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ANTITRUST DIVISION
427 First National Bank Building
Denver, Colorado

ECS:mhc

December 18, 1942

Edward H. Levi, Esq.
Special Assistant to the Attorney General
Antitrust Division, Department of Justice
Washington, D. C.

Dear Mr. Levi:

Receipt is acknowledged of your several letters dated December 15 which I received today. I hope you will pardon my commenting on several matters in this one letter, as I feel you could probably digest them better by this method.

I will proceed to Boulder, Colorado, sometime within the next few days to investigate the tungsten situation in that area. By separate letter this morning I requested authorization for a trip to Golden and trust that authority for this trip will be forthcoming soon.

I am glad to note that you are in complete agreement that we may very well center the work on mining, mining engineering, and mining equipment in the Denver Office, as this is the logical area in which to center such work, and we expect to have many interesting projects develop that are still on hook. I was also glad to learn that both you and Nohlforth are going over my suggestion pertaining to the proposed petroleum work out of this office. I was under the impression that there is a petroleum section in the HSN in Washington, as you pointed out. I hope, however, that at least we can center a good deal of this work in connection with the general petroleum project at this office, inasmuch as the Denver area is closer to the actual petroleum centers than any of the other offices. I am awaiting with interest your farther views in connection with this matter.

I deeply appreciated also your very fine letter with respect to my letter of December 9 pertaining to the Hosokawa report. I hope you don't think I was upset or sensitive in the matter, as I

did not feel that way and didn't intend for my letter to convey that impression. My chief fault perhaps lies in the fact that I am a bit too frank in matters on which I am working. After your explanation I realize that it would have been almost impossible to have resubmitted the report to me with your suggestions inasmuch as I was still sick at the time. However, my main point in so frankly discussing the situation was to forestall a set policy of re-editing, rewriting, and rearranging future reports without first submitting them to the original author. I am certainly happy that you agree that this should be done. As pointed out in my previous letter, this will, I am sure, entirely correct the situation in the future. Again may I say that I trust you received my letter in the spirit in which it was written and I do appreciate your response and the statements contained therein.

I have just talked over another situation with Mac and Haddock, and all three of us agree that the matter should be "chopped in your lap" for further suggestions. As a background, I would suggest that you read my confidential report to Hamilton, October 9, 1942, re interview with E. G. Constan. This should be done before considering the situation discussed here.

Mr. Constan has been in and out of Beaver for the past two months. He still maintains his headquarters here. This morning I interviewed him again relative to further information regarding transportation facilities in and out of northern Italy. Mr. Constan is perhaps one of the best known informants on matters pertaining to his native Switzerland. Of course, he grasped immediately the idea that transportation facilities in and out of northern Italy necessarily means the Swiss National Railway system. He has always been quite helpful in furnishing any information he possesses and will continue to do so. In fact, he pointed out to me this morning various places on the railroad maps of Switzerland which you recently sent that are considered as strategic bottlenecks in case they are bombed or destroyed, thereby disrupting the entire transportation facilities. He stated further that he had six other specific places in mind that are not shown on the maps you sent. He stated that these maps are a bit too narrow, particularly toward the north and west. A further report will be forwarded at a later date. Mr. Constan is more than willing to furnish further information but would like very much for the Department to return the favor if at all possible in the following manner:

Mr. Constan is considered as an outstanding expert on ski and mountain fighting. As pointed out in my previous report, he is an engineer by profession and holds patents on several types of equipment used by troops for supplies in mountain warfare. It is his opinion that the United States has sadly neglected preparation

in this line of equipment in warfare. As an example he has cited repeatedly the difficulties which confront the Allies in the Owen Stanley mountain range. It seems as if some time ago Mr. Constan offered his services to the War Department in whatever capacity needed. He has been "kept on hook" by various War Department officials for many months. The Engineers' Board of the Army experimented with some of his equipment out of Ft. Belvoir, Virginia, and apparently was favorably impressed. By wires, letters, and other means of communication, various officers have informed him from time to time that they expected to accept his many offers to serve the Army in whatever capacity needed. This has fallen through from time to time in spite of the fact that the Army is still interested in both Mr. Constan's equipment and his services in a technical capacity. He is unable to understand much of the "bureaucratic and red tape methods" in existence in Washington and is somewhat bitter toward the Engineers' Board for the "run around" they have given him, at the same time still keeping him on hook. He cited to me the inexperience of the Board members and pointed out that they had been appointed from civilian life and had come from wealthy manufacturing families and had no experience or insight as to the ramifications of the matters he had taken up with them.

I gather from Mr. Constan's conversation that he would be more than willing to forego any royalty payments if the Army officials would decide definitely to proceed further with their experiments in training in this type of warfare. Incidentally, it should be pointed out here that Mr. Constan's equipment was used by the Army at the Pando, Colorado, ski project (Camp Hale). This equipment was manufactured by Mr. Constan's western licensee, the Mine and Smelter Supply Co., Denver, Colorado, and Mr. Constan himself was appointed in an advisory and technical capacity during the installation of such equipment. Apparently Mr. Constan would be willing to forego the payment of all royalties, as previously pointed out, if the Army would avail itself of his services in a similar capacity in similar projects which he feels should be undertaken immediately.

Mr. Constan stated to me this morning that he would be more than happy to come to Washington and disclose all information in his possession to you and others in the Division and that he would disclose further all information in his possession as to objectives of attack which have been discussed in various meetings of the Swiss military council. He has participated in several of these discussions.

In return for this information, Mr. Constan would greatly appreciate anything you or any other member of the Department could do in steering him to the proper Army officials so that a definite

decision could be given one way or the other as to whether or not his offers were to be accepted by the Army. Mr. Constan has been quite frank with me and stated that if this could not be done he still would be more than glad to furnish all information he possibly could to this office. He stated further, however, that in return for such information he would consider it a great favor if any one in our Department having proper contacts with the War Department would assist him in his efforts to contact the proper sources there.

Of course, I stated to Mr. Constan that I could say nothing further on the subject until I had discussed the matter with my superiors and reported it to Washington and that I would contact him further just as soon as we could hear from Washington. Our opinion here is that if you are in such a position as to be able to assist Mr. Constan you would be more than glad to do so. However, I would not, of course, wish to advise a trip to Washington for Mr. Constan if it would amount to another wild goose chase for him. Senator Ed Johnson of Colorado has recently undertaken to contact this and that official in the War Department upon Mr. Constan's behalf, but I do not know whether he has been successful or not or just how far his interest goes.

My frank opinion of Mr. Constan is that he is a highly valuable source of information. I sincerely believe that he is one-hundred percent loyal to the Allied cause, and if the Department cannot help him in any way it is my further belief that he will be as equally helpful to us, as he has so stated himself. He desires naturally that our Department assist him in his efforts if at all possible. If the Department cannot, however, he will continue to be of assistance to us in our work at all times.

// Mr. Constan stated that his family, home, and friends are still in Switzerland and that he naturally would be hesitant in giving information at this time on specific objectives in Switzerland pertaining to transportation facilities etc., as he would never want to be the indirect cause of the death of a single Swiss person. He qualified that statement, however, by stating that if the officials in Washington wanted exact information relative to Switzerland he would give it to them in person. He stated further, however, that he felt as if the same objective could be accomplished by furnishing such information on objectives outside the Swiss borders. As previously pointed out, he furnished me with some specific objectives (re railroad lines), all of them being located just outside the Swiss borders. As soon as additional maps can be secured he will point out further objectives of value.

My further opinion of Constan is that he is extremely loyal and anxious to serve this Government in some sort of technical

capacity, even on a flat salary. I cannot say anything as to his financial status but my guess is that he has money, although I doubt if he is wealthy. From his remarks and after reading much correspondence and wires from various Army officials, I think his chief trouble lies in the fact that he has been too anxious to volunteer his services to the Army and has not had the proper party to steer him to the right sources. Coupled with this is his utter amazement and disgust with the many forms of red tape that he has been subjected to.

It is quite difficult to outline the exact situation as we see it here. To summarize briefly, my guess is that this man is a highly valuable source of information and is anxious to assist us in every way possible. If we can in any way assist him, I think it should be done. If not, I feel certain he will be equally as helpful to us as otherwise. He has been at all times quite frank and forward with me in this respect. If he were only steered to the right sources of contact, I think much of his problem would be solved. I will not under any circumstances, however, advise a trip to Washington for him, as he has suggested himself, until some indication is received that some one in the Department may be able to assist him along these lines. Both Haddock and Henderson agree with me in this respect and, so saying, I now gladly throw the entire matter in your lap and await your further suggestions.

Mr. Constan has just sent to me the enclosed letters, requesting that I send them on to you.

Another bit of information which should be passed on to you is that there is a waiter in Hamill's Restaurant on Tenth Street there in Washington who should be interviewed by some one out of your office. I do not know this waiter's name, but his nickname is "Scrip". My information is that he is an Italian and formerly lived in northern Italy. He is supposed to be strong anti-Fascist and in all probability will be able to furnish much information of value pertaining to northern Italy in general.

With kindest personal regards, I remain

Sincerely yours,

JAMES McI. HENDERSON
Chief, Mountain States Office

By _____

Ewing C. Sadler
Special Attorney

Enclosure 780359