

NICHOLAS MALAXA.

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In 1946 Malaxa and Max Ausnit made up their past differences, under the auspices of the Groza government, and proceeded on an "economic mission" to the U.S. As it transpired later, this was merely a "mariage de convenance" for the purpose of getting out of Rumania and promoting their own interests. The two entered into a "gentlemen's agreement" to share on a fifty-fifty basis in whatever profits may result from the transactions they might succeed in putting through between Rumania and other countries, chiefly the U.S.

This arrangement has been short-lived. The first estrangement occurred in Paris, when Malaxa was refused a British visa. Ausnit went to London alone, and Malaxa came to U.S. under a visitor's visa, together with his daughter and son-in-law, Dr. Pallady.

In New York, Malaxa, the Rumanian Minister to Washington, tried to patch up things between the two, but after a few abortive attempts the final parting of the way occurred in 1947, when Ausnit brought a law suit against Malaxa for non-compliance with their agreement. Malaxa might, perhaps, have succeeded in winning the case, as Ausnit could not produce a written engagement to prove his claim, but Malaxa did not care to give testimony in court that might have brought out some unsavory business of the past. He, therefore, preferred to settle the case out of court and paid Ausnit a sizable amount of money which, it is said, ran into six figures.

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It is interesting to note that about the time of the law suit Ausnit's apartment in New York was entered into and searched by unknown persons.

After this, Malaxa, at the instigation of Malaxa, cabled out a report to Bucarest denouncing Ausnit and all those who were on his side, especially Rica Georgescu, as working against the interests of their country. The Minister accused them of obstructing Malaxa's and his efforts to obtain grain for the starving Rumanians from the U.S., in order to put through their own scheme of selling the grain with the help of American credits, which would have enabled them to make a handsome profit. This report brought immediate results. Both Ausnit and Georgescu were denounced as traitors to their country and deprived of their citizenship. The Malaxa grain transaction, which eventually was accepted by the Rumanian government, was based on credits opened in New York on a Gold guarantee in Switzerland. From this operation, it is said, a substantial commission reverted to Malaxa and others.

It is stated on good authority that every member of the Rumanian legation in Washington, and of the New York Consulate, who can be useful to Malaxa, is in his pay, and that those who are unwilling to take bribes are intimidated and threatened with recall if they refuse to work with him. Thus, Remus Lula, the Commercial Attache, a nephew of Groza, complying with a request sent direct to him by the Ministry of National Economy, cabled quotations for oil well equipment, obtained from the manufacturers in this country, without the knowledge of Malaxa. Malaxa called Lula to his office, gave him a dressing down, and threatened him with dismissal if he would again interfere with the work he was doing for the Rumanian government. Lula, apparently, did not know that Malaxa had sent his own inflated quotations for similar equipment to Bucarest. The Malaxa relented, began praising Lula's efficiency and ability, and tried to enlist his cooperation.

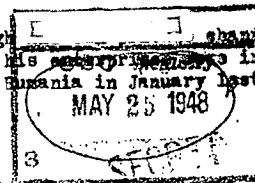
Towards the end of 1947 Malaxa was informed through channels that his situation in Rumania was somewhat shaky, and that his life was in danger of being taken over by the government. Malaxa, who went to Rumania in January last,

the latter was

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promised to look into the matter and try to remedy the situation through his influence with Ana Pauker and his other friends in the government. From Bucarest Malaxa cabled to Malaxa that the situation was more serious than he had thought, and that his presence in Bucarest would be desirable. Malaxa demurred, and probably fearing his position, took his precautions. He managed to get the rest of his family - wife and son - out of Rumania. It seems that these two are at present in Istanbul, travelling with false papers.

Malaxa will probably have to choose now between his interests in Rumania and his personal safety. Judging by the example of Czechoslovakia it is likely that his enterprises in Rumania may eventually be taken over. Having all his family out of danger, and most of his available cash out of Rumania, he may have no other choice but to endeavour to stay where he is and give up as lost his interests in Rumania.

Then he may turn against the Communists and enter upon a new phase of his variegated career.

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