

The CHAIRMAN. Why is that the case? Have you given them a monopoly under any State law or provision of law?

Mr. MATSUNAGA. It is merely by the law of economics, Mr. Chairman, because Hawaii, after all, is a State of only 785,000 people.

The CHAIRMAN. And the Governor and the rest of you need to stir up a little competition, it sounds to me, because if you are going to have a monopoly, even if you were outside the quota, I don't know whether your price would be different.

Mr. MATSUNAGA. Whether Hawaii can sustain more than one oil refinery is the question.

The CHAIRMAN. That doesn't make a difference to the oil companies. I have seen them put filling stations on all four sides where the streets cross, when the man who went there said he was barely making a living to begin with. I don't think that would stop the oil companies. They like competition.

Mr. MATSUNAGA. We would like to see competition, Mr. Chairman, and have been inviting companies to come in to provide that competition.

The CHAIRMAN. I think that is your real answer.

Mr. MATSUNAGA. That is true, but you know what is happening, Mr. Chairman, is that the competing oil stations with different labels buy from the same refinery.

Mr. UTT. They do that in California.

The CHAIRMAN. You get you another refinery in Hawaii, and I think you will improve your situation.

Mr. MATSUNAGA. I think if you remove us from the quota, this will be the fastest way.

The CHAIRMAN. You were not able to get one from the United States. Are you going to get a foreign producer to come in with a refinery?

Mr. MATSUNAGA. If we are exempted from the quota system, even the present domestic producers could bring the oil in outside of the quota, without having to pay any premium.

The CHAIRMAN. You get ahold of Texaco or Shell or Gulf or some of these companies.

Mr. MATSUNAGA. Mr. Chairman, taking Hawaii out of district V would be the fastest way. This is why I am appealing to your committee, Mr. Chairman. We have studied this for years, Mr. Chairman, and I ask that you give serious consideration to this request.

The CHAIRMAN. I will try to be helpful to you because I think there is a way to do it without taking a step of exempting one State out of the 50 from a national quota. Now, if there are going to be quotas, it has always been my thought that they have to be uniformly applied to all 50 States. That is just a thought I have had. Maybe I am wrong.

Mr. MATSUNAGA. Mr. Chairman, there is only one State 2,300 miles in the middle of the Pacific Ocean. This uniqueness, this insularity must be taken into consideration, Mr. Chairman. This is what we are trying to say. I wish that the committee will not blind itself as the Department of the Interior has to this fact.

The CHAIRMAN. The U.S. quota, at least the quota for the other 49 States, would have to be reduced by the amount of the total quota