

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

NUMBERED LETTER

TO: THE UNDER-SECRETARY OF STATE FOR  
EXTERNAL AFFAIRS, OTTAWA, CANADA.  
The Chargé d'Affaires, a.i.  
FROM: The Canadian Legation,  
Vienna, Austria  
Your Letter No. 55 of Feb. 24, 1956  
Reference: and our Letters No. 106 and 108 of  
March 22, 1956  
Subject: WOODCOT ESTATES LIMITED; BRUCK SUGAR  
FACTORY

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Date: March 22, 1956  
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References

I have now been orally informed that Mr. Robert Bentley has been appointed as an additional public administrator of the Brucker Zuckerfabrik Clemens Auer. Although I have not received any written reply to my recent enquiry as to the intentions of the Austrian Government with respect to appropriate representation for the former shareholders in the administration of this company, the officer in the Foreign Department dealing with this matter has confirmed the information and has indicated that written confirmation will probably be sent soon.

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2. Dr. Gustav RINESCH, counsel in Vienna for the Woodcot Estates Limited interests, considers that Dr. Kamitz' undertaking to arrange for the restitution case to proceed should also be fulfilled. At least he has had no indication to the contrary; but we shall probably not have any definite information on that aspect of the matter until after Easter. It seems that a meeting of the "Committee of Six" was held last week - after the dissolution of Parliament - when the Socialist members let it be known that they had no further objection to the appointment of Mr. Bentley. With the dissolution of Parliament the Committee of Six, of course, no longer formally existed but it is evident that the over-indulgence of its advisory capacity was considered necessary for this political settlement even after its formal demise.

3. (Incidentally, I gather from Dr. Rinesch that the discussions he has already had in connection with the restitution proceedings indicate that there will be no difficulty in bringing that proceeding to a successful conclusion except in respect of the restitution of a block of shares - about four per cent of the total shares in the company - which were sold to cover a tax settlement for which those represented by the Woodcot Estates interests were held legally responsible. This is a complication which need not concern us, perhaps, but Dr. Rinesch has to decide whether it would be more expedient to accept this settlement and try to have the other interests involved share the loss or to attempt to fight it through and thus delay matters with no assurance of success.)

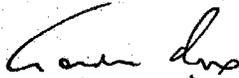
4. The appointment of Mr. Bentley will mean that he must now return to Austria in the near future in connection

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with his duties as public administrator. I understand that Mr. J.G. Prentice also plans to come to Vienna early in May in connection with this and his other interests.

5. Although Mr. Bentley's appointment is a good omen, I think that it need not influence us to hasten a decision on the matter of Canadian accession to the Austrian State Treaty. Our two letters under reference are relevant to this subject. If it in fact delays the restitution proceedings beyond what we had recently been led to expect, ground will have been lost rather than gained. In any case I think the decision was made because of a belated realization on the part of the Socialists concerned that they were building up ill-will which would ultimately make it difficult for them eventually to acquire the property - a consummation of the business which they probably hope to achieve.



Chargé d'Affaires, a.i.

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