

Why Puerto Rico is unique as a place for manufacturers to make more profits

by Malcolm S. Forbes



Malcolm S. Forbes, President and Editor-in-Chief of Forbes magazine, has been described by John D. DeButts, Chairman of the Board of AT&T as "...perhaps our leading business-watcher."

The President and Editor-in-Chief of Forbes magazine tells how a unique relationship with the United States allows Puerto Rico to provide manufacturers with advantages for profits that they won't find anywhere else in the world.

Read his "fact and comment," then send the coupon below for more details.

Puerto Rico is unique in all the world—and I don't mean for tourists, although it is that.

I mean from the U.S. manufacturer's point of view. And if there are manufacturers today who are not aware of it, perhaps they ought to be.

I call Puerto Rico 'unique' because of a very practical set of circumstances there that encourage employment, encourage growth, encourage a decent profit for manufacturers.

Before you read below about the absolutely unusual advantages Puerto Rico offers the manufacturer, it is worthwhile to know why Puerto Rico has to offer them.

In 1958 I first saw the economic wonders the people of Puerto Rico were bringing about for themselves and for U.S. manufacturers who

"Operation Bootstrap...was a gamble they realized they had to take."

were smart enough or lucky enough to become partners with them.

My wife and I, on a visit to Puerto Rico, asked a mutual friend to arrange a meeting with Governor Luis Muñoz Marín. This was the man who started it all. And this was the period when their economic development program was beginning to show its first significant signs of success. With Muñoz as our guide, we learned about it firsthand.

Muñoz named the program *Operation Bootstrap*. And he told us what a big gamble it

"...it offered then and in fact offers now something for everyone involved."

was on the part of the people of Puerto Rico. But it was a gamble they realized they had to take.

Puerto Rico, with its dying one-crop economy and its exploding population, was down and out by 1940. The island was labeled 'The Stricken Land.' The depressed state of the economy was far worse than anything we

ever saw up here on the mainland during the Great Depression in the '30's.

By the late '50's, however, industry had surpassed agriculture as a source of income. And I could see that the effort to lift a poverty-stricken, overpopulated island literally by its bootstraps had many people turned on both here and there.

And for good reason. *Operation Bootstrap* was working. Why? Not out of idealism. But because it offered then and in fact offers now something for everyone involved. The Government, which wants to improve the economy of the island. The workers, who need jobs. And manufacturers, who see the benefits of this kind of close cooperation.

The people at Puerto Rico's Economic Development Administration (they call them-

This chart will show you where Puerto Rico stood economically before Operation Bootstrap began and how remarkably it has grown:

PUERTO RICO'S GROWTH IN 34 YEARS		
	1940	1974
Purchases from the U.S. (millions)	\$101	\$2,676
Bank Deposits (millions)	\$76	\$4,137
Motor Vehicles	26,847	851,615
Electric Energy Produced (billion KWH)	0.166	12.1
Manufacturing Employment (thousands)	56.0	154.2
Literacy	68%	90%
Life Expectancy (years)	46	72
Mortality Rate (per 1000)	18.2	6.5

selves 'Fomento,' which means 'to get things going' in Spanish) can give all the pertinent facts and figures.

But I can tell you that Puerto Rico offers 100% tax exemption to qualified manufacturers.

That Puerto Rico offers duty-free entry to the United States. That there is an abundant supply of workers in Puerto Rico ready to go to work tomorrow.

Puerto Rico has made it so far by delivering the goods to those manufacturers who have

"See why Puerto Rico's unique advantages have already attracted hundreds of the largest corporations in the United States."

recognized the profit possibilities in this unique partnership.

I suggest that if you are looking for a new plant site, you would be making a mistake if you did not include Puerto Rico in your list of locations. See why Puerto Rico's unique advantages have already attracted hundreds of the largest corporations in the United States. ●●

Puerto Rico's Unique Benefits

Puerto Rico is a Commonwealth freely associated with the United States through a compact of union which elevated the island from territorial status in 1952.

Puerto Rico's benefits include:

1. No federal taxes. Federal taxes on corporate profits do not apply to manufacturers here.

2. 100% exemption from all local taxes. No tax on corporate income, real or personal property. No excise or municipal taxes. And manufacturers can enjoy this exemption, depending upon plant location, for up to 30 years.

3. Over 100,000 workers available. With one person out of eight in the labor force

unemployed, the people of Puerto Rico need work. There are over 100,000 ready to start immediately.

4. Fast, effective training programs. Government assistance is available for recruitment and training. For skill and dexterity on production lines, Puerto Rican workers have been favorably compared by a well-known Japanese manufacturer here to his own remarkable workers in Japan.

5. Government will cut red tape. The Government of Puerto Rico is committed to help. Our people at Fomento know how to cut bureaucratic red tape. They know how to steer you to the right plant sites, how to attract the kind of qualified people you need and how to train them for a quick start-up.

6. Quick, profitable start-up. Figures show that most manufacturers in Puerto Rico have arrived at a profitable bottom line in just six to nine months after starting up.

Puerto Rico faces problems

Despite the fact that *Operation Bootstrap* has brought nearly 2,000 U.S. plants to Puerto Rico, our island continues to suffer terribly from an unemployment rate that exceeds 12%.

And our per capita income averaged under \$2,000 in current dollars in 1974. This is far better than the rest of Latin America but extremely low compared to the rest of the United States. So you can see why we need industry.

Fifth largest U.S. market

Puerto Rico is the fifth largest customer in all the world for the U.S. Purchases on the island in 1974 generated \$2.5 billion in gross income for the United States, and according to economists, created the equivalent of 140,000 direct jobs for Americans on the mainland.

Send for free Plant Site Kit

Get more information. Fill out the coupon below and send it to us now.

Commonwealth of Puerto Rico
Economic Development Administration
Dept. TH-6
1290 Avenue of the Americas, N.Y., N.Y. 10019.

I'd like to find out more about the unique advantages Puerto Rico offers as a plant site within the U.S. for manufacturers who need to make better profits. Please send me complete information, including your free Plant Site Kit with facts and figures on profits, workers, wages, more.

The products I might be interested in manufacturing in Puerto Rico are:

Name _____
Title _____
Company _____
Address _____
City _____ State _____ Zip _____