

tives. But when the transaction involves an outright donation of 700 acres of land belonging to the people of the Virgin Islands, as well as Krause Lagoon—another area of 150 acres more, payment of 3 million dollars of taxpayers money for a channel to be dug and maintained and used principally by the recipient of the gift of land; and generous tax exemption for a period of 16 years—it becomes a matter of great interest to all the people of St. Croix—and should have more than a passing glance by all Virgin Islanders.

What do Cruzans get in return for this 3 millions of dollars and large area of land? Promises of jobs in an alumina processing plant:

1. If there are Virgin Islanders qualified and available and seeking those jobs—Harvey agrees that 75% of the entire work force shall be island residents.

On opening day, how many island residents will be qualified, trained workers for anything but common labor?

But we are told that Harvey will have a vocational training school that will be open to all comers, whether they are to be employed at the Harvey plant or not. That they will furnish scholarships to top students whose interest lies in the field of chemistry or engineering. But these promises are not in the Summary of the contract release to the Press. However, we must remember that a vocational school will offer on the job training. So the plant will have to be in operation months before any Cruzan will be sufficiently trained to be useful. By that time, the entire staff that had to be on hand at the beginning of the operation, because of 6 months residence, will have become Virgin Islands residents by virtue of living and working here. How then can they be displaced? Of course, if the individual is an imported alien, and that may be the case since Harvey representatives have asked our local Virgin Islands employment office for the necessary forms to be filled out to bring aliens in—it will be an easier substitution. But if the job-holder is from the States, or from Puerto Rico, and is performing his work satisfactorily and well—will Harvey be ready and willing to fire a trained man and take on a green hand? So—the Cruzan waits for a vacancy! Also, will the labor union allow this to take place to their members? Perhaps, within a generation, Mr. Linden will realize his ideal to have the plant manned 100% by Virgin Islanders—will we, who are here tonight, live to see his dream come true?

2. We can hope to start receiving full tax payments from the Company after 16 years have passed, and the year 1978 rolls around. In the meantime, we get fractional income taxes from Harvey and the income taxes from the employees. Of course, if the employees are Virgin Islanders we would get their taxes from their present source of employment, since there is no unemployment here at present. Immediately, on the start of construction, we can anticipate greater loads on our school, medical and police facilities—so any taxes we get will be consumed at once in this expansion.

Weighing the cost of these *presumed* benefits in terms of land and money—can we afford to have Harvey Alumina on St. Croix with us?

The Governor states that these concessions are in order because Harvey will spend 25 million dollars for the construction of their plant. The plant will belong to Harvey—

not the people of the Virgin Islands. It seems that a better bargain could be driven than is represented by the present contract. Eliminate the gift of land and the costly channel—the tax incentive is sufficient. We strongly suggest that you refuse to ratify this contract, and attempt to get more for the people—not give away their heritage.

The people of St. Croix are entitled to be fully informed on all things that the Government undertakes to do for them. These islands are still supposed to be operating as a Democracy—we even refer to the Virgin Islands as “The Show Place of Democracy”. In a democracy, the people share in self-government, and in self-determination toward shaping their future. The aura of suspicion and mystery that surrounded these negotiations from the very beginning makes us wonder if Democracy here is something you can find only in the dictionary!

You, our legislators, still have time to restore the right to the people to proceed in enlightenment—let them know in detail what this deal involves—then hear their opinions and be guided by them. They will accept your decision more readily if this matter is not rushed through. What we ask for is time!

ST. CROIX CHAMBER OF COMMERCE,
JOHN L. COLBY.

FEBRUARY 14, 1962.

Mr. WILLIAMS of Delaware. Mr. President, has Congress not done enough for this company? It is already being granted entrance of its products into this country duty free. In addition, the company is excused from 75 percent of its tax liability in the islands. Now Congress provides retroactively \$2 million in investment credit, which the company could not receive if this section were not included and which could not be received under existing law.

The argument is made that it has since been proposed that perhaps the provision should be extended to the islands. Perhaps so; I do not argue that. I personally would support such a proposal, prospectively. I so stated in committee. But I do not agree that retroactively such favoritism should be shown to one company. The argument that this provision is tailored for the benefit of other investments in the islands is not correct. If it were, why is the effective date for the completion of the buildings after December 31, 1962?

Certainly this is tailor made for Harvey Aluminum.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I promised to yield to the Senator from Ohio [Mr. LAUSCHE].

Mr. LONG of Louisiana. The Senator asked a question. I would like to answer it.

Mr. WILLIAMS of Delaware. I will yield to the Senator in a moment, but I yield first to the Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, I shall ask several questions, trying to punctuate what the Senator from Delaware has