

DEPARTMENT OF JUSTICE
ANTITRUST DIVISION
427 First National Bank Building
Denver, Colorado

60-0-28

October 9, 1942

TO: Fowler Hamilton, Esq.
Chief, Enemy Branch, OEWA
Board of Economic Warfare

Confidential Report
October 9, 1942
Re: Interview with E. G. Constam
Brown Palace Hotel
Denver, Colorado
Submitted by: Ewing C. Sadler
Antitrust Division
Department of Justice
427 First National Bank Bldg.
Denver, Colorado

Following the suggestion of O. H. Johnson (Ewing C. Sadler memorandum of October 9, 1942, re Mine & Smelter Supply Co., 1422 17th Street, Denver, Colorado), President of the Mine & Smelter Supply Co., Mr. E. G. Constam was interviewed by the writer on October 9, 1942.

Mr. Constam is a Swiss national but has recently taken out his first American citizenship papers. He was formerly an officer in the Swiss Army and one of his brothers is presently Commander of a Swiss Army Division and a member of the Swiss Military Council. Mr. Constam left his native Switzerland in April of 1940 and has been in this country continuously since that time. He is considered as an outstanding expert on skiing and mountain warfare. He is an engineer and has designed several portable trams and other equipment used in skiing and mountain warfare, on which he holds patents. He is presently located in Denver, Colorado, to supervise the construction of several portable trams for the Government Ski Project at Pando, Colorado, such work being done by the Mine & Smelter Supply Co. of Denver under a license from Mr. Constam.

Mr. Constam is perhaps the only man in this country who is thoroughly familiar with the type of equipment and methods used by both Germany and Italy in mountain warfare. He stated that at the outbreak of the war in Europe in 1939 Germany had stored over 500 portable trams, together with many brigade trams, monocables and



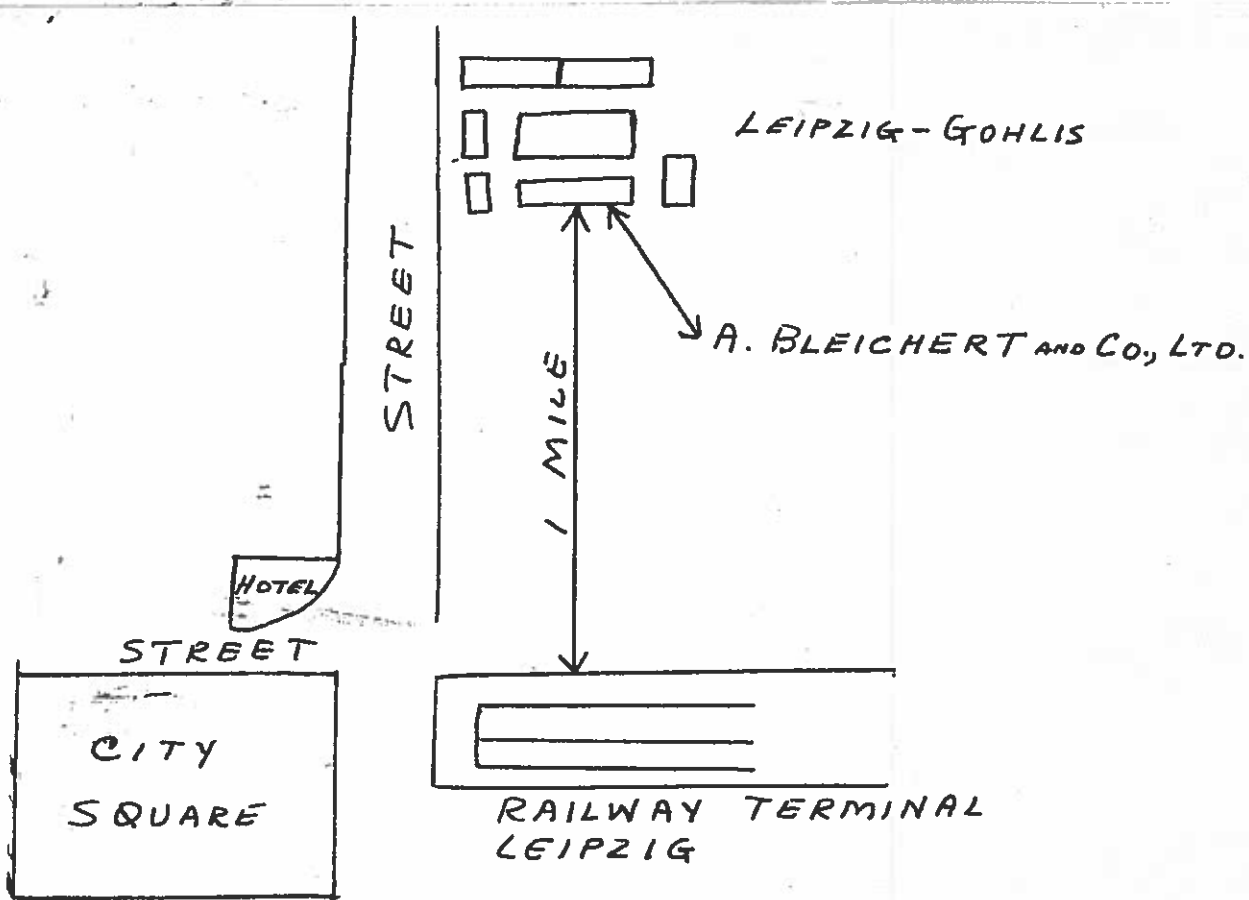
other equipment used for mountain warfare. At that time, he said, Italy had over 250 portable trams in storage, as well as various other equipment mentioned. He did not have figures available since 1939, but ventured the opinion that such equipment had been increased materially.

All equipment used by ski troops in mountain warfare has been manufactured in Germany by the A. Bleichert Co., Ltd., located at Leipzig - Gohlis, Germany, and its chief competitor, the Ceretti & Tanfani Company in Milan - Bovisà, Italy. Mr. Constam said that both of these plants, particularly the German plant, were military objectives of extreme importance because of the fact that just before the outbreak of the war in 1939 the plants were enlarged and assembly lines installed for production of trailers, side-cars, etc., for military equipment.

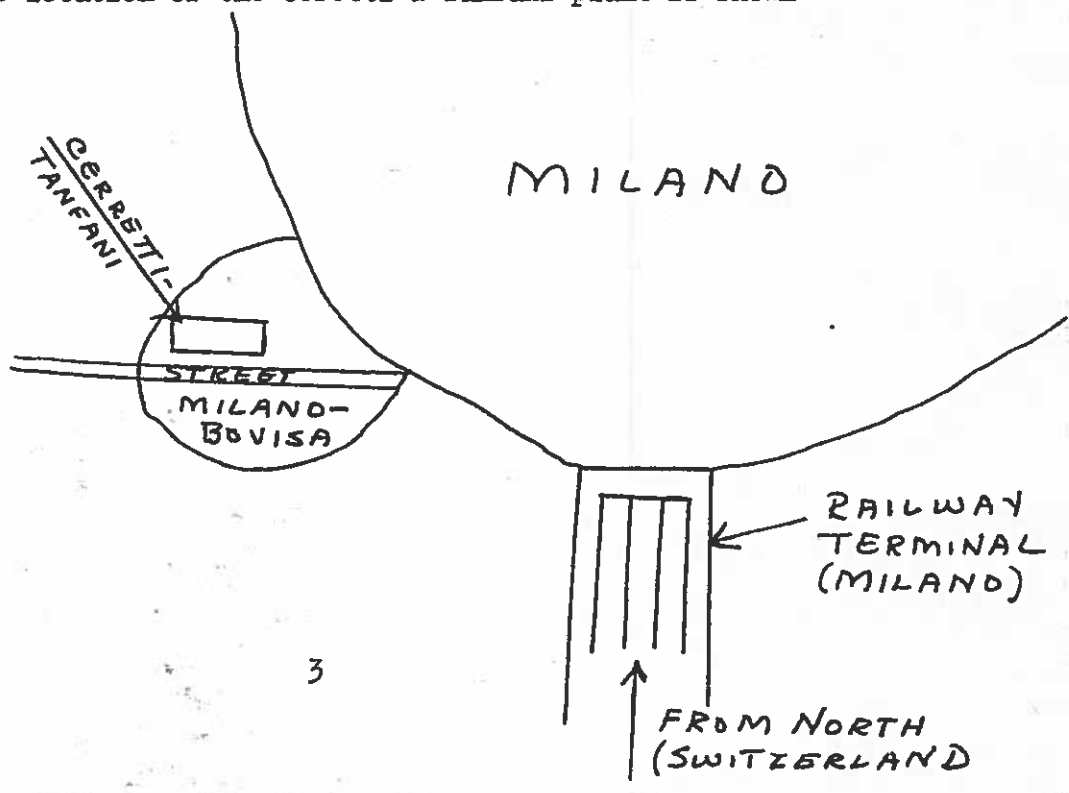
Mr. Constam has made several trips to the German plant, having handled their Swiss business from 1926 to 1933 or 1934. He has made a thorough study of the equipment made by the German plant and is possibly the only man in this country who can accurately reproduce the trams and equipment manufactured by this plant. Mr. Constam stated also that he had licensed the German plant to manufacture equipment under his patents.

Mr. Constam stated that the turnover of the Bleichert plant amounted to over 24,000,000 marks. He said the plant had over 1,500 common laborers and approximately the same number of office workers, together with a substantial engineering staff. He said, with all its facilities, the plant "farmed out" quite a bit of the work.

The Bleichert plant is located at the edge of the City of Leipzig, Germany, in a more or less suburban area known as Leipzig - Gohlis. The plant consists of two main buildings facing the road immediately in front of the plant and five manufacturing and shop buildings. The plant is located approximately two blocks from the edge of the city and is approximately one mile to the right of the main railway terminal in Leipzig. The country surrounding the plant is very flat and several power lines can be seen immediately back of the plant buildings. The main buildings are approximately 300 by 500 yards and all buildings are made of red brick. The roofs on all buildings rise to a peak in an inverted "V" shape. The layout of the plant and surrounding territory is sketched below:



Mr. Constam was not very familiar with the Ceretti & Tanfani plant in Italy, but stated that it was located on the outskirts of the City of Milan, Italy, in the suburban area of Bovisa. The only information Mr. Constam could furnish pertaining to this plant was that its productive facilities are approximately two-thirds that of the Bleichert plant in Germany. He stated further that the Italian plant had approximately 1,000 workmen employed there. A rough sketch showing the approximate location of the Ceretti & Tanfani plant is shown below:



Some time ago Mr. Constam volunteered his services to the United States Army for use in whatever capacity needed. He has also volunteered the use of his technical training and knowledge of mountain warfare troop equipment, but to date his offers have been refused by various officers of the United States Army to whom his services have been tendered. Questioned as to the reasons for his offers being refused, Mr. Constam advised the writer that he would prefer not to discuss the matter, as it might lead to a controversy and he does not wish to be the cause of any such issue being raised. The writer then asked Mr. Constam for his personal opinion on the subject and stated that any reasons given by Mr. Constam would be kept confidential and would not be relayed to the officers with whom Constam had corresponded. Mr. Constam replied that in that case he would be glad to give his opinion but that he had no actual proof to back up any statement he might make. He then showed the writer his personal files pertaining to all correspondence he had had with the various Army officials in Washington and with various officers of the Engineers' Board at Fort Belvoir, Virginia.

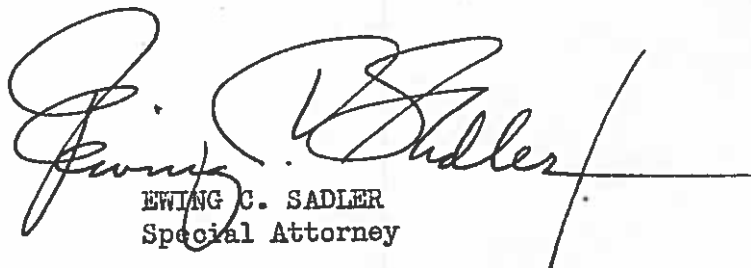
An examination of the correspondence indicates strongly that various engineering officers in the Army were very much interested in Mr. Constam's offer of service and his offer to supervise construction of troop equipment for mountain warfare, but that later the officers' recommendations were apparently overruled by the Engineers' Board. Mr. Constam appeared to be greatly disturbed by this sudden reaction and attributed the failure of his efforts to the inexperienced men on the Board, whom he considered merely as purchasing agents and entirely unfamiliar with the ramifications of the importance of the need of equipment for mountain warfare and transportation supply problems. Mr. Constam cited the experience and "business connections" of each member of the Board to substantiate his personal opinion. To illustrate the immediate need for production and training along this line, Mr. Constam cited the situation faced by the Allied troops in the Owen Stanley Mountain range. His opinion is that if this problem had been more fully explored earlier it would have been quite a simple matter for the Allied troops to cross the range and transport all supplies needed in a comparatively short time.

Mr. Constam concluded the interview with an interesting discussion concerning the feeling of various groups of people in Europe toward present war conditions. He stated that the Italian people, especially those in the Northern Italian industrial area, are intelligent people and highly regarded by the Swiss. He stated that the whole Italian people had always been pro-British and remain so today; that their business connections had always been most favorable with the British and that the Italian population as a

whole was quite surprised to find itself suddenly at war with Great Britain and her allies. He stated the original plan of the Axis powers was that the Italians were to march into France and join the German Army, but that such plan failed because the people of Northern Italy flatly refused to participate in any such plan. He stated that the sympathies of the Italian Army are still with the allied nations and that there is a bitter hatred of their German partner in the Axis. For that reason there is very little effort put forth by the Italian Army and thousands of them voluntarily surrendered to the allied troops.

Mr. Constam stated that his native Switzerland was able to enjoy her advantage as a neutral country today because of several reasons. He said that the Swiss foresaw the coming events many years ago and immediately began to enlarge and improve their army and Intelligence Service. Mr. Constam said that the Swiss have the best intelligence system in the world and that through this system control is exercised over thousands of native people in various Swiss occupied countries. He said that Hitler was very well aware of this fact and knew that almost overnight Switzerland would be in a position to cause much damage in the occupied countries.

Mr. Constam stated also that Italy's being in the war was a guarantee of Swiss neutrality, inasmuch as all supplies in and out of Italy must be borne over the only outlet by the State-owned railroad in Switzerland. If such rail facilities through to Switzerland should be crippled, it would mean the sudden and complete collapse of Italy. For this reason Switzerland is able to enjoy a tremendous bargaining power. Mr. Constam concluded by stating that at least 99 per cent of the Swiss people are wholeheartedly behind the united nations.


EWING C. SADLER
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