FOREIGN DIRECT INVESTMENTS II: VENEZUELA

PREPARED BY: Jean Villechaize

December 13, 1948
FOREIGN DIRECT INVESTMENTS IN VENEZUELA

Summary and Conclusions

Value and Character of Foreign Direct Investments

I. Foreign Direct Investments by Nationalities

II. Foreign Direct Investments in the Main Branches of the Venezuelan Economy

III. Foreign Investments and the Balance of Payments of Venezuela

Government Economic Policy and Regulations

I. General Rights of Foreigners to Property and To Do Business

II. Social Legislation

III. Taxes

IV. Government Competition

Appendix
Summary and Conclusions

Foreign investments in Venezuela were valued at $50 million at the end of World War I and $500 million at the end of World War II. As of late 1948, they will represent some $1100-1150 million, out of which $855 million are American investments and $275-300 million Anglo-Dutch investments. U.S. investments in Venezuela are second only to those in Canada.

Close to $1050-1100 million of foreign capital is invested in the Venezuelan petroleum industry. The remainder of the foreign enterprises includes mainly gold and iron-ore mines, some manufacturing industries and public utilities, some banking and the largest part of the insurance business.

During the three years 1945-1947, income from investments in Venezuela, remitted to the United States and the United Kingdom, amounted to roughly $520 million. Dividends paid to stockholders and other charges amounted to about $220 million and taxes paid to the British Government to over $60 million. The remainder after these payments, i.e. $240 million, was re-invested in Venezuela. In addition to these re-investments, new capital was placed in these enterprises totaling $170 million, out of which approximately $100 million came from the United States and the remainder from Great Britain. The capital investments are going to stay high during the next few years probably on the British side mainly.

The Venezuelan Government has received from the petroleum companies, during the same three years, a minimum of $497 million as taxes and royalties, nearly two and one-half times the payments to stockholders during the same period. These receipts, based principally since 1945 on the fifty-fifty sharing of the net profits of the companies, constitute over 55% of the budget receipts of the government. This large participation of Venezuela in the profits of foreign companies is quite unusual in Latin America.

Notwithstanding this sharing of the profits, Venezuela is one of the few Latin American countries that has rather consistently followed a policy favorable to foreign investments. It has attracted foreign capital, chiefly in the petroleum industry but, in recent years, also in a more diversified range of activities; as a result, 1) its government has been supplied with funds sufficient to finance needed developments which private capital did not undertake and 2) its citizens, mainly the petroleum workers, have been supplied with employment at relatively high wages and with substantial social benefits.
I. Foreign Direct Investments by Nationalities

It can be estimated that, at present (the end of 1948), there are approximately $1100-1150 million of foreign capital invested in Venezuela, as against $40 or $50 million at the end of World War I and some $500 million at the end of World War II.

British capital — and to a minor extent French capital — had almost no competition in Venezuela until 1915 and was invested, with varying success, in mining, public utilities and railways. At the present time, most British investments of that type and all of the French investments have been liquidated or are in the process of liquidation, or have been transferred to new owners. On the other hand, after 1920 British capital was invested heavily in the Venezuelan oil industry through the Royal Dutch-SheIl group of companies. Total British and Dutch capital in Venezuela can be conservatively put at $275-300 million as of late in 1948, almost all of which is invested in the oil industry and is still increasing rapidly.

It has been estimated that, prior to World War I, American investments in Venezuela amounted to only about $3 million. With the expansion of the oil industry after 1919, they grew to $247.2 million in 1930 2/, $262 million in 1940 2/, $372.9 million as of May 31, 1943 2/ and $675 million as of the end of 1947. They will total over $850 million as of late 1948 as a result of large programs of expansion. From the standpoint of the value of U.S. direct investments, Venezuela was, in 1930, the fifth country in Latin America, and the seventh in the world (after Canada, Cuba, Mexico, the United Kingdom, Chile and Argentina). At the present time only U.S. investments in Canada are larger than those in Venezuela, which represent roughly 10% of all U.S. direct investments abroad.

The latest available breakdown of American investments by major branches of activities 6/ indicated that out of $372.9 million,

1/ Max Winkler, Investments of U.S. Capital in Latin America, p. 175.
6/ U.S. Treasury Department, Census of American-owned Assets in Foreign Countries (as of May 1943)
$341.1 million was invested in the petroleum industry and $7.9 million in public utilities.

Canadian capital is mostly invested in oil companies, gold mining enterprises and some public utilities. There are no estimates of these investments.

II. Foreign Direct Investments in the Main Branches of the Venezuelan Economy

Petroleum. All of the production of petroleum and its refining is in the hands of foreign companies. They may be divided into four groups: (1) the companies affiliated with Standard Oil Company (New Jersey) mainly the Creole Petroleum Corporation, which account for over 50% of the production of crude petroleum; (2) the Royal-Dutch Shell companies, which account for some 25-30% of the production; (3) the Gulf Oil Corporation, operating in Venezuela through the "Vene Grande Oil Corporation" (12-16% of production) and (4) a group of independent producers, almost all American.

The importance of their Venezuelan investments for the foreign companies mentioned above has often been stressed; over 50% of the production of crude petroleum of the Royal Dutch group in 1947 came from its Venezuelan subsidiaries (138 million barrels) while the production of crude petroleum in Venezuela by the Creole Petroleum Corporation during the same year (215 million barrels) was larger than the production of the Standard Oil Co. of New Jersey and its subsidiaries in the United States (14.5 million barrels). With a current production of 635,000 barrels per day, the Creole stands as the world's greatest producer.

The value of the investments of foreign petroleum companies in Venezuela is often put at $500 million. About three years ago this figure would have been approximately correct but recent developments have been spectacular. American direct foreign investments in the petroleum industry alone are estimated at more than $775 million as of late 1948 (as compared to $341 million in 1943). Anglo-Dutch

---

7/ Royal Dutch Annual Report to Stockholders for 1947.
9/ Declaration of Mr. Arthur Proudfit, President of Creole Petroleum Corporation, Venezuelan Newsletter, June 15, 1948.
10/ Estimated from unpublished U.S. Department of Commerce sources—see Appendix II.
investments could be put at €275-300 million at that date 11/, and have also more than doubled during the last five years. Altogether, foreign investments in the petroleum industry at present stand at roughly €1050-1100 million. The high profits and the high rate of re-invested earnings, as well as the possibility of further developments to be financed by new capital, will probably further increase the investments of foreign companies, which are reported ready to invest half a billion dollars of new capital in the next few years. 12/ The largest part of the capital and expenditures at the present time are directed more to the building of refineries than to the development of crude oil production.

Mining. One Canadian corporation 13/ controls practically all Venezuelan gold production (which has been steadily declining from a maximum value of €4.28 million in 1940 to €8 million in 1947) and is reported as intending to make considerable improvement to the equipment and machinery. 14/

In recent years there has been a great expansion of iron ore mining. Subsidiaries of the Bethlehem Steel Company and of the U.S. Steel Company have engaged in vast development programs. 15/ These companies are reported as intending to invest from €10 to 20 million each in Venezuela. In addition, in 1945 the International Nickel Company of Canada Ltd. started the extraction of nickel ore. 16/

---

11/ At the end of 1947 the total fixed and current assets, less holdings of British securities, of Venezuelan Oil Concessions Ltd. were valued at €28 million (Annual Report for 1947). This company accounted in 1946-47 for 67% of the Venezuelan production of the Royal Dutch group, of which the assets could thus be put at around €170 million. Another basis of estimation can be given by the fact that in 1946 and 1947 the Royal Dutch Shell group accounted for 30% of Venezuelan production. American petroleum investments being estimated at €625 million at the end of 1947, those of the Royal Dutch Shell group would be thus put at €260-270 million.

If we assume that the Royal Dutch Shell investments were worth €200 million at the end of 1947, €275-300 should be considered as a conservative estimate for the end of 1948. (At the end of 1947 the Royal Dutch raised the equivalent of €270 million of new capital, and in October 1948 the Shell Caribbean Co. borrowed €250 million in the American market, a large part of which is understood to be invested in Venezuela.)


14/ South American Journal, April 17, 1948.

15/ Venezuela Newsletter, July 15, 1946.

16/ Moody's Industrials 1948, page 2481.
Public Utilities. As of 1915, 21% of the installed capacity of electric power was represented by foreign-owned plants, mostly Canadian, American and British. 17

A British-controlled corporation operates 90% of the telephones installed in Venezuela 18, but the government is reported to have contracted with a Swedish company for the establishment of a government or municipal-owned, state-wide telephone network. Most of the international communications are transmitted by an American company.

Transportation. Two British companies operate roughly 25%, and foreign petroleum or mining companies 15%, of the railway mileage of Venezuela. The two British companies are engaged in negotiations with the Venezuelan Government for the sale of their properties. 19

Since 1930 most of the domestic air traffic has been in the hands of Venezuelan-owned companies, some of them participating with U.S. capital. 20

Most of the maritime transport is provided by foreign ships, with the noticeable exception of the "Crancoibman" Merchant Fleet and another government-owned navigation company, both started in 1947.

Manufacturing and Trade. The Venezuelan manufacturing industry is not yet developed and is mostly Venezuelan-owned. However, American capital has started investing in the chemical field and a few branches of industry such as the manufacturing of gas, liquid carbonic, steel drums. American firms also carry out a large part of the public works undertaken by the government and are active in the foreign trade business.

Anglo-American capital erected a large milk-drying plant in 1944, and one of the largest dairying enterprises has recently been built by a mixed capital set-up of U.S. and Venezuelan investors. 21

In 1947, the government-owned and controlled "Corporacion Venezolana de Fomento" and Nelson Rockefeller signed an agreement in Caracas approving the creation of the Venezuelan Basic Economy Corporation, a subsidiary of the (Rockefeller) International Basic Economy Corporation, capitalized at $40 million. The Rockefeller organization subscribed half of the capital and has full common share control for the first ten years. The

18/ Pan American Union, National Economy of Venezuela, page 75.
21/ George Wythe, Industrialization of Latin America.
22/ Venezuelan Report, publication of Venezuelan Embassy in Washington.
"Fomento" may subscribe to the other half of the capital and has actually done so in the two main subsidiaries of the Basic Economy Corporation. It received preferred stock with a guaranteed return. It is agreed that, as soon as the individual companies start making money, the Basic Economy Corporation will start putting its stock on the market and, at the same time, the Government will turn in an equal amount of its preferred stock to be exchanged for common stock, which will also be offered on the market to Venezuelans. In any case, it is provided that, within ten years, the Basic Economy Corporation will offer majority stock control to Venezuelan buyers. There is a possibility that, in view of the high return from urban real estate and the comparatively low return expected from the (Rockefeller) enterprises, a limited market only will be found for the shares. It has been stated 23/ that the Government officials apparently believe that the "Corporacion de Fomento" will be free to buy up the majority control while the Americans are not in favor of this.

The Basic Economy Corporation is reported to have invested actually over $20 million with varying success in different projects including fisheries, agricultural production and distribution of foodstuffs and other consumer goods.

Banking and Insurance. Four foreign commercial banks (one American, one British, one Canadian and one Dutch) operate in Venezuela, as against eight Venezuelan banks.

The insurance business is almost entirely in the hands of foreign companies, mostly American and also British, Canadian and Swiss.

III. Foreign Investments and the Balance of Payments of Venezuela

Incomes Remitted. It can be estimated that, in 1947, U.S. and British companies, established in Venezuela, earned abroad $250 million of net income, including the re-invested earnings. (See Appendix I.) This figure compares with a Venezuelan estimate of $263 million and the difference between the estimates is easily accounted for by expenses such as insurance, selling costs, transportation, directors' fees, et cetera, which are included in the Venezuelan figure, in addition to income in the accounting sense.

The incomes remitted to the United States by American companies operating in Venezuela amounted to $397 million in the 1945-47 period -- including re-invested earnings. Such income represented 34% of the income received from all Latin America, during the same period. The value of U.S. investments in Venezuela represented only slightly more than one-fifth of the investments in all Latin America. The relative importance of the income derived from Venezuelan investments in the total income received from all investments in Latin America is still more important for British capital. However, the earnings of British companies, such as indicated in Appendix I, are proportionally lower than those of American investments.

The balance sheets of the Venezuelan Oil Concessions Ltd. (the largest British oil company) and of the Creole Petroleum Corporation in 1947 indicate a slightly lower cost of selling per barrel and higher sums put aside as depreciation and depletion reserves on the part of the British company. It should also be noted that the American companies do not pay income taxes in the U.S. on income remitted from Venezuela (after Venezuelan taxes), while Venezuelan Oil Concessions Ltd. paid in taxes to the United Kingdom Government over 75% of the income remitted from Venezuela in 1947 (that is net income after Venezuelan taxes).

Capital Movements. According to the Venezuelan "Oficina Tecnica de Hidrocarburos" the market value of petroleum exports (F.O.B.) amounted to $1,485 million for the 1945-47 period, a figure which checks very closely with the sales of petroleum by foreign companies such as indicated by the Creole Petroleum Corporation and the Venezuelan Oil Concessions Ltd., income accounts. On the other hand Venezuelan estimates indicate that the net foreign exchange receipts from the petroleum companies on account of Venezuelan taxes, wages and local operating expenses, amounted to approximately $950 million during the same period. The difference of $495 million between the value of petroleum exports and the actual foreign exchange receipts is largely offset by capital investments amounting to $275-380 million during the same period, of which $265-290 million were accounted for by American companies and $90 million by the Royal Dutch Shell group of companies.

The policy of capital expansion through the re-investment of earnings is shown by an analysis of the balance sheets of the Creole Petroleum Corporation which accounts for 75% of the production of all American petroleum companies. From 1945 to 1947 the net income of this company amounted to $278 million dollars after payment of $276.9 million of taxes and royalties to the Venezuelan Government. During the same period dividends paid to stockholders totalled $153.6 million putting the ratio of earnings to assets at 33% and the ratio of dividends to assets at 18%. The largest part of the difference between earnings and dividends, i.e. $125.6 million (45% of the net income), was put back into business. If we assume that the same policy was followed by other American petroleum companies we could arrive at a total of some $170 million of income re-invested in Venezuela. The fact that a total of $265-280 million of capital was actually invested by all American petroleum companies indicates that these companies invested large sums in addition to the re-investment of their income.

The balance sheets of the Venezuelan Oil Concessions Ltd., which accounts for two-thirds of the total production of the Royal Dutch Shell group of companies, show a somewhat different position. For the three years 1945-47 the earnings of this company, remitted to England, amounted to some $80 million but the net profits only to $17.6 million, out of which $11.2 million were paid in dividends to stockholders, leaving $6.4 million for re-investments. The difference between the

24/ Source: U.S. Department of Commerce.

25/ Calculated from Venezuela Oil Concessions Ltd. balance sheets and other sources.
earnings remitted and the net profits is accounted for by $57 million of taxes to the British Government (after having paid over $90 million taxes and royalties to the Venezuelan Government before the remittance of the net earnings). The fact that the total assets of the company (less the holdings of British securities) increased by some $60 million, during the same period, indicates that investments were made through new capital, only $6.4 million of income being available, after British taxes, for re-investment.

On the basis of estimates by the U.S. Department of Commerce and an analysis of the balance sheets of the main American and British companies engaged in all branches of activity in Venezuela, the income remitted abroad by such companies, during the 1945-47 period, can be put at $520 million. Dividends paid to stockholders amounted to about $220 million and taxes paid to the British Government to over $60 million, leaving re-investments of earnings at $240 million. In addition to these re-investments, new capital was sent to Venezuela totalling some $170 million, out of which $100 million came from the United States and the remainder from Great Britain.

**Government Economic Policy and Regulations**

I. General Rights of Foreigners to Property and To Do Business

The attitude of Venezuela towards foreigners has always been very liberal and the new constitution guarantees foreigners the same rights to property and to carry on business as nationals. Foreign companies may carry on business, take part in litigation, establish agencies or branches, exploit natural resources or introduce any industry into Venezuela (with the exception of water power, timber, aviation and subsoil rights, which are acquired through concessions from the government) provided they comply with the formalities of Venezuelan law. In these respects no distinction is made between foreign and Venezuelan companies. A limitation is set by the employment law, which specifies that three-fourths of all persons employed in an enterprise must be Venezuelans. This proportion applies separately to wage earners and salaried personnel.

Petroleum concessions are generally held under the terms of the new petroleum law of 1943 and, under all such concessions, companies are obliged to refine at least 10% of their products within Venezuela. The President of the Venezuelan Petroleum Board declared recently that existing concessions covered one-third of the Venezuelan territory which is potentially productive of oil and that the Government proposes to make no more concessions for the time being.

II. Social Legislation

Since 1938 profit sharing has been compulsory in Venezuela for industrial and commercial enterprises, as well as for certain large agricultural and fishery enterprises. Every business is obliged to distribute among all of its workers at least 10% of the net profit which it may have obtained at the end of each fiscal period but, in no case, shall the participation of the individual worker exceed two months' salary or wages.
Wages are relatively high in Venezuela - although varying greatly from one industry to another and from one region to another. Even so the cost of labor is considerably higher than wages alone because the costs of social benefits are heavy. The high rates of return of the petroleum industry have allowed it to absorb these costs without too much trouble but other fields of activity are greatly handicapped. The position of the petroleum industry is, moreover, a source of social troubles; its workers are better paid and enjoy many advantages with respect to food, schools, housing and health care which are asked for by workers in other industries.

Strikes have been numerous in Venezuela during recent years, even in the petroleum industry. The scarcity of labor and the high cost of living will most certainly cause other strikes in the future, although the present government appears to have obtained control of the most important unions.

III. Taxes

Income taxes in Venezuela are low if judged by U.S. standards, reaching a maximum of 28-1/2% on incomes higher than 26 million bolivars. In addition to the general tax, however, the petroleum industry is subject to special taxes such as those relating to exploration, exploitation, refining and transportation. One of the principal taxes is the royalty of one-sixth of all the petroleum produced, payable in cash or in kind at the discretion of the Government. The aim of the Venezuelan Government is to secure a fifty-fifty division of profits with the oil companies. But already the three large petroleum companies pay one-sixth of their production as royalty, 28-1/2% of their net profits in income taxes, plus miscellaneous taxes. These altogether are generally considered to represent around 50% of the profits. On the whole, therefore, the taxes on the petroleum industry are quite heavy but are not objectionable because of the proven profitability of the business.

In 1947 and 1948 the Venezuelan Government announced that it would take oil in payment instead of money and sold the oil so obtained to the highest bidders (the need for oil brought some bids to 49¢ a barrel higher than the current U.S. price). Often the producing companies have bought back from the Government the royalty in oil at a price higher than the current U.S. price in order to get sufficient oil to satisfy the requirements of the market. (The Government also makes a profit on its exchange operations with the companies; they must buy bolivars from the Banco Central de Venezuela which sells at 3.09 bolivars per dollar instead of the current rate of 3.32 per dollar.)

IV. Government Competition

Through its various dependencies, mainly the "Corporacion Venezolana de Fomento" created in 1945, the Venezuelan Government has participated in rapidly increasing economic activities, including agriculture, air transport, shipping, electricity production, distribution of essential foodstuffs, manufacturing of cement, construction of hotels, textile mills and others. The charter of the "Corporacion" specifies that it will enter only those fields where private capital is not available or sufficient and sell the shares of the enterprises undertaken as soon as
they become financially sound. However, the experience of neighbouring Latin American countries and the very large amounts of money which the Venezuelan Government has at its disposal could lead to competition between private business and government enterprises in certain fields.

On the other hand, while continuing efforts are made to secure all possible advantage for the State, notably from the exploitation of Venezuela's national resources, it is not believed that there exists at the present time any marked general trend towards actual nationalization. Moreover, the large sums spent by the Venezuelan Government on public works and the general development of the national economy can facilitate, in the future, the creation of new private enterprises.
APPENDIX I

Income Remitted Abroad by U.S. and British Enterprises Established in Venezuela
(In millions of dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>Estimates by the Venezuelan Govt. of income remitted abroad by foreign enterprises</th>
<th>U.S. Investments</th>
<th>British Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Income remitted by all U.S. companies</td>
<td>Re-invested earnings</td>
<td>Income remitted by Royal Dutch Shell Group</td>
</tr>
<tr>
<td>1944</td>
<td>n.a.</td>
<td>81.6</td>
<td>6.0</td>
</tr>
<tr>
<td>1945</td>
<td>n.a.</td>
<td>84.0</td>
<td>9.7</td>
</tr>
<tr>
<td>1946</td>
<td>n.a.</td>
<td>103.0</td>
<td>19.0</td>
</tr>
<tr>
<td>1947</td>
<td>283</td>
<td>151.0</td>
<td>30.0</td>
</tr>
<tr>
<td>1948</td>
<td>(est.)</td>
<td>n.a.</td>
<td>220</td>
</tr>
</tbody>
</table>

Notes: U.S. figures of income remitted, as given by the U.S. Department of Commerce, include mainly the total net income of the Creole Petroleum Corporation which for the years 1944-47 amounted to $62, 65, 83 and 131 million respectively. As to the "Mene Grande Oil Co., C.A.," incorporated in Venezuela, only the dividends it has paid are included in the figures of "income remitted" while the difference between its dividends paid and its net earnings is included in "reinvested earnings," (the value of its total net income is not available). The 1943 estimate is based on Creole Petroleum Corporation's net earnings in the first six months of 1948 (Moody's Industrials, August 28, 1948.)

The Royal Dutch Shell income has been estimated in the following way: the Venezuelan Oil Concessions Ltd. (which represented 65% of the Royal Dutch Shell production in Venezuela in 1946-47) indicates in its annual reports the net profit, the income taxes paid in the U.K. and the expenses of the London office. Their figures have been added and then the total has been increased by 50% to represent the total Royal Dutch-Shell group remittances.

Royal Dutch's annual report to the stockholders for 1946 and 1947.
APPENDIX II

Factors of Change in Foreign Direct Investments in Venezuela

(In millions of dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>U.S. Enterprises</th>
<th>British Enterprises (estimates)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Re-invested</td>
<td>Value of U.S. direct investments</td>
</tr>
<tr>
<td></td>
<td>earnings</td>
<td>Movements</td>
</tr>
<tr>
<td>1944</td>
<td>6.0</td>
<td>-3.5</td>
</tr>
<tr>
<td>1945</td>
<td>9.7</td>
<td>+58.8</td>
</tr>
<tr>
<td>1946</td>
<td>19.0</td>
<td>+60.3</td>
</tr>
<tr>
<td>1947</td>
<td>30.0</td>
<td>+139.2</td>
</tr>
<tr>
<td>1948</td>
<td>(est.)</td>
<td>+150.0</td>
</tr>
</tbody>
</table>

(1) Assumed to be negligible.

Notes: Because of accounting complications the re-invested earnings of the U.S. enterprises do not include those of the Creole Petroleum Corporation which is considered as operating in Venezuela through a branch. Reinvestments by Creole are included in the net capital movements.

There are no available estimates of capital movements related to British enterprises. (The investments of the petroleum companies represent practically 100% of the total British investments).

The assets of the Venezuelan Oil Concessions Ltd. (less the holdings of British securities) increased only by a little amount until 1945. From 1945 to 1946 they increased by 15 million dollars and from 1946 to 1947 by 40 million dollars. If we assume the fact that the Venezuelan Oil Concessions Ltd. represent 67% of the production of the Royal Dutch Shell group, the increase in the capital value of such a group would thus be put at roughly 90 million dollars from 1945 to 1947.

The 260 million dollars raised by the Royal Dutch at the end of 1947 and the $250 million borrowed by the Shell group in the American market in October 1948, as well as the large program of works it has undertaken leads to the assumption that the investments of the Royal Dutch Shell group in Venezuela will be high in 1948.
APPENDIX III

Partial list of foreign companies having investments in Venezuela
(name of Venezuelan subsidiary and parent company given where available.)

Transportation
Bolivar Railway (British)
La Guaira and Caracas Railway (British)
Cia Venezolana de Transportes Generales SA (U.S.)

Electricity
Energia Electrica de Venezuela (Montreal Engineering Co., Canadian)
Cia Venezolena de Electricidad (Electric Bond and Share U.S.)

Communications
All American Cables, Inc. (U.S.)
Telephone Properties Ltd. (British)

Gold Mining
Guayana Mines Ltd. (Canadian), acquired, in 1946, New Goldfields
of Venezuela Ltd. (British)

Iron-Ore Mining
Oliver Iron Mines Co. (U.S. Steel)
Iron Mines Co. of Venezuela (Bethlehem Steel)

Petroleum
Creole Petroleum Corp. (Standard Oil, N.J.)
Mene Grande Oil Company CA (Gulf Oil)
Sinclair Oil Corporation
Pantepec Oil Company of Venezuela (U.S.)
Venezuelan Atlantic Refinery Co.
Phillips Venezuelan Oil Co.
Socony Vacuum Oil Co.
Venezuelan Oil Concessions Ltd. (Royal Dutch Shell group)
British Controlled Oilfields (Royal Dutch Shell group)
Celon Development Company Ltd. (Royal Dutch Shell group)
Venezuelan Oil Development Co. (Royal Dutch Shell group)
Ultramar Company Ltd. (British)

Manufacturing and Trade (all U.S. Companies)
American Chicle Co.
Gases Industriales de Venezuela (National Cylinder Gas Co.)
Liquid Carbonic Venezolana
Abbott Laboratories of Venezuela
Colgate - Palmolive
United Merchants and Manufacturers Inc.
American Rolling Mill
Firestone Tire and Rubber
APPENDIX III (Contd.)

Manufacturing and Trade (All U.S. Companies) (Contd.)

Goodyear Tire and Rubber Co.
U.S. Rubber Co.
Westinghouse Electric Corporation
General Electric Corporation
International Business Machines Corporation
National Cash Register Company

Banking and Finance

National City Bank of New York
Royal Bank of Canada
Bank of London and South America
Holandes Unido (Dutch)
La Financiadora Venezolana SA (White, Weld and Co., U.S.)
Venezuelan Basic Economy Corporation