

SECRET

statements presented on February 25, 1952

Malaxa has been presented as:

- 1) "the chief steel industrialist of Rumania (p. 25, line 13) and "the man who organized the Rumanian steel industry" (p.25, line 16);
  - 2) "of the conservative side and of the republican side" (P.10, line 16);
  - 3) "bitter foe, first, of the Nazis" (p.25, line 17)
  - 4) being imprisoned by the Nazis because "he had resisted the nazification of his plant" (page 32, line 13);
  - 5) "espousing " in Rumania, the party of General Radescu" (page 5, line 18);
  - 6) the man who "never had to do with the Communist government until actually the Communists seized his plant" (page 25, line 29) and that "he never had any connection with the Communist government" (page 21, line 25) but at the same time "his office in the steel work, of which he was head, could be construed as a government office. It was not a political office of the government" (page 7, line 5);
  - 7) "he had been sent to the United States by the Rumanian government for the purpose of arranging for some finances.
- Mr. Carusi: That is correct" (page 22, line 30 and the following)
- 8) the man whose passport was "issued by the Rumanian foreign officer or whatever it was" (page 11, line 27)
  - 9) and "in seeking his exit visa he was rather powerfully supported by the American embassy" (page 6, line 11). Page 5, line 4

Now point no. 1 could be discussed and other people could qualify, but it is true that he was one of the important men in steel. In pre-war Rumania this position had to be held with strong connection with the then present government and the King. Therefore we find a contradiction in the statement at point 2, "republican". We could point out that in Rumania even statement no. 2, was a contradiction as Rumania as a whole or its component provinces had never been republics. Since the thirteenth century the provinces had been governed by princes and since 1881 Rumania had been a kingdom. (one could add that Mr. Malaxa's close friendship with King Carol was well known and publicized).

Point no. 3 is not qualified by any known attitude of Mr. Malaxa. After the abdication of Carol (September 6, 1940) he tried his best to remain afloat. The German policy in Romania after 1940 was to take as much advantage of the Romanian economy without their interference or control. There was never the question of nazification of his plant, (no plant or shop was nazified in Romania). He was confined to house arrest after the rebellion of the Iron Guards (January 21, 1941) being suspected of having supported the rebellion. The control of his plant was undertaken by the government after it has been discovered that he realized enormous profits on government contracts (varying between 1100-890%).

He could not have espoused General Radescu's party as the General had no party. Malaxa had no official position in no government after 1941. He was sent to the United States to negotiate a loan for the Rumanian government in 1946. His passport had been issued by the Romanian foreign ministry, but in order to leave the country it needed an exit visa which was issued by the Presidency of the Council of ministers (Bodnaras) or the Minister of Internal Affairs (Teohari Georgescu). As both are Communists, it would appear that the "support" of the American would rather harm his chances of obtaining the exit visa; nevertheless he obtained it not in spite of the Communists but with their full approval and knowledge.

SECRET

DECLASSIFIED AND RELEASED BY  
CENTRAL INTELLIGENCE AGENCY  
SOURCES METHODS EXEMPTION 3B2B  
NAZ WAR CRIMES DISCLOSURE ACT  
DATE 2004 2008

SECRET

-2-

The payment for his plant had been approved during the time of Gen. Radescu's government with the full knowledge of the Communist party which was represented in that government and which could have vetoed. The proof is that after the resignation of Gen. Radescu the payment was effectuated, when it was known that nothing in the Croza cabinet was done without having been fully discussed by the Romanian Politburo. In this case, the Politburo was informed that Malaxa would use it to buy machinery to refurbish the rest of the plant. It was essential for the Communist plan of industrialization of the country.

General Radescu has been described as:

- 1) Party leader: "the party of General Radescu and which he had formed" (page 5, line 19)
- 2) the leading anti-Communist: "...supported General Radescu's stand, who was the principal anti-Communist at the time the Russians came in" (page 25, line 19);
- 3) republican: "Malaxa was a partisan of Radescu, who is rather on the republican side" (page 9, line 11);
- 4) supported by Malaxa: "During that period he (Malaxa) gave considerable amounts of money to support General Radescu..." (page 24, line 21).

It is known that General Radescu was at no time leader of any party. Even today, he himself does not claim to have a party, but head a movement which he would like to see recognized as representing Free Romania.

At the same time to claim that General Radescu was the leading anti-Communist in Romania at the time the Russians came in is laughable. General Radescu won his fame in 1942 when he wrote a letter to the German minister, deed for which he was sent for 3 months to the concentration camp in Ty. Jiu. There he met among other inmates, Gh. Gheorghiu-Dej. After the first Sanatescu cabinet, when the Russian command objected to General Mihail as Chief of Staff, his name was suggested by the Communists as possible compromise solution in the place of General Mihail. After the collapse of the second Sanatescu cabinet, his name was again offered as a possible compromise which would suit the Russians and the Communists.

Up today General Radescu has denounced as lies all references of his being a republican. He has written an article on this subject in the paper of the Association of Free Romanians in the U.S. last fall and the same Association at its last meeting in January 10, 1952, has reviewed its recognition of King Michael.

The fact admitted by friendly witnesses to Malaxa that he supports General Radescu in the U.S. shows that Malaxa is set to split or to maintain the present split in the Romanian emigration, instead to promote the spirit of unity among his countrymen, taking full advantage of the fact that he is the only one with plenty of money.

Alexandre Cretzianu is shown as:

- 1) "...Under Secretary of Foreign Affairs at the time when Rumania joined the Axis and later when it declared war on Russia" (page 9, line 8)
- 2) "...during 1940 and 1941 he was under secretary for foreign affairs. That would be, I think, the technical title. It would be secretary general of the foreign office, which would correspond to under secretary of state. He was under secretary of state, and then later secretary general." (page 13, line 2)
- 3) head of the Royalist party. (page 9, line 7)

So far as I can remember Alexandre Cretzianu was Secretary General of the Ministry of Foreign Affairs. The quotation from page 13 is quite confused. Mr.

SECRET

SECRET

Berle ought to know the main difference between an Under Secretary of State and a Secretary General in European cabinets. The Under Secretary, is the direct assistant of the Minister and is taking part in the council of Ministers. That indicates that he has a political responsibility by being part to the decisions taken by the council. He is jointly responsible with his Minister to the head of the State and to the Parliament. The Secretary General is the highest official in the Ministry who has only administrative responsibility. The collapse of a cabinet does not necessarily imply that he goes to, while the Under Secretary does.

The many references to the Royalist in the statements presented to the hearing show a deliberate move to present the Subcommittee a distorted picture of the Romanian emigration. As such the emigration is shown being split on the important question of Monarchy, and therefore presenting Malaxa as a republican, the witnesses appeal to the American public sympathies for republicanism. It distorts the whole picture and gives a creditable stand to Mr. Malaxa.

Georges Cretzeanu is labeled Iron Guard, while it is known that he was a sympathizer of the National Liberal party and never has effectively part in politics. He is named Alexandre in the statement (page 9, lines 10).

Maynard Barnes who was Political Representative in Sofia, is presented as having been in Bucharest (page 6, line 13) while later it is shown that Burton Y. Berry had been there (page 6, line 19).

The policy of the United States toward the Romanian government is shown also differently from what the records show. "... the fact was that the policy of the United States from 1944 through 1947, that is to say, until the Truman Doctrine was announced, was a policy of collaboration with Communist and pro-Communist governments." "From the time when the Germans were expelled from Rumania is about 1947 it was the declared policy of the United States to have a combined front government" (page 4, line 7) "...And in saying that we urged collaboration..." (page 27, line 30). "As early as August 23 1945, we have a statement from the Secretary of State that the Romanian government was not representative. Since then many notes have been delivered to the USSR government and Romanian government on this subject.

"... there was an attempt in the iron curtain countries of today to work out as nearly as possible cooperative solutions" (page 4, line 11). After March 6, 1945, when Vishinky imposed the Groza government, there was no illusion on the American side, despite the attempt made to reorganize the Groza cabinet based on the Moscow decision (December 1945). The May protest of the American government show what was the attitude and what could be achieved.

Another wrong impression of the Groza cabinet is presented on page 7, line 15, when it is stated that "...it was a collaborationist government, united front government. That is to say, non-Communists were permitted in that government and maintained themselves, slowly being eliminated one by one for the next two years." Same on page 28, line 29 "the first was still a collaborationist government, part Communist and part non-Communist. The second was when they began what they called the purge and fired out substantially all the non-Communist elements."

It can be checked that no substantial changes took part in the Groza cabinet during the period referred in the statement above as the first serious change took

SECRET

SECRET

-4-

place on November 7, 1947. It is also known that the non-Communist had no power to do anything they tried to do, and were more or less concerned to please the Communists so as not to fear the loss of their departments. Therefore, it is rather stretched to state that Mr. Malaxa "succeeded largely through the non-Communist elements in the Romanian government in getting an exit permit which took him to Switzerland" (page 5, line 11). The above statement is also inconsistent with the statement made on page 22, line 30, where it is shown that Malaxa was sent abroad by the Romanian government to negotiate a loan.

SECRET