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16 October 1944

To : Saint Wasington, Saint London
From : Saint Bucharest ~~AM~~
Subject : NICOLAE MALAXA

1. The attached list was written by Max Ausnit, the bitter enemy and competitor of MALAXA. It was prepared and given to us unsolicited. We have checked the information and it is true. From what we have been able to learn the business methods of MALAXA and AUSNIT are substantially the same. It is a good deal like the pot calling the kettle black. The one great difference in the men is that AUSNIT is genuinely pro-Allied, and was in jail for a long while because of his sympathies. To what extent MALAXA collaborated with the Germans we do not yet know. A later report will be necessary.

2. This report is forwarded as a matter of interest in both Washington and London as it is understood that MALAXA is sending an emissary to London to make contacts with British and Americans and that he is prepared to give 40 per cent of the stocks of his various companies to British and American interests. He hopes by this method to avoid confiscation of his property. The information in this paragraph does not come from AUSNIT but from independent sources believed to be reliable.

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NICOLAE MALAXA

During the last war (1916) MALAXA was a small employee of railway. After the war he started repairing trucks.

In 1923 he formed with Ing. ~~PERIETEANU~~^{PERIETEANU}, formerly General Manager of the Railways, a company with lei 1.000.000 capital. With the support of his partner, he got a Railway contract with guaranteed orders for 10 years and cash-advances which enabled him, with the help of the German Borsig-Werke, to build locomotives.

With this contract, he started the era of corruption at the Railways.

Reșița, who was the biggest purveyor of railway material (locomotives, rails, bridges, etc.) found the greatest difficulty in dealing with the Railway administration. Therefore, Max AUSNIT proposed in 1931 that MALAXA should be joined to the Board of Reșița and trusted with the dealings with the Railways and authorities. Though the whole board was against this proposition, it was eventually adopted.

Through his position in Reșița and cooperation with Max AUSNIT, MALAXA'S credit increased rapidly.

He became a great supporter of the late KING CAROL II and the camarilla around the king.

Through this connection he got the first big Railway contract for motorisation. To give an idea of the onerous basis of this contract one has only to examine properly the enclosed fotocopy, showing that for deliveries, inclusive 6% benefice, in value of lei 694. 000. 000, MALAXA charged the Railways lei 1. 120. 000.000.

At this time he started being interested in armament. He found in his way the representative of Skoda, Mr. ~~SELITZKY~~^{SELITZKY}, a great specialist and representative of Skoda, the greatest middle-European firm of armament. Skoda was always able to put forward valuable propositions for the confection and delivery of armament in Roumania.

In order to suppress this competition, with the help of the camarilla-man Puiu ~~DUMITRESCU~~^{DUMITRESCU}, the King's right-hand, SELITZKY was attracted in a law-suit for corrupting officials and condemned to 5 years prison.

The firm Skoda being compelled thus to cease practically work in Roumania, MALAXA had the field free and started in 1936 the big armament contracts amounting to tens of milliards lei with advances of 40% and enormous benefices.

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All his armament factories were built with German aid. His interests and influence with the camarilla of the late King, Mrs. LUPESCU, and URDARIANU got stronger and stronger. He was from that time the great financial supporter of the Iron Guard, which he feared, being known as a great friend of Mrs. LUPESCU and thought of appeasing them through his financial aid.

He saw several times Marshall Goering and worked from that time fervently for the approachment with Germany. He was the greatest supporter of TATARESCU and his policy to overthrow TITULESCU'S influence.

When Max AUSNIT formed in 1939 the British-Roumanian Corporation in London, which was supposed to counter-balance the German-Roumanian commercial treaty then enforced by Germany, the Germans asked that drastic measures should be taken against him.

Then MALAXA, who was Administrateur-délégué with URDARIANU who was Chairman of Reșița, framed Max AUSNIT with invented charges and got him convicted to 6 years prison. The king was won to this frame-up by MALAXA, URDARIANU, and Mrs. LUPESCU in the idea that this action will prove to the Germans that the King had liberated himself from Anglo-Jewish influence. MALAXA and URDARIANU had now free hand in Reșița and in all other concerns, to make repartitions of armament orders to the detriment of Reșița, Astra, etc. and to the advantage of MALAXA.

MALAXA and URDARIANU, who were afraid of Max AUSNIT'S disclosures concerning their dishonest political and economical influence, assured themselves against this by his imprisonment.

MALAXA continued to rule Reșița after Max AUSNIT'S arrest by making his personal friend, Minister of Justice JAMANDI (in his will, published after his death, JAMANDI declared MALAXA his great benefactor) to issue the decree of December 7, 1939, by which the shares belonging to MALAXA and Max AUSNIT, blockaded in London under a voting-agreement, were liberated and MALAXA enabled to get duplicates of these shares; the same decree enabled the Goering-Werke to get duplicates of the shares belonging to the Cesko-Zbrojovska-Works, which were also deposited in London. So MALAXA and the GOERING group obtained the majority in the General Meeting and ruled Reșița.

When, September 1940, the King had to leave the country and the Legionary (Iron Guard) Regime was established, it became evident that Malaxa had been in the past the financial supporter of the Iron Guard.

Though he was known as a part of the late King's camarilla and Mrs. LUPESCU'S friend, during two weeks of the new regime, he established close connection with the Legionary chiefs. His nominee and protege in Reșița, Dan PERIETEANU, became General

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Manager of Reșița and MALAXA-companies, having as collaborators only members of the Iron Guard.

In December 1940, the leader of the Iron Guard and Vice-president of the Council of Ministers, Horia SIMA, who had become very close to MALAXA, proposed to Marshall ANTONESCU, head of the Legionary government, the nomination of MALAXA as an economical councilor (dictator). Only Antonescu's opposition, who knew the corrupt ways of MALAXA's doings, avoided this nomination.

It is sure that MALAXA supported the leader of the Iron Guard in his revolt against the Marshall. He was arrested and accused of complicity with the Iron Guard. As no personal proof could be found and the influence of all his supporters saved him. But he was accused however to have defrauded the state with many milliards of lei, through the onerous contracts for materials of the armaments and in order to escape prosecution, he made a donation of 50% of his shares to the state. As this was not sufficient, the remainder 50% was expropriated by the state, until the Commission, which was nominated to control contracts, should make its reports.

His German friends, who were not greatly satisfied by his dealings, seeing his bad position, dropped him and joined with the state and formed a company to exploit MALAXA'S works (Rofiger). But a few months later, MALAXA had already won, in his usual way, the full support of Mrs. GOGA, Princess Alice STURDZA, the Marshall's, the Vice-President M. ANTONESCU and before any researches or serious surveys regarding his armament contracts were made, on-October 3d 1943 appeared a decree issued by the Prime Minister M. ANTONESCU who compelled the resort Minister DOBRE to sign it against his will, under which all the donated and confiscated shares were given back to MALAXA. Also the state ore mines and steel factories of Hunedoara were given in exploitation to Malaxa, with the obligation of the state to secure raw materials, finance and orders.

This new arrangement was so scandalous that the resort minister would not go through with it. Also MALAXA did not press too much, seeing the danger of bombardment and evacuation, he wanted to keep the state responsible.

Since 1943 MALAXA had two of his closest friends in the government as ministers, Mr. Atta CONSTANTINESCU who since 1936 was chairman of MALAXA'S Company Soco tub, and ORBONAS who was his manager since 1937. The latter particularly helped MALAXA in his connection with the Gestapo, as he had great influence with the German Minister KILLINGER, being the fiancee of his daughter. ORBONAS has been arrested and committed suicide.

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