

1337 THE CRESCENT  
VANCOUVER, B.C.

March 2, 1956

Hon. John J. Connolly, Q.C.  
58 Sparks Street  
Ottawa 4, Ont.

Dear Senator:

Re: Austria (Bruck)

Robert Bentley has now returned from Austria, and has given me a full report about the latest developments in the matter of our interest in the sugar plant at Bruck.

He was full of praise about the helpfulness and the unflinching support, extended to him by the Canadian Charge d'Affaires in Vienna, Mr. Cox, and his deputy, Mr. Hyndman. Their repeated, well informed and pertinent representations to the Austrian Government obviously impressed the Minister of Finance who at various occasions promised to appoint Robert as third Public Administrator.

Unfortunately an agreement between the two Austrian Coalition parties (People's Party and Socialists) makes the appointment of a Public Administrator for so-called "German assets" contingent upon the approval of a Committee of six representatives of the two parties. These party-politicians - or at least part of them - apparently consider it more important to win popularity for the forthcoming elections by denying foreigners their rightful claims than to honour the obligations which Austria has undertaken in the State Treaty of 1955. Hence the Committee of Six, at a meeting held on January 20th, 1956, vetoed the appointment of Robert or any other representative of the restitution claimants.

Following this meeting, the Minister of Finance, asked Dr. Rinesch and Robert to call on him in his office. At this conference which took place on February 2nd the Under-Secretary for "German Assets", and the head of the "German Assets Department" of the Finanzprokurator (the office entrusted with the legal representation of the Austrian State) were present. After some lengthy, friendly discussions the Minister of Finance authorized the Finanzprokurator to enter the restitution proceedings proper before the competent Restitution Commission (consisting of a judge and two lay-assessors) which hitherto was considered impossible, because the Austrian Parliament - again with a view to the forthcoming elections - has so far refused to pass the so-called Implementation Law to the Austrian State Treaty.

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It will, of course, have to be seen if the Restitution Commission will now hear our case in view of the changed attitude of the Finanzprokurator, or if it will maintain its former stand-point that it can not do so without the Implementation Law to the State Treaty. However, in view of the political situation (the Austrian elections have now been set for May 13th, 1956) I fully agree with the decision of Dr. Kinesch to side-track the appointment of a third Administrator for the time being and to concentrate on the restitution proceedings proper.

I will, of course, keep you informed about the progress of these proceedings. In the meantime I would ask you to convey to the Department my deepest gratitude for having secured for us the support of the Canadian Legation in Vienna, without which we would never have obtained the above mentioned concession from the Minister of Finance, and which - I am convinced - is our only hope for eventually overcoming the political obstacles, barring the restitution of our rightful property in Austria.

With kindest personal regards.

Yours sincerely

(sgd) J. G. Prentice  
J. G. Prentice

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