The Virgin Islands Consortium

Understanding Root Of PR's Debt Crisis Could Help USVI Avert The Same, Milling Young Says

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ST. THOMAS -- This past weekend Senate Vice President Janette Millin Young, in an effort to better understand the financial crisis being experienced by Puerto Rico and its implications on the other territories, participated in a lecture hosted by the University of the Virgin Islands featuring noted Puerto Rican economist Dr. Carlos Colon de Armas.

Dr. Colon was invited by UVI to engage in public education on political status and economic development. Discussion also focused on the PROMESA Act, the bill passed in July by Congress to address Puerto Rico's fiscal crisis. On Friday evening, Dr. Colon spoke on the "Economic Implications of Political Status on Puerto Rico."

On Saturday, the senator hosted a discussion with several of her colleagues to allow them to question the economics professor on historical aspects of Puerto Rico's financial challenges.

"I was able to gain a broader perspective from Dr. Colon's presentation that revealed failed fiscal policies and economic initiatives leading to the Puerto Rico crisis. Dr. Colon's primary conclusion is that the real problem in Puerto Rico is an "excessive spending problem, not an inability to pay debt crisis," Mrs. Millin Young said.

Dr. Colon identified excessive spending as the true reason for the fiscal challenges being experienced by Puerto Rico. He noted Puerto Rico's debt constitutes only 16% of the annual budget.

"The discussion provided for a necessary conversation on the political circumstances that allowed Puerto Rico's fiscal crisis to grow. It was a frank and open discussion on what is required to prevent the territory from going in the same direction as Puerto Rico," Mrs. Millin Young, who chairs the Committee on Economic Development, Agriculture and Planning said.

The senator characterized the meeting as a "meaningful and fruitful dialogue with a noted economist and policymakers on the important matters relating to both territories' financial challenges." She noted Puerto Rico, the Virgin Islands and the other territories have similar fiscal challenges and should learn from each other's experiences and mistakes because all territories are potentially subject to the conditions established by Congress with the PROMESA Act.

Mrs. Millin Young was joined by Senators Marvin Blyden, Almando Rocky Liburd, and Justin Harrigan, Sr. Senator Myron Jackson was represented by his chief of staff, Toya Malone.

"The discussions allowed us to receive sound fiscal and cautionary advice. Unquestionably, we must adopt policies geared toward sound borrowing agendas to generate economic development and growth," she concluded.