained from wives of two of the Line's maintenancemen now overseas. Quoted below are excerpts from recent letters to Sources "A" and "D" of Reference (a), written by their respective husbands, the above mentioned maintenancemen. In making selections from these letters, primary consideration was given to those sections referring to subject airline. Also included, as being of secondary interest, are excerpts describing the writers' average-American reactions to current conditions in Czechoslovakia, and to pro-Jewish propaganda dispensed by fellow airline employees.

BRIEF:

Subject airline reputedly acquiring Czech-built Messerschmitt 109 airplanes for use in Palestine; using C-47's as bombers. One C-47 shot at over Palestine 27 June 1948. Palestine problem includes important local Uranium deposit. Wife of LAPSA pilot joins him in Czechoslovakia; current conditions in latter country described; possibility of writers' U.S. wives going overseas to join husbands discussed.

REPORT:

23 June 1948:

"Here (Czechoslovakia) the people don't all glare at us. (This is in contrast to writer's reaction to Sicilians.) Don't you and Barbara (fellow crewman's wife) get all upset about joining us. The time will not be ripe for at least 60 days. Then we will let you know what kind of clothes and so forth.....when I started this letter six hours ago, we were under censorship. Ten minutes or so ago I find out different. The letters are taken from here to Geneva, Switzerland, and mailed.

"Sure wish I could speak the language. So far we've had an interpreter for every country we've passed through. Here Mike OGDIA talks like a native. In Casablanca and Dakar, Shorty BARKER took over. In Catania Al POZZOLI was the speaker. No landed in one place that no one could understand the lingo but the boys thought I should because of Papa.

G. I. R. - 8

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Routing space below for use in O. N. I.

AA 75689

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- ID GS, USA (7)
- DI USAF (5)
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- FBI
- USMC (5)

- Op-32-V (2)
- 32-D-4 (2)
- 32-D-3
- 32-Y (3)
- 32-F-114 (2)
- 32-F-112
- 32-F-121 (2)
- 32-F-111
- 32-F-41

[Handwritten signatures and notes]

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EX-60

34 AUG 31 1948

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DIO-11ND Serial 86-48

16 July 1948.

Subject: PANAMA/PALESTINE; LINEAS AEREAS DE PANAMA (LAPSA); Further Information re.

THIS INFORMATION IS AS OF JUNE 1948.

25 June 1948:

"I'm in Prague, as you probably gathered. Mike and I arrived this evening. We are behind the 'Iron Curtain', but don't get excited. I'm in David's arms. The Czechs are manufacturing Messerschmitt fighters for my employers and Mike and myself have been sent down here to the factory to check them over for flaws. This isn't a nice place. The police, including traffic cops are all in Army uniform. They all look nasty but don't hesitate to take bribes. Your Daddy doesn't care for Russia influenced people.

26 June 1948:

"We are staying at the Hotel Flora (Prague). It's supposed to be the best. In the States it would be 4th rate. We had our lunch down in the hotel restaurant. There was a little piece of fatty pork, gravy, some boiled cabbage and lots of spuds as usual. As foreigners the hotel furnished us with ration coupons from day to day. Each daily ration of meat is hardly enough for one American meal. In Zatoz the Company helped the hotels furnish us meat and other scarce items, but Mike and I are on our own for awhile.

"We had dinner downtown, and that finished our points. When we came back to the hotel we found the lobby and dining room one mass of medals, Soviet Army officers. Maybe you think I didn't feel alone, wow. Those guys look like a bunch of refugees from Sing Sing in theatre usher clothes, shaven heads, bull necks and mean looks.....

"So, the 'big wheel' called and we received orders, come Tuesday morning we leave for the 'Mess-up' factory. I don't know when it'll be safe to mail this, so I'm just going to keep adding till I do.

27 June 1948:

"Remember the things we read in the newspapers about Communism and wouldn't quite believe. I have been convinced, I'm a believer. Mike has talked to quite a few Czech people and gosh, the things they can tell. Only one person has talked for it since we've been here. We were walking down the main street here in Praha and a young fellow of 26 or so asked us in English if we could give him a few krenas. He looked like a pansy or something of the sort but he could speak French, German, English and his native Czech. He wanted to know how bad things were going in the States. He raved about Communism, how wonderful it was. We didn't argue, what's the use. At any rate we had a hard time getting rid of him. We met a Czech athlete here this evening. He said that about forty per cent of Czechoslovakia is Communist and most of them came in from Russia. During the election some large communities would have only one ballot box -- Communist. The workers in factories work long hours and the food is so bad that many people are coming down with I.B. I wouldn't believe it if I hadn't seen it. From the air and from the ground this country has every bit of ground in agriculture. Where they can't grow eatables they have planted forests. But still everything is rationed, people are hungry -- the Russians take all but a little bit of foodstuffs. The factories are all busy but the Czechs don't see any of the cars and farm equipment -- the Russians take it.

"The bunch of shaven heads with all the medals are downstairs again. I thought they were officers but we find out they are common soldiers and they are here to make sure the Czechs don't eat too well.

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DIO-11ND Serial 86-48

16 July 1948.

Subject: PANAMA/PALESTINE; LINEAS AEREAS DE PANAMA (LAPSA); Further Information re.

THIS INFORMATION IS AS OF JUNE 1948.

Before the war this city was American in just about every respect. The kids in school were required to learn English, it shows in the city in many ways. Now the people, not the Commies, are worried for fear Henry Wallace will win the Presidency. What's more, they seem sure that he will.

"When we were in Zatec the skipper wanted to buy a few guns-- he's a collector. He went to the nearest gunsmith, a very nice respectable looking gent, and ordered them. Then he had to have permits to buy them so Mike and I went to the City Hall with him. We were taken in to this guy that looked like a vagrant who issued the licenses. At first he refused flatly to issue them. He said we could buy the same guns from the town's other gunsmith without permits because - he was one of the Party. I have never been so disgusted. The final outcome was, the skipper gave him a carton of cigarettes and a 1000 krona note -- he got the permits.

"Lord, honest to gosh we do need a firm hand with the Communists.

"Some dope next door woke me up this morning singing at the top of his voice. I hammered on the wall and he stopped. Tonight they tell me he's a Communist and I must not bother him. It's enough to turn the stomach of a strong man.

"This has been beiling in me since we arrived and noticed the scared look on the peoples' faces -- very unpleasant.

"Have you been getting your money regular? We don't want any funny stuff with these people. As soon as I get back to where "T" (fellow crew-member) is I'm going to have him write Al SCHWILLEN building up the fact that you two girls are office workers. These places have all been very disorganized in their so-called offices. Pilots and radionen or anyone else around at the time does the office work -- it's a mess, and I believe if "T" uses a little persuasion on SCHWILLEN we can get you gals over a little sooner. You might tell that to Barbara so she can work on him ("T" that is).....I will leave no stone unturned to get you over with me. My address for a long time to come -- our address soon I hope -- c/o A. SCHULLMAN, Rue Du Lousanne (sic) 153, Geneva, Switzerland.

30 June 1948:

"We are unable to have any American money and will just get letters of credit for our salary. All food and food (sic) plus odds and ends are taken care of by the Co.

"How about coming over, the deal is that no wives will be permitted to come until the pres. operation ends. That means that as soon as the truce is signed we will start on air line operations with bases over here and in the States....They expect this to be very soon due to international pressure, etc. This is a rumor and was told to me by one of the higher ups who should know what he is talking about. So hang on and you may see this part of the world yet.

28 June 1948 (Prague):

"We have 16 B-109's to inspect and ready for flight. It seems as though the Jewish fliers have been cracking them up and they think it

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DIC-1150 Serial 86-48

16 July 1948.

Subject: PANAMA/PALESTINE; LINEAS AEREAS DE PANAMA (LAPSA); Further Information re.

THIS INFORMATION IS AS OF JUNE 1948.

was structure failure. This ME-109 is supposed to be a better plane than the Spitfire that the "Jikkos" (Arabs) are using.....Mike and I were sitting in the hotel kitchen having a mug of beer and in walks our skipper with a lovely gal. His wife arrived this afternoon from Geneva. The skipper (Elliott POLANSKY?), being of the faith, paid his wife's passage over, he has dough to melt. He took one of the C-46's into Palestine yesterday and was shot at.....Mike and I finished two ships today. We've been checking on the flight line, tomorrow perhaps we can get in the factory. It's colder than Mt. Baldy here, part of the day I had chills so I sat in the cockpit of an ME with the hatch closed until I warmed up.....I can get by until we get back to sunny Sicily.

"You asked about me sending some of my \$100.00 home. Coming down we were paid our first \$50.00 in Panama. That was gone by the time I reached Catania. Now when I can save money I don't get any. There's something that might be fishy there. The Company has been giving us all the kronas we want and none of the so-called office help speak enough English to get a straight answer. In Praha they give us 500 per day for living expenses. According to the doctor money cannot be mailed out, the letters are x-rayed for same. There is a terrific black market in dollars. The banks pay 50 kronas for one dollar, we hear by devious sources that the black market is 2000 kronas for one dollar. I believe the company get their kronas black market so all in all we don't know where we stand. Is the Company giving us our salary by the bank rate or the black market rate? The doctor said the Company here would mail to our wives the difference between what we spend over expenses and our salary. So if you get some extra money let me know.....just in case we think they are shorting us. What an operation!

"One of the boys from Tel Aviv said they are using C-47 for bombers, just open the door and start chucking. These ME's we're getting ready will carry a 1000 lb bomb that'll set the Jikkos on their heels.

The engineer that we are working with is a Jewish boy. He was telling us some astounding things about this war. You know of course that the Arabs are using British made tanks, guns and aircraft. Even the Arab army is partially English trained. The Arabs as far as the English care are animals, cheap labor. On the other hand the Jews in Palestine have helped the Arabs with a big free hospital, schools and better living conditions.

"This war is being fought for important uranium deposits near Palestine. The English want these deposits and recently proposed to the Jews an armistice if the Jews would give up their rights to this one piece of desert. The Jews preferred to fight and here we are.

"I guess I'm feeling sorry for the Jews now, I do know that they made something out of desert that the Arabs and English neglected for years. Our ships bring back great big delicious oranges, crates of them, and canned juices that put California to shame. The word got around that this war was to be the extermination of the Jew. That is why there are so many American Jews here fighting for them.

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"He also said if it hadn't been for Czechoslovakia the Jews would be no more. I know personally that is true. If Uncle Sam know just how much the British are backing this fight he might wake up.

"Just imagine though, there are Jews here from all over the world, united for this fight. What a clambake.

"Still freezing out at the field, I'll be glad when this operation moves to Sicily where it's warm and Barbara and you can join us."