

I am not clear on these various incentives. Normally I have never found business people overly excited about—just for no reason, for just the good of their hearts, dealing in a tightly competitive business as this is, being willing to build the harbor and so forth.

Go over to the Middle East for a minute. When you build over there part of the action is you have to build the hospital. It is put into the deal. I am not clear on how these collateral advantages are developed between Phillips, the oil company, and Puerto Rico, and what role the Interior Department played.

Mr. CAMERO. I think this is part of our negotiating process and I think possibly the Interior Department entered it. I am new in this, but I will say, yes, I know that any company doing this will do it with a profit motive in mind.

Mr. BUSH. And they should.

Mr. CAMERO. At the same time our Commonwealth government has as its main interest to eliminate poverty and increase employment.

If we can negotiate ourselves into a beautiful position with a company by having them help us with a harbor that will be used for multipurpose later on, we feel that without hurting the security of the United States and at the same time being able to do for us by using of tools that are at our disposal, it is much better than having to be down there sitting there taking handouts.

Mr. BUSH. I commend you for that. You have my admiration and gratitude because you have taken a project and done wonderful things for your people in this area. I think this is fantastic. The thing we have to consider is: Is this to the best interests of all the American people?

I understand that the companies get foreign tax credits for some of this work there and that, therefore to the degree that they get a foreign tax credit for operating in Puerto Rico, we are paying for it.

I am paying for it, Mr. Conable is paying for it, all the American people are paying for it.

My basic question is, Mr. Chairman, whether this program should be used as a social program. I just want the record to be very clear that these gentlemen are doing what they should do, they are trying to better Puerto Rico.

My question is, is there a better way to do it? Should it be done directly rather than through this indirect use of a national defense program really to be used for social purposes? Are we kidding ourselves or are we concealing various things when we permit this?

I would predict, sir, that if an import program were eliminated and this was on a pure economic basis people wouldn't build refineries in Puerto Rico. The only question I raise is, is this the way to do it?

Mr. CAMERO. Possibly not, but if we recall back in 1955-56 we started our first refinery from Puerto Rico and didn't ask for this import program.

The next thing that is very important here is that when this thing started out in 1959 we were actually frozen. We were actually frozen until 1965 when by this proclamation we were able again to start developing our petrochemical industry.

What I am saying in essence is that we have had anywhere from 33 percent to 32 percent unemployment for 7 years without being able to do anything because of this freeze that we had during that time. I say