

# Puerto Rico on rations

Rafael Azul  
10 August 2015

On Sunday August 9, Alberto Lázaro, president of Puerto Rico's Water and Sewage authority, announced a third phase in a water rationing plan that began last May. Hundreds of thousands of households in the San Juan Metropolitan Area and in Puerto Rico's North Coast will be limited to two days a week of water beginning this Thursday. Families will have potable water either on Tuesdays and Saturdays, or on Wednesdays and Sundays, depending on where they reside.

About 1.3 million Puerto Ricans, one-third of the population, currently suffer extreme water rationing. In rural areas, cattle are starving and crops are drying up. Budget cuts have severely impacted government programs that could have reduced the severity of the blow to small and medium-sized farms.

Hundreds of schools have been placed on short hours, and parents have been asked to send their children to school with bottles of water in their lunchboxes. Over three hundred schools in Metropolitan San Juan are being supplied emergency water, some of them by fire departments in their vicinity.

Puerto Rico, together with the other islands in the Antilles, are under severe drought conditions. However, the water shortage, according to studies carried out by experts of the University of Puerto Rico [1], is just as much due to decades of disinvestment in the repair of aging pipelines and other infrastructural issues (including water quality).

The announcement of the new extreme measures took place two days after Luis F. Cruz Batista, who heads Puerto Rico's Office of Management and Budget, declared that he was placing Puerto Rico's General Fund on "rations."

"I must shut-off the spigot," declared Cruz. "This works the same as with water rationing. We could leave the faucet open and fund the government's current budget, until next month, when there will be no more

liquidity. Therefore, as a preventive measure, I have to freeze all funds, and ration money quarter by quarter."

The new fiscal measure will affect all those government agencies and spending that flows out of the general fund, including schools and health care.

Both Cruz and Lázaro claim that their rationing will apply to rich and poor alike. "This is the same as with the drought, rationing affects the rich, the middle class and the poor; it affects children, adults and seniors," declared Cruz.

Since 2013, the AAA has increased water rates substantially, in part to service its debt to Wall Street billionaires and hedge funds. This has impacted the nearly half of the Puerto Rican population (at or under the line of poverty), whose living standards continue to fall, from rising prices for food, fuel and electricity and from a large increase in the territorial sales tax (from 7 to 11 percent) and a new value added tax to be introduced in October.

When it comes to water, many rich households, condominiums and hotels have prepared their homes and buildings with storage tanks that shelter them from the no water days. Poor households, at best, possess one or two 55-gallon drums to stock up.

Integral to the fiscal rationing that Cruz is now imposing, is the servicing of Puerto Rico's debt, principal and interests, which, in line with the Puerto Rican constitution and the US congress, is a government priority.

The fiscal rationing is in line with austerity measures being demanded by Puerto Rico's creditors, who continue to insist that Puerto Rico's \$73 billion debt requires "painful" measures that at some future time will supposedly produce economic growth. These include an assault on schools, medical care, workers' pensions, jobs, wages and the right to clean water.

Serving as an adviser to Governor Alejandro Garcia Padilla's administration (of the Popular Democratic

Party) since June 1 is Stephen Rhodes, the federal bankruptcy judge who presided over the bankruptcy of Detroit. According to Rhodes (notorious for favoring Wall Street over the people of Detroit), Puerto Rico's default is the "result of the same phenomena that we witnessed in Detroit."

However, in its decision to "ration" funding, the Garcia Padilla administration appears to be moving away from its claim that Puerto Rico's debt is not payable and toward the demand by hedge and vulture funds for full payment, something more like what the European Union, the European Bank and International Monetary Fund have demanded from Greece.

[1] Figueroa, Omar Perez; La Geografía de la Crisis del Agua; ¿Donde está Puerto Rico?; 2012;



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**