. IN THE BAND BETWEEN THE SOLID LINE ACROSS THE TOP OF THE MASTER AND LEVEL OF THE DOTTED LINES. IMPORTAND - BEFORE TYPING TAKE OUT INTERLEAVING SHEET. Ho 26 7th Regiment 31 March 1945 Detachment "R" GR-395 20april OFFICE OF STRATEGIC SERVICES ORIGINAL REPORT NO. CR-595 Rumania COUNTRY Malaxa factory returned to Malaxa DATE OF REPORT 31 March 1945 SUBJECT **EVALUATION** CONFIRMATION ' SUPPLEMENT CORRECTION SOURCE SUB SQURGE NUMBER OF PAGES 2 DATE OF INFORMATION 20 March 1945 ATTACHMENTS PLACE OF ORIGIN Romania MEDTO THEATRE THEATRE DISTRIBUTION

1. Malaya reestablished in factory

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Comment: The sub-source for the fellowing information regarding Malaxa's reinstatement as head of his factory is the femmer general manager of the Malaxa factory. For earlier information conserning the state of affairs at the Malaxa plant, see GR-263 of 23 February.

Mr. Nicolae Malara has been recentablished by the present Government, at the Malara Tube Factory in Bucharest. On 29 March Mr. Malara was presented to the "Factory Committee by Cheorghiu-Dej, Communist Minister of Communications, who informed them that "Mr. Malara is the master of this factory".

2. Agraement between Malaza and Government

Comment: For previous report on rivalry between Malaxa and August, see GR-156 of 13 January 1945.

Sub-source stated that the agreement between Malaxa and the Government can be summed up as follows:

a. The factory becomes definitely the property of Malaxa.

h. Malaxa can constitute, according to his own choice, a managing committee, which will see to technical problems and those regarding the production of the factory.

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- <u>a.</u> The present "Factory Committee" (established in December 1944 by the trades unions) will concern itself exclusively with workers' problems.
 - d. The factory will work on a basis and plans established by the Government.
- g. The factory will not execute any orders without the previous consent of the Government.
 - f. The Malaxa concern will cede half of its profits to the workers.

In choosing his managing and technical staff, Malaxa has asked the right to reengage some of the "epurated" persons. Sub-source heard that the Government has allowed this in principle but has been met with the opposition of the syndicates.

3. Probable reasons for restoration of factory to Malaxa

Sub-source believes that the following reasons have determined the Government to restore Malaxa's factory to him:

- a. The urgent need of production. At present, production at the Malaxa Factory is completely disorganized.
- b. Malaxa has given, or promised, large sums of money to the Communist Party. Parenthetically, sub-source stated that when the question of restoring the factory to Malaxa was discussed at the Communist Party, only V. Luca opposed this. All the others approved. Sub-source also said that indirectly this is a warning given by the Communist Party to Max Augnit, who is a friend of the Anglo-Americans.

Comment: In assessing sub-sourcess comments, it must be borne in mind that sub-source was epurated from the plant by action of the syndicate. Sub-source also has a reputation for having collaborated on an economic level with the Germans and for being strongly anti-Communist.

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