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STANISCU stated that he knows very little about MALALA's activities in Rumania. However, due to his position in Rumania, STANISCU was able to ascertain that in the 1930's MALALA, due to his friendship with King Carol, was able to borrow about five million lei from the Rumanian State and the Rumanian National Bank, which money MALALA used to purchase machinery in Germany. In 1940 the Rumanian currency began to depreciate in value and MALALA was, therefore, able to repay his loans with depreciated currency. This procedure enabled MALALA to become one of the wealthiest men in Rumania. STANISCU stated that both MALALA and ALBERT had friends in the Rumanian Ministry of Trade, and were able to secure favorable legislation on tariffs, etc, which gave them virtual monopolies for their products.

STANISCU explained when the Rumanian Mission arrived in the United States in 1946, there was a severe drought in Rumania and the immediate problem facing Minister BALBU was to obtain food and corn seed. However, it was very very difficult to obtain money or credit because all Rumanian assets in the United States were blocked. The National Bank of Rumania had a sizeable quantity of gold ore, but this was also blocked by the terms of the armistice because some of this gold had been received by Rumania from Germany for the purchase of oil and other goods.

The problem of immediate relief to Rumania was met when President TRUMAN made a gift of three million five hundred thousand dollars in food to Rumania. This gift was brought about by a Rumanian rabbi, who came to the United States and appealed directly to President TRUMAN.

STANISCU stated that MALALA asked him to enter negotiations for the purchase of seed corn. However, difficulties concerning the blocked gold ore still remained, although an agreement had been reached whereby Rumania agreed to give up fifteen tons of ore and the remaining ore was to be unblocked. Some of the unblocked gold began to arrive in Switzerland and the Chase National Bank tentatively agreed to make a fifty million dollar loan to Rumania (actually only twelve million dollars was granted; seven million dollars at first and later an additional five million dollars). Inasmuch as time was of the essence, MALALA, acting through his son-in-law, GEORGE W. BLADE, lent the Rumanian government one hundred fifty thousand dollars, which was deposited in a Swiss bank. However, it was agreed that in return for the loan of this money, five hundred tons of seed corn, valued at approximately fifty thousand dollars, was to go to MALALA's employees in Rumania. The Joint Jewish Distribution Committee in the United States advanced three hundred fifty thousand dollars in connection with an agreement whereby that organization was to advance dollars to the Rumanian government in exchange