

## A Balkan on Broadway

In America a man who supports all parties lacks principle. In the Balkans, a businessman who doesn't lack common sense. In the Balkans, it's just a magnate's insurance against the crowd. In office, Revolution isn't a crime—it's a speculation—and the only way to avoid a loss is to hedge the bet by backing all parties.

The Balkans never produced a more typical figure than Nikolai Malaxa operating right now in N.Y.C. Malaxa was born in Romania but received his engineering education in Germany. He specialized in locomotives and steel. (Gold, in the Balkans, is important because it commands Steel.) When King Ferdinand died—Romania (in 1929) elected its first free peasant government, Malaxa at once entered the cabal of King Carol to overthrow it. When the Carol group re-entered Romania in 1930 Madame Lupescu remembered the rising young steelman—with big generous contracts for railway materials and ammunition—Malaxa decided to parlay his successful bet with some other rising stars in the Northwest. He contacted Goering. Through his influence with King Carol he demanded the nationalization of the steel industry—and muscled out the Vickers cartel. Action being a little slow, a strange coincidence occurred: The former manager woke up one morning and surrounded by steel, but this time in the shape of bats especially ornamented with a lock. Nikolai Malaxa, steel master, was now the master of steel in Romania.

Goering was so grateful! As benumbed and bleeding Warsaw was dragging itself from its twisted girders in December 1939 the "Berliner Illustrierte Zeitung" published a 3 page article on the personality and the importance of Nikolai Malaxa. Why not? In the very hours before the German Army marched, August 1939, the official Nazi paper (Hitler's "Volkischer Beobachter") found space to approve the doings of Nikolai Malaxa. Malaxa was urging King Carol to support the Nazis; he offered to sell the Nazis his factories. The fact is that Malaxa was so German-Nazi he shocked even the Romanian nationalists. He gave large sums to the Iron Guard; Iron Guardsmen were given preferred positions in the Besica Steel works. The Iron Guard revolted in 1941 on the ground that the Romanian Gov't was protecting Jews. 7,000 Jews were slaughtered. Malaxa was arrested when the Iron Guard was defeated and his factories confiscated. But with the Malaxa "touch" which knows when to use gold where steel has failed—he was released within three weeks and, indeed, later reinstated and given additional control of some state owned factories and mines.

In August, 1944, Romania was liberated. Malaxa, as impersonal as the steel he manufactured, at once offered his services to Moscow. The men in whose bodies his steel often found home were invited to make themselves at home in his factories. They did. He received the complete confidence of the Communists, along with about two and a half million dollars in compensation for a plant they had dismantled.

When a "commercial delegation" left Romania for the United States in 1946 Nikolai Malaxa insisted on accompanying it. There are some people who believe that the "commercial delegation" was largely a cover for his visit. This alone is extremely dangerous. Your reporter is widely advised that it is as difficult to get a passport out of Romania as this reporter found it to be to get a visa into Russia. (But this Malaxa, at least, has given it to you. Maybe the way to get into Russia's confidence is to get invited by Nazi Fritz Kuhn. But just to show that a reporter doesn't need a passport as much as an industrialist does, I'll publish an eyewitness account of the doings inside a Russian concentration camp shortly.)

Malaxa succeeded in freeing a million and a half bucks in a N.Y. bank, a real feat. Could it be that neither his attorneys nor the U.S. Gov't were in possession of the same facts as your reporter? In any event, Sullivan & Cromwell, the firm of John Foster Dulles withdrew as his attorneys months ago, as distinguished Washington counsel.

Now a versatile fellow like Nikolai Malaxa is not the kind of a man to abhor a popular cause. Accordingly, what more natural than that this same man who collaborated with the Nazis (and is here on a Communist visa) should suddenly emerge as a friend and a contributor to Zion? Hypocrisy, Mr. Gallagher? Just Balkan, Mr. Dean.

Mr. Malaxa has a magnificent record of always returning to his money. You can't get steel plants out of Romania on a passport. The Communists hold those steel plants, and they therefore hold Mr. Malaxa's heart. Now, the very, very large American companies have had no luck at all in getting paid for their plants in Romania.

If Malaxa can create the impression that he can do as much for them as he did for himself, he's likely to find himself offered some nice deals. The whisper around Wall St. is that if you want to get anything out of Romania, you'd better make arrangements to get in to see Mr. Nikolai Malaxa. Well, even the chumps of Wall Street should realize that the Kremlin needs an industrialist front. If Mr. Malaxa weren't in Moscow's highest graces, he wouldn't be here. And what Moscow won't deliver to Washington, Malaxa cannot deliver to Wall St. Wise up, Wall Street, wise up. Malaxa is just a puppet manipulated from behind the Iron Curtain. The payoff, if any, is in rubles, not dollars.

In any event please don't be shocked by this little saga of the Balkans on Broadway. Above all, don't call Mr. Malaxa a hypocrite—just because he contributed to the Fascist Iron Guard—and the Zionists at the same time. Because if you were to drop a note to Mr. Malaxa telling him he has two faces, you might get a sneering reply to the effect that so has an American dollar bill.

Broadway Be-Bop: The best show in town is the Pepsi-Cola windows. Toy trains (scads of 'em!) speeding all over the panorama (at 47th, where 7th Avenue embraces B'way). Our St. Luke's Hospital Intelligence Dept got tennis stars Helen Jacobs and Alice Marble mixed up. (Forty Love!). One of the Stork Club waiters died and left owner Billingsley an inheritance. The Victoria Theatre will add 200 seats by removing its stage. Newest Broadway gadget (to amuse bored night-clubbers) blows smoke-rings back at you. Exciting story at the Waldorf-Astoria barber shop. Her name is Lilli Gelman, a lovely hot-number from Reykjavik, Iceland. An Arablar Police (her nightly date) gets his nails done twice daily just to hold hands!

# Walter Winchell

## In New York

DECLASSIFIED AND RELEASED BY  
CENTRAL INTELLIGENCE AGENCY  
SOURCES METHODS EXEMPTION 3B2B  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2004 2008

21 May 48

encl