

Remarks as prepared for delivery by Archbishop Roberto González Nieves

“Solutions to Puerto Rico’s Financial Crisis: How Bipartisan Policies on Debt and Responsible Lending Can Protect the Most Vulnerable,” September 30, 2015

My People Are Suffering: Resolve the Puerto Rico Crisis Now.

Thank you Linda for that very kind introduction. I am so grateful to the honorable Linda Sanchez for her leadership and support.

Also thanks to Reverend Martínez, for that opening prayer. I too invite the Holy Spirit to be among us during today’s dialogue.

I also want to extend my gratitude to Puerto Rico’s Congressperson and Resident Commissioner, Pedro Pierluisi, for making today’s event possible.

I’m honored to share this venue with Reverend Heriberto Martinez the General Secretary of the Bible Society of Puerto Rico who coordinates the important ecumenical efforts on our island home. Shortly, Congressperson Raul Grijalva will join us. It was he that led the powerful report on Puerto Rico’s situation and how my people are being taken advantage of by predatory hedge funds. The honorable Raul Grijalva also supports action by the Federal Reserve when Congress fails to act.

Finally, I would like to thank Eric LeCompte and Jubilee USA Network for being in solidarity and joining Puerto Rico’s religious community as we strive for solutions for Puerto Rico’s financial crisis. I told Eric when he came to Puerto Rico, that his visit was providential. Jubilee USA is an incredible organization that has partnered with us and struggles alongside us to ensure we will achieve a debt plan that invests in Puerto Rico’s people. When Pope Francis was in the United States, he emphasized the work, focus and efforts of Jubilee USA. I join the Holy Father in that sentiment today.

Before I continue my comments on the issue at hand, I hope you will allow me to take a brief moment to address my people in Puerto Rico and the Puerto Rican Diaspora in our language:
Puerto Rico is embroiled in a deep debt and financial crisis.

Deseo enviar un saludo especial y carinoso a todos nuestros compatriotas en Puerto Rico y la diáspora. Es de suma importancia que podamos trabajar unidos, como un solo equipo, para enfrentarnos a la gravedad de la gravedad de la crisis fiscal que atraviesa Puerto Rico y apoyar soluciones para evitar adicionales medidas de austeridad que impactaran especialmente a los mas pobres y a la clase media de nuestro país, Unidos lograremos un Puerto Rico mas justo, equitativo y fraterno,

I come here today because my people are suffering and in Puerto Rico we face a growing humanitarian crisis.

This crisis threatens nearly half of our people living in poverty. We are concerned about the debt, with the consequences defaulting on it and above all with the proposals that would reduce wages, layoffs of workers, reducing employee benefits, and a reduction in health services.

Predatory hedge funds or so called “vulture funds,” are calling for further cuts to our schools, our healthcare and our minimum wage.

The debt owed to hedge funds isn't the Commonwealth's only debt.

Our pension funds are \$40 billion underfunded and tens of thousands of ordinary people are counting on them. The Commonwealth should immediately prioritize making the payments to the pension plans that it is legally obligated to make but isn't making.

This type of austerity is unacceptable. Pope Francis' statements on halting austerity and protecting the poor harken back to the very earliest of the Church's teaching.

In Pope Francis's encyclical *Laudato Si*, he references that, "The foreign debt of poor countries has become a way of controlling them..." With even greater specificity, His Holiness offered a speech to the United Nations last Friday where he expressed, that countries and their people, "should not be subjected to oppressive lending systems which, far from promoting progress, subject people to mechanisms which generate greater poverty."

With the wisdom of Pope Francis, I and almost all of Puerto Rico's religious leaders believe that our people should not suffer because of our country's debt.

Our island is \$72 billion in debt and that represents \$20,000 of debt for every man, woman and child of Puerto Rico. Not only has the debt already impacted our social services, too many of our people are fleeing to the United States in search of work.

At the end of August, I joined almost all of our religious leaders on the island of Puerto Rico and we asked that the following principles guide how this financial crisis is resolved:

- 1) In any solution that is reached, there should be no more austerity policies affecting people and poor families and young people who are the most vulnerable.
- 2) Any solution must create an investment in the Puerto Rican people and seek to grow our economy.
- 3) We need enough debt relief to bring our total debt back to sustainable levels.
- 4) We encourage all solutions that enhance Puerto Rico's laws on budget transparency.
- 5) We seek greater participation in resolving this crisis and working with the government on solutions that protect Puerto Rico's people.
- 6) In addition to the participation of the religious sector, we call for a multi-sectorial participation in which our people are well represented. We call for a representation that also includes the poorest because they are always the most affected.

I understand that some processes and options typically available to indebted governments are not available to ours. Because Puerto Rico is not a sovereign country, we can't receive low-interest loans or emergency financing from the International Monetary Fund. Because Puerto Rico is not a US state or city, we can't access US bankruptcy laws. Nevertheless, Puerto Rico, in spite of its unique colonial status, has been a steadfast collaborator with the United States.

I ask every member of Congress to support Puerto Rico Chapter 9 Uniformity Act HR 870/S. 1774.

In the absence of Congress extending bankruptcy protection to Puerto Rico, we must call for greater involvement from the Federal Reserve to act and to arbitrate our debt according to our six principles to protect the common good.

The Federal Reserve has the power to act and should act because the U.S. has a special responsibility to help Puerto Rico and not let it slip into economic chaos

The Federal Reserve has the ability to restructure our debt in ways that limit austerity and ensure debt relief without harmful conditions. I specifically reference the Estrella paper that notes the Federal Reserve can act under powers in section 13 and 14.

On behalf of my people, I call on the Federal Reserve to immediately intervene in a way that is in line with the principles outlined by the religious leaders in Puerto Rico and in line with the best humanitarian instincts of the American people.

As we call for a debt restructuring that invests in Puerto Rico or a Jubilee for Puerto Rico's people, we call for a Jubilee for all God's people in every corner of the world.

I echo Pope Francis' explicit call for a global bankruptcy process. He was clear during his speech to the United Nations that here must be intervention to make the debt of all countries sustainable and to limit the kind of extreme behavior that we see certain hedge funds engaging in Puerto Rico. Policies that curb corruption, tax evasion, unequal trade policies and promote public budget transparency are vital for Puerto Rico and our world. We call for economies to serve people, not for people to serve economies.

These shifts in global policy are vital for the vulnerable on whatever island or continent they dwell.

Our brothers and sisters in the Caribbean are facing high debt burdens and poverty rates made worse by increasingly frequent storms. Nearly 50 of the world's poorest countries face worrying levels of debt distress. We've even seen debt and austerity push a third of Greece's population below the poverty line.

Let me end my remarks by citing Pope Francis's speech to Congress last week.

"I know that you share my conviction that much more still needs to be done, and that in times of crisis and economic hardship a spirit of global solidarity must not be lost. At the same time I would encourage you to keep in mind all those people around us who are trapped in a cycle of poverty. They too need to be given hope. The fight against poverty and hunger must be fought constantly and on many fronts, especially in its causes."

God Bless you.