

# Rebuild Puerto Rico and All North America with ‘New Silk Road’ Paradigm

by Marcia Merry Baker and Paul Gallagher

Oct. 1—Puerto Rico is in the forefront of world attention, because of the near-total destruction of its baseline infrastructure by Hurricanes Irma and Maria, affecting 3.4 million people, which demands credit creation and follow-through for building a whole new economy on the island.

The same is required for locations suffering destruction in September, all across the mid-latitudes of the American Hemisphere, stretching from earthquakes in Pacific Mexico, to the hurricane belt reaching to the Caribbean’s Leeward Islands, with the U.S. Gulf States in between. The combined population affected by disasters is in the range of 90 millions of people, hit either directly or close-by, in multiple U.S. states and territories, Mexican states, and the islands.

The time period of the disasters: Hurricane Harvey (Aug. 17-Sept. 3), Hurricane Irma (Aug. 30-Sept. 16), Hurricane José (Sept. 5-26), Hurricane Maria (Sept. 16 to Oct. 1); the Pacific Rim of Fire quakes were in September—off the Oaxaca coast, in Mexico City and elsewhere. The scale of the death, dislocation, and destruction is so great that no boot-strap approach to recovery can work.

The obvious challenge in building up Puerto Rico, in restoring Texas and Florida to a higher level, and dealing with the other disasters, is to scale up *the entire U.S. economy*. Moreover, it is urgent to thoroughly modernize New York City’s aged infrastructure, especially transportation, which was made even worse by Hurricane Sandy in 2012, and has not been up-

graded. For such epic rebuilding, the volume of steel, heavy machinery, transportation infrastructure, and other essential inputs needed, requires rebuilding the entire *non-disaster zone* of the rest of the U.S. economy, which is a wreck from neglect.

How to do this, is the role of a *LaRouche Plan of Action* response to the disasters; the plan was issued Aug. 31, after the first landfall by Hurricane Harvey in Texas. In brief, it calls for putting into place the [Four Laws](#), first issued by LaRouche in June 2014, to restore the U.S. economy: (1) reinstate Glass-Steagall to restore sound banking; (2) set up a national bank for large-scale credit; (3) issue credit and launch priority projects; and (4) back science driver programs, especially in space and fusion energy.

Most important is to link up with the “New Silk Road” of infrastructure building initiated in Eurasia, as of Fall, 2013, when China’s President Xi Jinping called for a New Silk Road “Belt” of overland development



[www.volunteerflorida.org/pr/](http://www.volunteerflorida.org/pr/)

*Hurricane Maria devastated homes and infrastructure in Puerto Rico.*



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*Puerto Rico's electricity infrastructure has been destroyed.*

corridors, and a “Maritime Silk Road.” The principles involved are economic development and peace. The Chinese, with Russia, are acting on these principles in what’s called the “BRI”—Belt and Road Initiative, whose first world forum was last May in Beijing.

Look, for example, at what is now happening in Haiti—right in the center of America’s hurricane and earthquake zone. China and the Mayor of Port au Prince have announced a multi-billion dollar program to rebuild the city and hinterlands, including storm defenses, power and water supplies, safe residences all to a new, productive level. Contrast that with the Obama Administration’s flat refusal to take an “Army Corps of Engineers” approach to save and rebuild in Haiti after the 2010 earthquake, which has resulted in disease and suffering over the last seven years.

Individual U.S. states are now lining up to make their own economic arrangements with China. Illinois Governor Bruce Rauner said in Chicago Sept. 28, “I’m a believer in more trade and more investment, especially with the people of China.” He led a delegation there in September. Illinois’ agro-industrial decline and infrastructure decay are so bad, the state is suffering absolute population loss. Other recent U.S. delegations to China include officials from Montana, Michigan and Iowa.

To rebuild in Puerto Rico, Texas, Florida, Mexico, the Caribbean and throughout the whole disaster zone, bring the Silk Road to the Americas! Within six weeks, President Trump will be in China to meet President Xi Jinping. Let this be the beginning of a new era.

### **Infrastructure Discussion**

The reason three major American metropolitan areas were devastated in little over a decade—New Orleans (2005), New York City (2012), and Houston (2017), and now the entire island of Puerto Rico—is the lack of protective infrastructure *engineered decades earlier*, but never built, due to Wall Street’s increasing control over U.S. economic policy for the past half century. Finally, the first beginnings of a paradigm shift have been provoked.

In the White House, sources say that an intense discussion is taking place of the “trillion-dollar infrastructure-building program” now stalled for nine long months on the Trump agenda. President Trump himself wrote Sept. 29 on Twitter, “The fact is that Puerto Rico has been destroyed by two hurricanes. Big decisions will have to be made as to the cost of its rebuilding.”

The President “swung strongly away last week from the model of public-private partnerships to build projects,” one source said, speaking of a Sept. 26 bi-partisan White House meeting. A Democratic Congressman reported that President Trump committed in that meeting to public funding of the entire infrastructure-building program, although he was undecided on *how* this would be funded. The same week, Rep. Peter DeFazio, Ranking Member on the House Transportation and Infrastructure Committee, told reporters Sept. 28, that he spoke to President Trump’s infrastructure adviser, D.J. Gribbin, stressing that House Democrats are willing to work with the White House, and even the Freedom Caucus, on infrastructure. He said, if they want infrastructure investment, “We have bills that they would support, that we would support.”

Thus, “action, and action now” on new infrastructure projects, for both protection and productivity, has entered the minds of elected officials, as *EIR* representatives found even in offices of Congress during this same week. Mentioning the very subject enabled un-

scheduled and sometimes lengthy meetings with senior Congressional staff and/or members. As intense as the focus often appeared, any idea of how to finance this new infrastructure and technology was utterly lacking.

### **Link with Belt and Road**

Here is where the link-up with the China-launched Belt and Road Initiative—which is building major new infrastructure projects across four continents—was proposed as critical by *EIR* representatives. This link is the clear solution, but means that a United States national credit institution, lacking for 60 years, is as vital as a national capital budget, not used for 45.

A useful op-ed in the Sept. 17 *Houston Chronicle* asked, “What would Jesse Jones do?” really posing the question, that if the United States now had a large-scale national lending institution like President Franklin Roosevelt’s Reconstruction Finance Corporation (RFC) which Jones headed, what could it do, to reverse the devastation on the Texas Gulf Coast and prevent it’s happening again? In Roosevelt’s Presidency, disasters such as these were not called “natural,” but the result of “human greed and neglect,” i.e., Wall Street policy, which had prevented the building of defensive infrastructure then, and continues to prevent it today because it “costs too much.”

The *LaRouche Plan of Action* proposes specifically a Hamiltonian national bank for infrastructure and manufacturing, by which \$1-2 trillion in outstanding Treasury debt would be exchanged for longer-term equity in the Bank, and similarly large volumes of credit issued as currency by the Bank, for the productive, and pressing, high-technology new infrastructure. Such Treasury debt for national bank equity could immediately involve large foreign Treasury bondholders as well—China and Japan—as can easily be confirmed. This helps open the American door to the New Silk Road, and to great projects both here, and bridging to Mexico/South America and to Canada/Alaska/Eurasia, and finally, to joint reconstruction of Mideast and North African nations destroyed by Bush’s and Obama’s wars.

This idea—combined with Glass-Steagall reinstatement to restore sound banking, and space and fusion science “drivers,” has been presented time and again in many Congressional offices, but seemed, this week, to be “heard” for the first time, and as something new and surprising. This reflects the combined impact of the epic disasters, and the national solidarity impulse of the

American population to instinctively volunteer help, and to instinctively want real rebuilding, not fake “recovery.”

What it will take is the American System of economy, more than two centuries old, and developed now to a higher level through implementing LaRouche’s Four Laws to save the nation. It will take more popular mobilization before the incipient debate among decision-makers becomes meaningful, but it is the only course of action, and can be done.

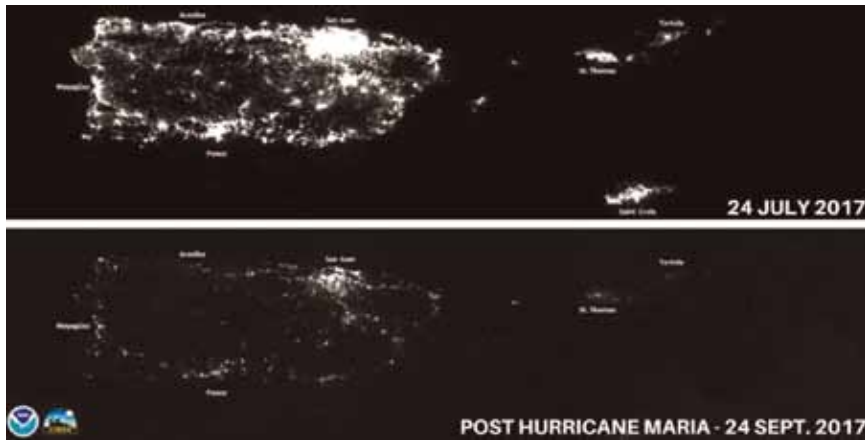
### **Puerto Rico, First Response**

Puerto Rico stands out, not only because of the horrible Hurricane Maria destruction, but for the fact that its economy was already in decline and turmoil when, in Spring 2016, the situation was deliberately worsened by the Obama Administration’s demand for debt-austerity, under the PROMESA plan. This was forced through Congress to satisfy Wall Street. Every infrastructure sector was already outmoded and in decay, from the Puerto Rico Electric Power Authority (PREPA) to the 38 dams on the rivers, all classified as “high hazard potential,” for want of strengthening and replacement. There existed no railroad at all, only the 10.7 mile Tren Urbano light transit system serving San Juan, Guaynabo and Bayamon. While the Port of San Juan handled a significant volume of cargo, no significant processing centers had been built up in association with this. Puerto Ricans have been leaving their homeland. The population fell by 334,000 in the 15 years from 2000 to 2015, down to 3.47 million.

Following Hurricane Irma, Puerto Rico was decimated by Hurricane Maria. All electricity went down. The roadways became impassable from debris and collapsed bridges. Homes, other buildings, and government services structures were destroyed in massive numbers by flooding and winds. Water supplies were knocked out. The 69 hospitals were hit. In effect, battleground conditions were created. The same for the U.S. Virgin Islands and other islands struck by Irma and/or Maria.

Rightly, the response has been military. In the early days, a command structure was put into effect, to conduct the first-phase functions of rescue and emergency relief. Even before this, prior to Maria, FEMA already had its largest pre-storm deployment on the ground on Puerto Rico—a contingent of 300 staff and another 200 search and rescue, plus 100 partnering staff from the Defense Department.

The U.S. Army Corps of Engineers (USACE) is in



Satellite night images of Puerto Rico before and after Hurricane Maria knocked out the power grid, leaving millions without electricity.

charge of power restoration, and is also assigned to shore up the Guajataca Dam, the island’s largest dam, which is threatening to break because of the flooding. (A spillway has broken.) FEMA and Homeland Security, along with those—very few—able to participate from the 78 Puerto Rican municipalities, are seeing to water, food and commodity distribution, and the restoration of what can be made viable in the hospital system. The various branches of the military, including the Coast Guard and National Guard, are supporting all these functions, with special responsibility for restoring highways, ports, airports and communications. Their mission also includes sequencing supplies and logistics, so that larger contingents of military and civilian help can be accommodated. The deployments of military ships, helicopters, planes, portable water and power systems, and assets of all kinds is unprecedented.

### Build a New Puerto Rico

Next will come the stabilization phase, in which vital functions and services all across the island are expected to be in place, to operate on a continuing basis. This is a gargantuan task. As of the end of September, the military command reported that initial debris-clearing of perimeter roadways was nearly completed, with more work to be done to restore roads in the interior, and in difficult mountainous areas. FEMA will pay 100%

of these costs (unlike a percentage payment in Texas or Florida).

Eleven large commodity distribution sites are in operation—to supply local distribution depots, with a goal of having 25 to 30 up and running by the week of Oct. 2, and also to have the logistics set up for large-scale delivery and stockage. On medical care, work continues to bring up as much of the functioning of the 69 hospitals as possible. As well, the *USNS Comfort* hospital ship, with 1,000 beds and full services, will be on hand in early October. Transportation grants so far include \$42 million (Federal

Highway Authority) for roads; and \$8.4 million for Tren Urbano, as well as for bringing in trucks, drivers and fuel. So far, over 90% of the population still has no electricity; and under 50% have safe water. For some time, “stabilization” will mean only a patchwork of diesel generators, very limited central power service, and makeshift water supplies, including bottled water.

Then what? It is clear that the building phase for Puerto Rico cannot be either an extrapolation of the prior emergency relief and stabilization periods, nor can it be left to the “markets” to decide what gets built or not, as is insanely assumed to be the case for Texas and Florida right now.

Here again the “Belt and Road Initiative” is the



To move non-capital functions out of Beijing, the government of China announced plans April 1 for construction of Xiongan New Area, a new metropolis that will span Xiongxian, Rongcheng (above) and Anxin counties in Hebei Province southwest of Beijing.



Nuscale Power

*The Small Modular Reactor shown here could generate electricity in locations where there is no power, or areas where power has been disrupted.*

touchstone. The new cities and economic zones being built along the Eurasian Corridors provide examples of planning and building “from the ground up,” for modern, productive, and beautiful spaces.

Several features are special for Puerto Rico. Railroads must be built, for the first time ever, to create an island-wide network, connecting to the ports, and to local roadway systems. For plentiful power, including for electrified rail, nuclear reactors are essential. On Sept. 26, Energy Secretary Rick Perry spoke of this, advocating SMRs—small modular nuclear reactors.

One unique opportunity is to build up Ponce—what was Puerto Rico’s second largest city, which already has seen itself as the “Port of the Americas.” It has deep-water access, and is strategically located near the Mona Passage—the strait where the Atlantic Ocean comes into the Caribbean. This puts Puerto Rico on the map of the world Maritime Silk Road.

**Texas, Florida, New York City**

The same principles in order for Puerto Rico, also hold for rebuilding, and building anew, in Texas, Florida and the other hurricane disaster zones, espe-

cially for greater New York City. New York/New Jersey was never rehabilitated after Hurricane Sandy in 2012. This storm, on top of the pre-existing decay in the aged transportation system of the region, has resulted in today’s catastrophe-waiting-to-happen. A small first step in facing this came in the recent approval of \$900 million in Federal funds for the Gateway Project, to build two new rail tunnels under the Hudson River, and a new mainline rail bridge in New Jersey.

To begin with, build the storm-defense infrastructure. In New York/New Jersey, proposals for sea surge barrier systems were once again reviewed in May of this year, at a conference sponsored by the Port Authority of New York and New Jersey. These defenses are long overdue. In 2009, the American Society of Civil Engineers hosted experts proposing protective sea walls for New York, which, had they been built, would have prevented a huge amount of the damage from Sandy three years later.

In southeast Texas, there are key locations along the Gulf Coast for which sea surge barriers are appropriate, and proposals exist, along with flood-water control sys-



U.S. Army Corps of Engineers

*Aerial view of the port at Ponce, on the southern shore of Puerto Rico.*

tems. Sea surge barriers are also in order for certain places in Florida, such as Jacksonville.

The one shining example of such a piece of infrastructure is the Lake Borgne barrier, near New Orleans, finished in 2011 under authority of the Army Corps of Engineers, after the 2005 Hurricane Katrina disaster.

Florida otherwise, as a low-lying peninsula, presents special challenges for defense against flooding. However, systems of diversion and impoundment can be implemented to lessen damage, as well as to protect life.

Apart from storm vulnerability, one challenge common to coastal Texas and Florida, is to secure water supplies. With dry spells frequent in Texas, nuclear-powered desalination on the coast would end the problem. As Governor of Texas (2000-2015), Rick Perry, now national Energy Secretary, raised this proposal. In Florida, obtaining good water is a worsening problem, after centuries of well drawdowns have led to widespread salt-water intrusion on the peninsula's coast. Again, with nuclear-powered desalination, the problem is solved.

The prospect of rebuilding these states and other disaster areas on this higher level of infrastructure—along with Puerto Rico, the Caribbean and the Mexican earthquake zones—directly calls the question for dumping the anti-development premises and policies of the last half century, as embodied, for example, in the North American Free Trade Agreement (NAFTA), begun in 1994. The Wall Street and the City of London financial centers forced the enactment of NAFTA, in order to force the relocation of economic activity—manufacturing, textiles, farming, food processing—to whatever new, low-cost production sites would provide the most profiteering for Wall Street. So, U.S. assembly plants, agriculture, and much more left the U.S. for Mexico; and meanwhile, Mexico was forced to become dependent on the U.S. Farmbelt for daily food—corn, beans, wheat. This was to the detriment of all populations involved.

Now we must seize the opportunity afforded by the need to rebuild after these disasters, to return to national



Univ. of Georgia/Monica Ozores-Hampton

*Citrus grove damage caused by Hurricane Irma in Immokalee, Florida.*

sovereignty—with Mexico, the United States, and Canada all working together to build up their economies for the good of all North America, in the Silk Road spirit. The next Canada-Mexico-U.S. NAFTA talks are set for Oct. 11-15 in Washington. The Trump-initiated review of NAFTA, currently in progress, is the occasion to go all the way and end the economic degradation of North America.

The emergency case of agriculture in Florida illustrates the point. Florida has traditionally been a national asset for fresh fruits and vegetables. But under NAFTA, a significant number of Florida producers were put out of business, as production was relocated to Mexico, because of “cheaper” labor, land, water and processing costs. Of no benefit to the Mexican people, the for-export produce (onions, broccoli, tomatoes, berries, etc.) uses scarce water, and is otherwise part of the scheme to make Mexico dependent on “cheaper” U.S. corn and other staples, once grown abundantly in Mexico. The same has happened in Texas and elsewhere, and there are parallels in manufacturing.

Florida citrus growers, whose acreage has already declined significantly over the NAFTA years, now face huge losses of their crops, from 30-100% from region to region, and widespread destruction of trees from winds and standing water. The damage is “somewhere between significant and catastrophic,” said the Executive Director of the Florida Department of Citrus, Shannon Shepp, of the storm's impact. Florida tomato growers, and other producers, likewise face huge crop losses, and damage to fields, after years of declining acreage.