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Kauffmann & Company:

This is simply a partnership which was formed in August, 1934, to provide a "street name" for securities purchased and sold by Union Banking Corporation. The partnership agreement provides that the partnership "shall be limited and restricted to the holding of legal or registered title to stocks, bonds and other securities and property as nominee or agent (other than commission agent or broker) designated by Union Banking Corporation". It is further provided that if any of the partners should cease his present employment, he shall also cease to be a partner in Kauffmann & Company. Moreover, the partners shall have no claim or beneficial interest in the stocks, bonds or other securities held in the name of the partnership.

The partners are Walter Kauffmann and Cornelis Lievensse of Union Banking Corporation and Mr. H. D. Pennington of Brown Brothers, Harriman & Company. The partnership holds no assets and keeps no books of any kind.

RECOMMENDATION

Just as Union Banking Corporation is the financial mechanism for the group of companies affiliated with it in the United States, so in turn is Bank voor Handel en Scheepvaart of Rotterdam the mechanism which feeds funds into the Union Banking Corporation. For reasons previously given in this report, and from information which I have received in interviews with European bankers now in the United States, I am of the belief that Bank voor Handel en Scheepvaart represents German interests and German capital. In the circumstances I believe that the following companies, whose accounts are now blocked as Dutch, should also be blocked as German:

Union Banking Corporation  
Holland American Trading Corporation  
Domestic Fuel Corporation  
Seamless Steel Equipment Corporation