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COPY

ORGANIZATION OF RUMANIAN NATIONAL COUNCIL

I

Shortly after your return from service in Germany with General Clay in the fall of 1949 your advice was sought in regard to a situation which even then threatened to compromise the integrity of the Rumanian forces of liberation in exile; defeat the policy of the United States State Department for their democratic organization; and nullify the efforts of the National Committee for a Free Europe (NCFE) to implement that policy in the case of the Rumanian National Council.

We appealed to you then because of your intimate knowledge of the policies and personalities of the State Department, the Central Intelligence Agency, and the NCFE which the delicate political implications of the situation required. It was our hope that you would use your good offices to bring about a practical solution to our problem. You graciously agreed to do so but indicated that we should exhaust every possibility of working out a negotiated compromise. You pointed out that bitter controversy would be used with deadly effect by Soviet propaganda as conclusive proof that the cause of Rumanian liberation had been betrayed by the very men who pretend to be its leaders.

For three years in all good faith and in loyal cooperation with the NCFE I have tried to work out a solution but without success.

For the reasons hereinafter set forth I believe the situation has now deteriorated to the point where appropriate intervention seems almost indispensable if the Rumanian liberation movement in the United States is to be saved. In this critical situation I bespeak your help, not for myself, but in the interests of my unfortunate countrymen behind the Iron Curtain.

II

The crux of the situation involves the misappropriation in 1946 of a fund of \$1,500,000 set aside in trust in 1944 by the Rumanian Government at its legation in Berne, Switzerland. The purpose of the fund was to support in exile such of its intellectuals and national leaders as could best preserve the nation's culture and maintain the people's hope of liberation during the period of Soviet subjugation. In the light of the Katyn forest massacre by the Soviets of the Polish intellectuals and leaders, the setting aside of this fund was a measure of national survival in the most profound sense.

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Under the Rumanian law, control of and responsibility for the application of this fund for the special purpose for which it was created was vested in the Foreign Minister of the Rumanian Government under the direction and control of the Prime Minister. I was the Prime Minister of the last constitutional government of Rumania. Mr. Visoianu was its Foreign Minister. It is conceded by Mr. Visoianu that in the early part of 1945 and while he was Foreign Minister he transferred the fund to a personal friend and a subordinate in the Foreign Office, Mr. Alexandru Cretzianu.

The Liberation fund could not be lawfully diverted from the trust purpose for which it had been set aside without my specific consent and approval as head of the Rumanian Government. I had no knowledge of the transfer and my consent and approval were never given. Nevertheless, Mr. Visoianu and Mr. Cretzianu -- who have acquired permanent resident status in the United States under the provision of the Displaced Persons Act -- have used the fund for their own personal purposes.

Of the original sum of \$1,500,000, one half (or \$750,000) was transferred by Mr. Cretzianu from Switzerland to his account in the United States. Mr. Visoianu, a man of very limited means in Rumania, stated under oath in his immigration application to enter the United States, that he had personal assets in this country of about \$158,000. The other one-half of the fund (\$750,000) is on deposit in Mr. Cretzianu's account in Switzerland, where he is being sued by the present Rumanian Government for a recovery thereof on the ground that it was illegally appropriated by Mr. Visoianu and himself.

Both Mr. Visoianu and Mr. Cretzianu deny knowledge of the trust character of the fund. They have consistently refused to comply with the repeated demands of the first Rumanian National Committee to account for the fund and to make it available for the purposes of the Rumanian liberation movement. Mr. Visoianu's position originally was that he lost control of the fund when he ordered its transfer to Mr. Cretzianu. Later, Mr. Visoianu declared that the fund was subject to his exclusive control and disposition without accountability to anyone.

III

The position of Mr. Visoianu with respect to the fund, which seems also to be the basis of Mr. Cretzianu's defense to the suit brought by the present Rumanian Government in the Swiss court to recover the fund, is untenable. The fund was set aside beyond the borders of Rumania for the purpose above stated. Mr. Visoianu could lawfully exercise control of the fund only to carry out the purposes for which it was set aside and for no other purpose. Under the facts

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and the law, the suit of the present Rumanian Government has trapped the Messrs Visoianu and Cretzianu between the horns of a dilemma from which there is no escape.

1. They can adhere to their present untenable position. If they follow this course, they in effect concede the embezzlement of funds of the Rumanian Government. In such event the present Rumanian Government will not only recover the \$750,000 in the hands of Mr. Cretzianu in Switzerland but will establish its claim to the other half of the fund which Mr. Cretzianu brought to the United States and which he and Mr. Visoianu applied to their own use. Finally, and most important, both Mr. Visoianu and Mr. Cretzianu will be subject to criminal prosecution for their acts and as such will have made themselves liable to deportation from the United States as undesirable aliens.
2. Mr. Visoianu can concede the trust character of the fund and acknowledge that it is held under his control subject to the trust purpose for which it was created. By thus establishing the lawfulness of his action in transferring the fund to Mr. Cretzianu, both Mr. Visoianu and Mr. Cretzianu can escape the consequences listed -- 1st above. But in so doing they concede: (a) the sole right to the fund of such truly representative and duly recognized organ of the Rumanian liberation forces in exile as may be established; and (b) their own accountability to such duly constituted organ for their actions with respect to the fund since 1945.

Mr. Visoianu and Mr. Cretzianu have denied to the forces of the Rumanian liberation in exile that part of the fund which they brought to the United States, and have prevented them from asserting their claim to that portion of the fund now the subject of litigation in Switzerland. They have been able to accomplish this result in the first instance by preventing the democratic organization of a truly representative Rumanian National Council which would be competent effectively to assert its legal and moral claim to the liberation fund. More recently they have sought to achieve the same and by attempting personally to handpick, dominate, and control the group accorded recognition in the United States as the official organ of the Rumanian liberation forces in exile.

Because of this situation -- and the disclosure of the statement by Mr. Visoianu in his immigration application with respect to his possession of assets of \$158,000 -- I was obliged on August 25, 1952 personally to transmit to the Swiss Court a statement with respect

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to the fund in litigation, its lawful destination, and the actual circumstances of its transfer by Mr. Visoianu to Mr. Cretzianu. Such action was necessary to lay the foundation for formal intervention in the suit by the Rumanian National Council when duly constituted.

IV

In 1948 the State Department stated its policy with respect to the organization of the Rumanian forces in exile. The policy called for a broad democratic base to include all elements of a representative and valuable character in Rumanian political life and culture, without regard to political party affiliation.

Shortly thereafter, with the Department's approval and in collaboration with Messrs. Visoianu and Cretzianu, I attempted for over a year and a half to organize a representative Rumanian National Council. I was unable to do so because of the refusal by Messrs. Visoianu and Cretzianu to account for the funds in their possession and under their control, and to make them available to the liberation movement. Accordingly in 1950 I began to organize the "League of Free Rumanians", a world-wide federation of representative Rumanian groups and associations in exile.

In 1952 I held up this matter at the request of Mr. Frank Altschul of the NCFE, in order to give him an opportunity to organize a Rumanian National Council and an Executive Committee which would include Messrs. Visoianu and Cretzianu. I welcomed this official intervention on the part of the NCFE with the understanding that:

1. The Council would be organized in accordance with the policy of the State Department, on a broad democratic base to include all exile elements of a representative and valuable character in Rumanian national life, science and culture -- without reference to political party affiliation.
2. In accordance with the procedure established by the NCFE in the case of Czechoslovakia and Hungary, the Council thus organized would elect by majority vote of its membership, its President and other officers as well as its Executive Committee, to serve as the organ of cooperation and liaison with the NCFE and all other public or private elements.
3. The participation of Messrs. Visoianu and Cretzianu on the Council or the Executive Committee should be conditioned upon their willingness to account to the Executive Committee for the fund, and to make available the balance in their possession or under their control to the Council or its Executive Committee for the use and benefit of the Rumanian liberation movement as a whole.

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Mr. Altschul agreed to keep me advised of progress in his efforts. However, late in 1952 I was informed that he intends to proceed with the organization of the Rumanian forces in exile on the basis of a small group of persons selected by and under the presidency of Mr. Visoianu. He has not seen fit to advise me of the reasons, if any, for his reported action.

Such action if taken would be inconsistent with the policy of the State Department and with the democratic principles of organization established by the NCFE for the formation of the Councils and Executive Committees of Czechoslovakia and Hungary. It would not only deny to the Rumanian forces in exile any right to the fund set aside for their survival but would officially approve its misappropriation.

V

Because of my record of determined resistance to Nazi and Communist tyranny alike, I believe that in the eyes of my enslaved countrymen I am a principal trustee of their hopes of liberation. At my age I have no ambitions or aspirations other than to serve their best interests.

Should the plan of organization materialize, the great liberation objectives of the NCFE in the case of Rumania will be defeated. The moral and political forces of the Rumanian emigration movement will be hopelessly discredited in our unfortunate country, where the Soviets will intensively propagandize that fact to weaken all hopes of liberation. As a matter of patriotism and honor, I am obliged to oppose an act by which such hopes are almost certain to be extinguished.

All of this can be avoided if the NCFE will use its considerable influence to bring about the organization of the Rumanian Council and its Executive Committee in the same manner and under the same procedures which it established in the case of Czechoslovakia and Hungary. My associates and I will support such action with all the energy and resources at our disposal.

/s/ N. Radescu
Nicolae Radescu
Former Chief of the General Staff
and Former Prime Minister of
Rumania

New York, N. Y.
January 21, 1953

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