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recretary of State Attentions of Charles S. Luckett

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Deputy Elrector, :lans

EURJOOT: Micolee MAIAXA

1. Reference is hade to a telephone request from Mrs. Ullman, received here on 1 July 1953, for information concerning Micolae MAIAMA. The files of this Agency contain voluminous records and declarations from many sources learing on the activities of hubject, from which the following summary is extracted.

2. Subject, formerly one of the leading industrialists of Rusania, is reliably reported to have thrown his support in turn to each of the various totalitarian regimes which have been in power in that country since 1938. It is a matter of record that he was an active collaborator of former King CARL with whom he engaged in business deals report-edly at the expense of the country at large. Although he has repeatedly denied ever having given support of any kind to the Rumanian Iron Guard, there are strong indications that he has furnished such support not only during the active phase of the Iron Guard out up to the recent past, i.e. since he has been living in the United States. It was generally believed in Rumania, oven before the advent of the Communist regime, that MALAXA contributed money and sums to the Iron Guard rebellion of January 1911 when the Guard, allogedly with hazi support and encouragement, attempted to stage a coup dictat to replace General Ion ANTO(ASCO who was not considered sufficiently subservient to German interests. In this connection, it is known that MALAXA's house in Sucharest Was used as a fortress by the iron Guard during its rebellion. A New York Times article dated 29 January 1911 stated: "The Rumanian Government put Mr. MALAXA, wealthy munitions manufacturer, on trial today on charges that he financed tanks, arms and munitions that the from Guard used in its revolt last week," An official report of the rebellion, published by the Rumanian Council of inisters in 1942 under the title Pe Carrines (rapastici (th. the odge of the Abyss), contains the following statement in describing government countermeasures:

> "on the same afternoon, the following places were occupied:...
> Iron Guard headquarters located at Alea Vulcache, Cass Walaxa, and the majority of resistance centers of the rebels in the capital and provinces."

There have been numerous indications within the past five years that MALAXA has given aid to the remascent Iron Guard, chiefly in the form

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of "scholarships" to inclviduals who are usually identifiable as having been from duardists. Information was also received from a reliable source approximately a pear and a half ago, referring to a "ALAA group" and naming an individual alleged to be the liaison can between MALAAA and the from duard in Austria where the latter are known to carry on widespread activity. Efforts are using ade to verify the role of this individual who is reportedly a forcer humanian businessman whose interests are now chiefly in witzerland.

3. As to YALAIA's collaboration with the hazis, his close business association with Albert 5 MRIAG, brother of Hermann GOMRING, is well known. Although ALAXA has claimed that such collaboration was forced upon him under duress, we quote from a letter received by a usually reliable source from Pr. H. h1761117, German Commercial Attache to Rumania from 1936 to 19hh:

"Economic collaboration with Germany was very useful to FALAXA and WALAXA used his considerable influence at the Royal Court in premeting and intensifying such collaboration."

In the same letter, br. KLUCKIST quotes a statement which he said he received "from former Ministerial raddingent REINHALDT, who made frequent trips to Rumania for economic purposes during the wasi regime." According to KLUCKIST, MEINWART stated:

"It is news to me that PALYA should have been an organisht of German-Humanian collamoration in the 1933-1940 period. I remain under the strong impression that, at that time, he sought of his own free will, collaboration with German industry."

h. Subject has stated that it was not until April 1965 that full management and control of his plants, which had been expropriated at the time of his arrest in connection with the Iron Guard rebellion in 1961, were restored to him. There are available photostatic copies of official documents (these copies having been submitted by Subject himself) indicating the return of these properties to him in 1963; there is also on file a photostatic copy of a letter written by Subject to standard Gil Company of New Jersey on 10 June 1966 (i.e. two months before Rumania's capitulation to the Allies) in which he offers a one-third interest in all his firm's properties in humania for the sum of \$5,000,000, payable in ten years, indicating his control of and ability to negotiate for his properties while the ACT COSCJ government was still in power.

9. The matter of payment to Subject by the Communist Rumanian government of the sum of \$2,160,000 for industrial properties taken by the US.R as part of humanian war reparations, has given rise to considerable speculation as to Subject's relations with that government. The late General Robbico, was for several years before his recent death is known to have been a rensioner of sizolae ALAMA, has stated

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that he was responsible for initiating the decree under which reimbursement was made to ENLANA for the seizure of his factories. We was not able to give any explanation of why the decree, issued at a later die by the Communist government, called for reimbursement to ENLANA in foreign currency, a form of payment that is believed to be unique in the circumstances. The following is an excerpt, in what is represented as a certified English translation, or law becree \$252, as reblished in the Official Jazette (contorul Official) \$36 of 15 April 1945:

"The ammanian State, through the Ednistry of Communications and Public forms and the limistry of Endustry and Trade, is authorized to establish, in foreign currency, at the disposal of "N. MALAMA, lipe and teel sorks," Ammanian Joint itoek Company, free of any restrictions whatsoever regarding the exchange, the price of the lim rolling mill and of the exchange, the price of the lim rolling mill and of the been delivered to the Soviet High Command on the account of the Ammistice Agreement, and so set the payment conditions."

In an English translation of what is said to be an extract from official Cazette #9h of 13 April 19h5, and an "integral part of Law. #282," it is streed that "the Rumanian State acknowledges that N. MAIANA factories ...ere and remain the property of the A. SAIANA Companies..." Article 3 of the same document states:

"...as a counter value to the lh" rolling mill and of the machines in the pipe factory which the State handed over to the Soviet high Cormand in part payment of its war damages, the Rumanian State acknowledges the debt and lays at the disposal of the "N. MALAXA Pipe and Steel Sorks S.A.R. Company' abroad, the sum of \$2,160,000 U. S. A. dollars effectively and free of any present or future restrictions, namely the sum in dollars which the State has deducted from the war damages due to the U.R.S.S. by handing over the rollin; mill and the machines."

The decree and articles of transaction were signed by Cheorghe C.Mc.Dille-DEJ, present Price inister of Rumania and long-time member of the Rumanian Communist(Norkers) Party Central Committee, and by Petre EDJAN, former dissident Liberal who voted in 1946 to unite his purty to the Communists and who became a member of the Communist (Rumanian Jorkers) Party in the same year.

6. Of further interest in connection with General MARESCA's statement to the effect that he was responsible for initiating the decree under which reimbursement was made to MARAA for seizure of his factories, is "Journal No. 722," attached hereto, which ampoars to

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be minutes of a meetin of the Journal of inisters on 7 June 1946 at which the manner of payment was determined. The document is signed by former Frender Petru de Mar theorphe did Marit Did Frence CMATAITIMECO-MALL, a document of long standing; Itefan Villad; left-wing locialist Minister on Education who in 1947 proposed the unification of the Locialist and Communist parties and who became a member of the Central Committee of the Mana sian workers Party in 1940; and Tador ICC. SCU, then becretary of lines and Petrol, who in 1947 was awarded the Star of Mana ia, First Class by Premier 48 Ma. A written opinion disagreeing with Journal No. 722 was entered over what appears to be the signature of Linister without Portfolio disai NOTIC ANU, former Minister of Minance under Ceneral Make CC. It will be noted from the attached that the method of payment is spelled out and involves efforts at Mindustrial cooperation with American industry."

- 7. It has been reliably reported that in 1947 ALALA, then in the United States, contributed substantially to the funds of the Rumanian Legation in mashington. For details of this situation and other phases of Subject's activities within the United States we refer you to the files of the Federal Eureau of Investigation.
- B. Among "ALAXA's known contacts is Max DEFITTIN, better known as Maxim MAXIED, whose earlier police records as an international swindler have more recently been eclipsed by his repeated expulsions from various western democracies as a suspected oviet agent. MAXIMO from various western democracies as a suspected oviet agent. MAXIMO close associate of ALAXA (in a signed statement, copy of which is on file in this Agency), to have been "ALAXA's business agent as late as 1948 and possibly after that. There is also evailable in this Agency a latter to MAXIMO written by an acknowledged representative of BAIAXA, in which he states: "The important thing is to keep on good relations with Pr. MAXIMO as I think that you will benefit in the end." MAXIMO (described in the twiss newspaper bie Mation of 19 March 1952 as a "Soviet agent") recently lost a libel suit against two persons who accused him of being a Communist.
- 7. Other long-standing associator of MALAMA have been Jacques ROLEMSTAIN and Carlo FLAISCHMANN, both suspected, like MAXIM), of engaging in illicit east-west trade. ROLEMSTAIN, to whom, according to a reliable informant, MALAMA gave a Cadillac as a gift in 1949, has been described by a knowledgeable source as "the chief economic collaborator of the present imagories dovernment in the J. "

10. It has been reliably reported by a former immanian Cabinet Tinister that Colonel FIN North W, head of the Loviet Economic Mission

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in Rumania, stated in 1915:

"MALAYA must be backed because he is ready to give the whole of Rumania to Loviet Pussia so long as he car make a profit out of it."

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SE/Rumanda
6 July 1953

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