

14 Feb 1950

General Radescu's connection with the Malaxa case. -

1) Financing of Radescu by Malaxa.

General Radescu has made no secret of his financial connections with Malaxa and it is not to be expected that he would deny, under oath, that he was financed by Malaxa.

In any case there is also the following evidence already available:

1) At page 96, of the Department of Justice report on the Malaxa hearings it is said:

"Nicolae Radescu was a witness who testified at behest of Malaxa. He stated that Malaxa was neither a communist nor communist sympathizer, and that after Radescu left office as Prime Minister, Malaxa, who was still in Rumania, made it known to Radescu through a friend that Malaxa would place large sums of money at Radescu's disposal to fight against communism..."

2) At a meeting of the Rumanian National Committee of June 24, 1949, General Radescu read a statement in which he said that he had received a monthly financial subvention from Malaxa beginning from March 1948. He did not state the amount of the subvention. Radescu gave a general outline of the alleged use he had made of those sums, but did not give any figures. Nor did he name the individual persons to which he had himself paid subventions out of money received from Malaxa. Radescu admitted that his own journeys to Europe and his own newspapers had been paid by Malaxa. Several members of the Committee -- amongst them myself -- can testify on this. I am certain that Radescu cannot deny having made that statement. (I am having a translation made of Radescu's statement. It will be available in one day or two.)

3) Radescu repeated the statement that he is financed by Malaxa at a meeting of the Rumanian National Committee of March 27, 1950. The statement was in a more cautious form, but he refers to his previous statement and he speaks of "the sums offered by Mr. Malaxa". He again did not say what the amounts were, and, speaking of the way he spent the Malaxa subventions he is much more cautious, giving a few examples and adding: "and so forth". In the same statement, Radescu, referring to the documents published in connection with the Ceplon-Gubitchey espionage case, says:

"It was proven thus:

"a) that I had maintained connections with certain

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2004 2006

military circles;

"b) that, through the intermediary of Mr. Caranfil, I had been in contact with the underground movement in Rumania;

"c) that, lastly, I supported, with the financial help of Mr. Malaxa, the resistance against Communism."

This statement of March 27, 1950 by Radescu was printed in the September, 1950 issue of PATRIA, a newspaper in the Rumanian language, published in Munich, by a friend of Radescu, General Ion Gheorghe. Radescu has never denied it. (The statement is very long, as it refers to many other matters, but it is being translated and will be available in two or three days.)

4) When I testified at the Immigration hearings, I was asked a few questions concerning Malaxa's connections with Radescu. I give below these questions together with my replies, as they are in the record:

"Q. Do you know whether Mr. Malaxa and General Radescu have had any dealings of any kind, with each other, since they have been here in this country?

A. In the meeting of the Rumanian National Committee of the 24 of June, 1949, General Radescu declared us that he was financed by Mr. Malaxa.

Q. What knowledge have you had of Mr. Malaxa during the last five years, if any?

A. Well, when I first came here, I knew that he was closely connected with Ralea and that he was very active trying to gather loans for the Rumanian communist-dominated government. After that, later, I knew that he was financing General Radescu and General Radescu didn't say what sums he was receiving, nor how they were used in details, but he said that among other things, some of the sums received by General Radescu from Mr. Malaxa, were given to Rumanian exiles..."

It is interesting to point out that, although cross-examined at length by Mr. Carusi, he cautiously refrained from bringing up that part of my testimony.

5) It is to be expected that Malaxa and Radescu were asked themselves, at the hearing, about their financial relations. The records of the hearing should, therefore be examined to see what they testified about that matter.

II) Compensations paid by the Rumanian communist government to Malaxa.

Drew Pearson says, in his column of February 19, 1952, that he had received a letter from the former Prime Minister

of Rumania, N. Radescu "explaining how his own cabinet, not the Communists made the payments to Malaxa for his steel mills".

According to the Department of Justice report on the Malaxa hearing, Radescu said something different at the hearing:

"He (Radescu) testified that his Government was overthrown before actual compensation was paid to Malaxa but after agreement to pay was reached." (page 97)

No documentary evidence has been offered concerning that alleged agreement. On the other hand, one of the witnesses, Mr. Visoianu, a former member of the Radescu Government, testified that there was no such agreement.

In any case, some documentary evidence was produced about the compensation paid to Malaxa for his tube mill. It is mentioned in note 38, on page 90 of the Immigration report, which says:

"There was introduced into evidence a photostatic copy of document which purports to be Journal No. 722 relating to the June 7, 1946 meeting of the Council of Ministers. It is shown that it was decided on that date that Malaxa was to accept \$2,460,000 in American money to be paid in two years or less, that foreign exchange needed for the payment shall be secured by exports and that exports shall be made by Malaxa or other companies..."

It is a fact that Radescu resigned on February 28, 1945, after an ultimatum by Vishinski and was succeeded on March 6, 1945 by the Communist dominated, Soviet imposed, Groza Government. It is clear therefore that the decision to compensate Malaxa was officially taken by the Communist dominated Government, more than one year after it had been in power.

This is of course the most damning evidence concerning Malaxa's affiliation with the communists and that is why every effort is being made to distort the truth.

If Radescu is called to testify, I believe it would be useful to ask him the questions mentioned in the attached memorandum.

III) Attempts to describe Malaxa as the victim of feuds between Rumanian refugees.

In the attempt to whitewash Malaxa, efforts are being made to create a legend, according to which he was slandered by Rumanian refugees belonging to another political group.

It must be first pointed out that Malaxa has not belonged and does not now belong to any political organization of Rumanian refugees. His only role in Rumanian emigre politics, has been to finance General Radescu, beginning from the spring of 1948. Malaxa had given presents to the communists in 1946, 1947, and the first months of 1948. It is only when he saw that his communist friends were not giving him all the expected rewards, that he started financing General Radescu.

General Radescu was asked by a majority of his colleagues in the Rumanian National Committee to cease having any connections with Malaxa. This he refused to do, and in the end was replaced by Mr. Visoianu as President of the Rumanian National Committee.

Malaxa has since been financing some exiled Rumanian newspapers of extreme-right tendencies (Iron Guard) which have been attacking the Rumanian National Committee and its members. The Rumanian National Committee has not replied to these attacks because it considers that every polemic between exiles can only give satisfaction to Moscow and to the communist government of Rumania.

As concerns my own attitude, I wish to point out that I never approached in any way the Immigration authorities concerning Malaxa and that I testified only when subpoenaed.

I also wish to quote, according to the record, my own statement at the hearing, when after asking a few questions to which I replied, the investigator asked if I wanted to make any statement:

"Q. Do you have anything else you would care to offer, in regard to Mr. Malaxa? Is there any other statements you would like to make in regard to Mr. Malaxa at this time?

A. No, sir, you see I only want to reply to your questions. I didn't want to volungary, I am under subpoena, but what I want to make clear is it is very painful thing to have to say something against a countryman of yours and I want to say that if I hadn't been subpoenaed, I wouldn't have come forward. I want to make it clear that I only reply to your questions.

Q. Who issued the subpoena to which you responded by appearing?

A. I suppose by the Department of Justice, Immigration and Naturalization Service.

COUNSEL WASSERMAN INTERPOSES:

We will concede that a subpoena was issued in proper form."