

Meanwhile, numerous discussions were taking place between government representatives and representatives of the two existing local refining companies looking toward development of plans by them for production of petrochemical streams. The position (1964) of Gulf Oil was that the firm had no plans for production of petrochemicals in Puerto Rico. The position at the same time of the Commonwealth Oil Refining Company was that it was going to enter the petrochemicals field. This decision was taken in the absence of a commitment by the Commonwealth Government to endorse any oil import quota request which the company might see fit to file.

To summarize, the foundation for growth of an integrated petrochemical industry was "triggered" by decision in 1961 of the Commonwealth Government to promote the "third refinery project" and reinforced by the decision of Commonwealth Oil to commit substantial sums for chemical production.

IV. DEVELOPMENT OF AN INTEGRATED CHEMICAL INDUSTRY IN PUERTO RICO (1966-1972/73)

The basic objective of the Commonwealth Government in matters of petroleum refining and production of basic petrochemicals during the next 5-6 years is development in Puerto Rico of an integrated chemical industry. What precise content can be given to this highly generalized objective?

First, it means the strengthening of our weak industrial base for the purpose of overcoming what now appears to be an intractable unemployment problem.

Second, it means maximizing the integration potential of existing and prospective producers of basic petrochemical streams. We visualize the desirability of an exchange of streams as among the existing and proposed petroleum refining and petrochemical plants in Puerto Rico. Such interchanges as we visualize pose difficult but, we hope, not insoluble problems of effecting the necessary contractual agreements.

Third, it means maximizing the further fabrication on the island of basic petrochemical streams.

Fourth, achievement of the objective stated immediately above will in turn require promotion of inorganic as well as organic chemical operations. Specifically, our first priority in this area is promotion of a substantial chlorine-caustic soda industry.

Fifth, achievement of an integrated chemical industry in Puerto Rico during the next 5-6 years will require an increase in imported feedstocks. The basic requirements are now embodied in applications pending before the Department of the Interior. The dimension of this increase can and, we hope, will be reduced to the extent that integration among the producers of basic petrochemicals in Puerto Rico can be maximized.

Mr. HERLONG. Are there questions? Mr. Bush.

Mr. BUSH. Mr. Camero, I feel very much about your testimony as I did about Congressman Matsunaga. It is an excellent presentation representing your area, your Commonwealth; and certainly you have highlighted the tremendous economic problems that you have there.

However, the thing that troubles me that I would just like to ask a question or two about is, in terms of national policy to this country, does it make sense to take a program whose basic justification lies formulated upon the concept of defense of this country and the vital necessity of a strong domestic oil industry in this country, and then use that program for social or economic goals no matter how justifiable. My question would be, suppose we just eliminated the oil import program; do you think that under that condition any refinery would make the kind of deal with you that they have done or do you think the program should be kept on and then have it used as a mechanic through which to further the economy of Puerto Rico on a special interest basis? That is a rather complicated question, but you know what I mean.