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26 February 1952

MEMORANDUM FOR: [] []

SUBJECT : MALAXA Hearing Held by Walters Sub-Committee,
25 February 1952

1. On Monday, 25 February , and the undersigned, attended the Walters-Sub-Committee hearing on Nicolai Malaxa. Mr. Ugo Carusi, who was the counsel for Malaxa, introduced Adolph Berle as a friend of his and private citizen - connected with the NCFE and Refugee Affairs. Mr. Berle started with a general statement that the charges against Malaxa were not true and proceeded to explain the charge that Malaxa had given gifts to various communists in Rumania. The Committee Chairman said, "We understand, Mr. Berle, from your statement, that Malaxa made all these gifts in an attempt to buy freedom for his wife and son." Berle, Carusi, and Carusi's assistant all stated that Malaxa had consistently been anti-communist, anti-Nazi, and anti-Iron Guard. Throughout the hearing, an effort was made to turn this paeon of praise for Malaxa into an accusation of Cretzianu and the Royalist group. They said that Malaxa was a "real Republican" and that the Royalist group were trying to strike at him by obtaining his deportation. They said that Malaxa's contribution to the organization, which was not recognized by the King and the NCFE, had infuriated the Royalist group. They stated that Malaxa had given money to General Radescu. They also stated that many individuals and companies had been reimbursed by the communist government of Rumania for the confiscation of the factories. In support of this, they cited a convention which had been prepared in Moscow for the approval of the government for paying these companies. They did not mention that this convention was never approved or acted on and that claims have been made over a period of years by Standard Oil Company and the British Oil Company for some type of settlement. (To my knowledge, and I believe this can be approved, Malaxa is the only person who has ever realized anything, either blocked currency, credits on foreign currency, for the confiscation of his factories.) They cited the names of people who gave testimonials and do not indicate that there was any connection, financial, or otherwise, between these people and Malaxa. At one point, a young Congressman (Billens), appeared and asked the Chairman if he could ask questions of Berle and Carusi. Permission was granted, and he proceeded to ask a series of

loaded questions,

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"loaded" questions, i.g. "Is it true, Mr. Berle, that during the Nazi domination of Rumania that Malaxa was imprisoned and unable to manage his factories and conduct normal business affairs?" The answer was "Yes." Hillens asked if the Nazi had made a big play of the manner in which Malaxa's wife and son escaped Rumania. The testimony seemed to us to be presented in such a manner that actual facts were slurred over, i.g. in the matter of dates, with a good deal of rhetoric employed to confuse the issue. Malaxa's representatives continued to insist, at each and every point, that they had documentary proof of all this information in the Department of Justice file which had been sent to Congress with an affirmative recommendation, and that any evidence to the contrary was based on hearsay and spite. We could not tell what impression this performance made on the Committee, although at several times, Mr. Walter and Congressman Keating asked rather pointed questions, and seemed to be aware that there was more to this case than "Balkan Intrigue" as Berle called it. Mr. Hillens questions were so obviously primed to get a desired answer that I feel that he must have been contracted by one of Malaxa's friends.

2. An effort is being made by SO-5 and PC-5 to find documentary proof on certain points which we know were not correctly presented and which we think will stand in a hearing. The so-called opposition, the Royalist group, were not heard at this meeting, although I believe Visoianu's lawyer was present.

SE/PC-5:MCN/edm

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