

EXHIBIT 2

The report of the Monopolies Commission of the United Kingdom on *The Supply of Flat Glass** presents the following information on the operation of the Pilkington flat glass monopoly in the United Kingdom; the Compagnie de Saint-Gobain (St. Gobain) and the Glaverbel/Boussois/Delong which form a flat glass cartel in Europe; and the Asahi Glass Co., Ltd., Nippon Sheet Glass Co., Ltd., and Central Glass Co., Limited, three companies which make up a flat glass cartel in Japan.

The Japanese cartel is precluded from gaining major access to the market of the United Kingdom or Western Europe. The European cartel is restrained by agreement from penetrating the U. K. market above export quotas which are established by agreement between Pilkington and the European cartel. Only the United States market is freely open, and the benefit of the open-door policy which has been created by our Government is extended to foreign monopolistic aggregations which are able to charge any price they choose to progressively take over the United States market.

As stated in the report of the U. K. Monopolies Commission on flat glass, under a draft agreement between Pilkington and the producers of France, Belgium, and Germany,

"broad quotas are laid down on a square footage basis for the total sheet exports of each national group, and the parties agree to observe common prices and conditions of sale in world export markets, each party's domestic market only being excepted. Although the agreement was never signed, we are told by Pilkington that its provisions have been loosely observed." [p. 12]

The effectiveness of this agreement for its beneficiaries is shown by the fact that, as reported by the Monopolies Commission,

"In 1966 about nine per cent by value, and about eight per cent in terms of quantity, of the United Kingdom demand was met by imported glass, * * *." [p. 38]

* Her Majesty's Stationery Office, London, ordered by the House of Commons to be printed 7th February 1968.