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Authority NND 29548By E NARA Date 2-13-07~~Walter C. Louchheim, Jr.~~

## MEMORANDUM

January 12, 1960

To: The Commission

From: Walter C. Louchheim, Jr. *WCL*  
Foreign Economic Adviser

Subject: Proposed Registration of Royal Dutch Petroleum Company

Before his departure for the Netherlands this summer I had several conversations with Mr. Soutendijk, the Financial Counselor of the Netherlands Embassy. Mr. Soutendijk expressed the opinion that it would be advisable for Dutch corporations to consider methods of raising dollar funds so that they would be in a position to finance their purchases in the United States following the cessation of the European Recovery Program.

He spoke of the problems which registration under the Securities Acts involve for the Dutch business and banking people. He pointed out that accounting practices and disclosure of corporate data in the Netherlands were not nearly as far advanced as in the United States, and that corporate officers gave but little information to public stockholders. He expressed considerable sympathy with the type of standards which our statutes establish, and indicated an interest in having his own country explore the feasibility of their adaptation to the Netherlands. Mr. Soutendijk visited the Commission's offices and had a brief discussion with Commissioner Bowen on this general subject.

Mr. Soutendijk has recently returned from Holland where he had a number of discussions with Dutch business men and bankers on this general subject. Specifically, he discussed with the largest Dutch corporation, the Royal Dutch Petroleum Company, the advisability of listing its shares on the national securities exchanges in the United States. As a result of these conversations, Mr. Huiskamp representing the Royal Dutch company has recently come to the United States and is having discussions with the New York Stock Exchange as to the feasibility of listing its common stock on that exchange.

Royal Dutch was one of the few companies which withdrew its shares from exchange listing upon the enactment of the Securities Exchange Act of 1934. It has outstanding in the United States certificates of deposit which are traded in the over-the-counter market.

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Royal Dutch Petroleum Company is probably the second largest petroleum company in the world. It is a holding company which, together with the British Shell Transport & Trading Company, owns the Batavian Development Company, the Anglo-Saxon Petroleum Company, and Shell Petroleum Company. These corporations in turn have hundreds of subsidiaries engaged in the development, transportation and marketing of petroleum and its products throughout the world, including the Shell Oil Corporation of the United States.

Mr. Soutendijk called upon me yesterday and indicated, on behalf of Mr. Huiskamp three principal problems which may be faced in connection with the registration of the Royal Dutch stock:

(1) While the common stock is vested with voting power, the directors of the company are nominated entirely by holders of preference stock, a small issue, all of which is held in the Netherlands;

(2) The salary disclosure requirement may be embarrassing to the Dutch as it marks a considerable departure from present practices;

(3) Our requirements for consolidated accounts may be difficult to achieve at this time in view of the large number of subsidiaries and their geographical distribution.

I have arranged with Andrew Jackson for a pre-filing conference for Messrs. Soutendijk and Huiskamp.