

MEMORANDUM

March 29, 1954

To: Byron D. Woodside, Director
 Division of Corporation Finance
Arthur H. Lund, Director
 Division of Trading and Exchanges

From: Ralph H. Demmler
 Chairman

Re: Validation Board for German Dollar Bonds

On Friday, March 26, a delegation composed of the following called on me about 2:30:

President Heintze - Security Settlement Agency

Dr. Reusch - German member of the Board	Mr. Hartman, U. S. member
Dr. Clemens	Dr. Skaupy
Mr. Kearney	Mr. Herbst

We spent approximately 15 minutes together. I explained that I had not called staff people into the meeting since I had understood the conversation was to be purely social.

Mr. Heintze stated that

1. He proposed to use his good offices to persuade issuers to furnish information. He stated, however, that he had no official power in the matter.
2. He suggested that he was going to try to persuade those issuers who had small amounts of dollar bonds outstanding to pay off such bonds rather than make exchange offers.

I said that

1. Our Commission desired to do everything possible within our legal and persuasive powers to endeavor to obtain information about German issuers equivalent to that which we obtained from American issuers. I pointed

Chairman's Atlas
 German Bond Validation Program
 Box 112
 NARA

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out that American standards of disclosure had been built up to a point from which they should not be permitted to recede. I pointed out that if our standards were relaxed in favor of foreign issuers, we might be confronted with American corporations asking for "most favored nation" treatment.

2. While Mr. Heintze's suggestion about paying off the smaller issues sounded quite sensible to me personally, I did not feel I should express an official reaction on the subject since it was only part of an over-all problem which was being discussed by a number of interests. I said that I did not think that I alone without staff representatives should express any official comment on the suggestion, however sensible it appeared.

RMD