

Puerto Rican government-debt crisis / United States should bail out Puerto Rico

< Puerto Rican government-debt crisis

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Position: United States should bail out Puerto Rico

This position addresses the topic Puerto Rican government-debt crisis.

For this position

No results

Against this position

“ Some Republican lawmakers remain skeptical. They’ve raised an important point: Allowing Puerto Rico to enter into a financial restructuring might weaken investor confidence in general obligation bonds issued by the 50 states, raising their costs of borrowing in the future. To avoid this outcome, Congress should craft a restructuring under the Territorial Clause of the U.S. Constitution that is designed only for Puerto Rico — and only this time. Puerto Ricans won’t like it, but the deal must include a federal oversight board to ensure that Puerto Rico lives within its means and meets its reduced debt obligations. ”

From Congress must help Puerto Rico by restructuring its debt burden, by The Miami Herald editorial board (*The Miami Herald*, March 9, 2016) (view)

“ If Congress is committed to trying to help even beyond the establishment of a financial control board, it should consider granting exemptions to the federal minimum wage requirement and the Jones Act, the latter of which has already been done for the U.S. Virgin Islands. These options would amount only to a first step toward a pro-growth, market economy, but nonetheless provide the prospect of a new path for Puerto Rico. In contrast, both a bailout and Chapter 9 bankruptcy would mean just more of the same for years to come. ”

From Puerto Rico needs reform, not bailout, by Andrew Quinlan (*The Detroit News*, March 4, 2016) (view)

“ Ultimately, though, the hedge funds and mutual funds that bought Puerto Rico's tax-free bonds will have to support the government's effort to reignite the economy. That means dropping their opposition to the needed change in bankruptcy law, accepting some losses and helping the government develop a restructuring plan that emphasizes growth in addition to responsibility. ”

From *How to handle Puerto Rico's debt crisis*, by Los Angeles Times editorial board (*Los Angeles Times*, July 2, 2015) (view)

“ As the former U.S. Treasury economist Ike Brannon has pointed out, one way or another, Puerto Rico is going to have its debt burden lifted, either through a federal bailout or bankruptcy. While not ideal, allowing the island to simply go bankrupt would have the benefit of not leaving John Q. Taxpayer on the hook for Puerto Rico's profligacy. Of course, if bondholders are not paid, Puerto Rico will have an especially hard time borrowing again and getting back on its feet. ”

From *P.R. disaster*, by The Providence Journal editorial board (*The Providence Journal*, January 4, 2016) (view)

“ Now is the time to show Puerto Rico the way, not lead them down the path to destruction. No bailout. No bankruptcy protection. Make the hard choices. Revamp the entire system leaving nothing sacred. Then Puerto Rico would see investment capital flood their island followed by a horde of Americans looking for a safe, English-speaking, white sand beach experience. ”

From *Don't bail out Puerto Rico*, by Steve Sherman (*The Des Moines Register*, February 11, 2016) (view)

“ A bill in Congress would create a financial control board to take charge of Puerto Rico's finances and budget. This is a model that helped Washington, D.C., to recover when it faced a similar stage of financial crisis. A control board also worked well in managing Detroit's bankruptcy. Also, and this is key, the financial control board is not a taxpayer bailout of Puerto Rico. ”

From *For Puerto Rico: Taxpayer Bailout, No; Control Board, Yes*, by Investor's Business Daily editorial board (*Investor's Business Daily*, April 13, 2016) (view)

Mixed on this position

No results

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