

Alexandria Ocasio-Cortez to Wall Street financial vultures: Please be nice to Puerto Rico

By Genevieve Leigh
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The popular anger and unrest on the United States' territorial island of Puerto Rico continues following the resignation of Governor Ricardo Rosselló and the Supreme Court ruling this week that the appointment of his successor, Pedro Pierluisi, was unconstitutional. The current governor, Wanda Vázquez Garced, the former secretary of justice, is, if anything, even more hated than Pierluisi.

The largest demonstrations in Puerto Rican history have been driven by anger over rampant corruption, growing social inequality, and government criminality in relation to the devastation caused by Hurricane Maria in September 2017. As for Washington, Republican and Democratic politicians alike are terrified at the thought of similar protests erupting on the mainland.

It is in this context that Democratic Congresswoman Alexandria Ocasio-Cortez, a member of the Democratic Socialists of America, has intervened to provide political cover for Wall Street, obscure the fundamental issues involved in the crisis, and aid in quelling the protests before they get out of control.

On Thursday Ocasio-Cortez, along with Representative Nydia Velázquez, Senator Bob Menendez, and Representative Raúl Grijalva, all Democrats, sent an open letter to José B. Carrión III, chairman of the Financial Oversight and Management Board (FOMB). The FOMB is an unelected seven-member board representing powerful financial interests, including former and current CEOs and bankers, that manages the Puerto Rican economy at the behest of Wall Street.

The letter opens by explaining that the aim is to “urge” the FOMB “to reevaluate the austerity measures imposed upon core governmental institutions on the island,” particularly healthcare and education.

The Democratic congresspersons make clear, however, that they are not opposed to austerity in principle. They cite uncritically a report from the Center for a New Economy (CNE) that “correcting the fiscal crisis [that is, austerity

measures] would help restore a sense of macroeconomic stability of the Puerto Rican economy, but that by itself is not going to renew economic growth.” They also quote a statement from a US Treasury body that “[a]usterity alone is not a path to recovery” for Puerto Rico.

The legitimacy of the debt crisis, which is the product of the semi-colonial status of the island and backroom financial scheming, is left completely unchallenged, as is the authority of the FOMB to make decisions that affect millions of people.

The letter goes on to mildly lament the decision to make cuts in healthcare and education while expressing its understanding that institutions such as the University of Puerto Rico, which is slated to receive a \$400 million cut to its budget, must accept “accountability measures to deliver important academic and operational initiatives.” However, it urges that this be done without cuts to the General Fund, increasing tuition or cutting the pension system.

In other words, it pleads for cuts to be found elsewhere. Moreover, the statement begs the question: Accountable to whom, exactly? The 7-member unelected board of bankers and CEOs representing the bondholders? Or perhaps to the local Puerto Rican government recently exposed as stooges of this very board?

The letter states that the authors hope the FOMB “considers” some changes, and “invites the FOMB to take a step back and rethink these deep cuts” adding that Puerto Ricans are really asking for “some breathing room.”

The most significant statement is the conclusion: “The people of Puerto Rico have made it loud and clear; they are demanding swift and responsible actions from their leaders. As Members of Congress, we stand in solidarity with Puerto Ricans as they hold their government accountable in times of unchartered [sic] political waters. We hope you consider these changes to ensure the dawn of a new era for Puerto Rico.”

The groveling language accepts entirely the legitimacy of

“the leaders” in Puerto Rico—that is, the corrupt stooges of Wall Street who are responsible for the economic and social catastrophe on the island. Above all, it accepts the authority of the FOMB, the financial *junta* of the banks. By “uncharted political waters,” the letter refers to the eruption of social protest outside of the framework of the establishment parties, which could have revolutionary consequences if the FOMB does not “consider” some minor changes to mollify opposition and ensure a “new dawn.”

To whom, exactly, do Ocasio-Cortez and company direct their plea? The FOMB is essentially a dictatorial institution created under the Obama administration in 2016 to carry out a full-scale assault on the working class in order to secure the payments to bondholders, an assault which was intensified in the aftermath of Hurricane Maria. The actions of this institution are responsible for the deaths of thousands of workers and an unprecedented proliferation of social misery on the island.

The abolition of the FOMB has been a central demand of the protesters on the island, who rightly view this institution as a financial dictatorship. To challenge the FOMB is to challenge the entire legitimacy of the rule of the corporate and financial aristocracy at the heart of the capitalist system. It is for this reason that the demand has been systematically left out of the coverage in the mainstream media.

Those involved in writing the bill that created the board (the PROMESA act) were lobbyists for the major Wall Street hedge and vulture funds that own most of Puerto Rico’s debt. The seven-member board handpicked to oversee the plundering includes front men for powerful financial interests who are well aware of what they are doing.

Carlos García, for example, is the CEO of BayBoston Managers LLC and managing partner of BayBoston Capital LP. He is considered the architect of Puerto Rico’s controversial Ley 7, which allowed the government to temporarily declare a fiscal emergency and lay off thousands of public sector employees in response to the fiscal crisis.

José R. González has served in multiple banking and financial services positions, including with Credit Suisse First Boston and with the Government Development Bank of Puerto Rico. He is also the CEO and president of the Federal Home Loan Bank of New York. Both González and García were recruited to the job from the Spanish-owned Banco Santander, which was one of the banks that profited greatly from the financial scheming that led directly to Puerto Rico’s debt crisis.

And of course, José B. Carrión III, to whom the letter is addressed, is president and principal partner of HUB International CLC, LLC. He previously served in various positions in the Puerto Rican government, including the

Workers Compensation Board.

The character of the appeal is also expressed by those who have signed their names to it. Of particular significance is the involvement of Bob Menendez. Menendez has a long record of advocating for the most right-wing, pro-imperialist policies, including voting in favor of the 2001 Patriot Act, and for its reauthorization in 2006. He also had a stint as chair of the United States Senate Committee on Foreign Relations in January 2013 before stepping down in April 2015 upon being indicted on federal corruption charges.

The role of Ocasio-Cortez and the Democratic Socialists of America on Puerto Rico is entirely in line with their role in everything else: to give the party a “left” gloss, while the Democrats push through the policies demanded by big business and the military-intelligence apparatus.

This was most recently on display when Ocasio-Cortez and a few designated others played a critical role in ensuring passage of the bill which would provide funding for Trump’s fascistic border security by voting in favor of a resolution to bring the House version of the funding bill to the floor before voting against the bill itself, knowing it would pass. Ocasio-Cortez later joined Democrats in voting in favor of a two-year budget resolution that includes a record \$738 billion for the US military.

The fight of Puerto Rican workers and youth against the FOMB and the devastation of Puerto Rico requires the unification of their struggles with those of the working class throughout the United States in a common offensive against the ruling class and the capitalist system. Such a struggle must be waged against the Republicans and the Democrats, including the pseudo-socialists of the DSA.

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