

In the rubble of Hurricane Maria, Puerto Ricans and ultrarich “Puertopians” are locked in a pitched struggle over how to remake the island. In this vital and startling investigation, bestselling author and activist Naomi Klein uncovers how the forces of shock politics and disaster capitalism seek to undermine the nation’s radical, resilient vision for a “just recovery.”

“We are in a fight for our lives. Hurricanes Irma and María unmasked the colonialism we face in Puerto Rico, and the inequality it fosters, creating a fierce humanitarian crisis. Now we must find a path forward to equality and sustainability, a path driven by communities, not investors. And as this book explains, with careful and unbiased reporting, only the efforts of our community activists can answer the paramount question: What type of society do we want to become and who is Puerto Rico for?”

—CARMEN YULÍN CRUZ, Mayor of San Juan

“Like so many of my generation, I’ve been a reader of Naomi Klein’s since the late ’90s, always finding something to learn from her rigorous reporting and thoughtful analysis. In the face of speculation, exploitation and climate crisis, this book calls on us to recognize Puerto Rico’s struggle for democracy, justice, and human life itself, as our own.”

—ADA COLAU, Mayor of Barcelona

The
Intercept
HaymarketBooks

ISBN 978-1-60846-357-2



9 781608 463572

5 0 9 9 5



Political Science

\$9.95

NAOMI KLEIN

THE BATTLE FOR PARADISE

PUERTO RICO TAKES ON THE DISASTER CAPITALISTS

"A gripping and timely account of classic 'shock doctrine' being perpetrated in Puerto Rico. Naomi Klein chronicles the extraordinary grassroots resistance by the Puerto Rican people against neoliberal privatization and Wall Street greed in the aftermath of the island's financial meltdown, of hurricane devastation, and of Washington's imposition of an outside control board over the most important U.S. colony."

—**JUAN GONZÁLEZ**, cohost, *Democracy Now!*
and author, *Harvest of Empire:
A History of Latinos in America*

"What 'shocks' in this work is the resilient spirit del pueblo boricuá. They become the metaphor, the meaning, and the maker of possibility. And one is left immeasurably hopeful."

—**CHERRÍE MORAGA**, codirector,
Las Maestras Center for Chicana
Indigenous Thought and Art Practice,
Professor of English, UCSB

"Naomi Klein concisely reveals to us what Puerto Rico has faced, shock after shock, before Hurricane María and after it and also the voices of people who believe and build a future for Puerto Rico from the strength of their communities."

—**ANA IRMA RIVERA LASSEN**, feminist, human
rights activist, former president of the
Puerto Rico Bar Association

THE BATTLE FOR PARADISE

Puerto Rico Takes On
the Disaster Capitalists

NAOMI KLEIN



Haymarket Books
Chicago, Illinois

© 2018 Naomi Klein
First published by The Intercept (theintercept.com)

Published in 2018 by
Haymarket Books
P.O. Box 180165
Chicago, IL 60618
773-583-7884
www.haymarketbooks.org
info@haymarketbooks.org

ISBN: 978-1-60846-357-2

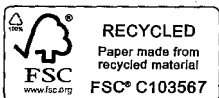
Trade distribution:
In the US, Consortium Book Sales and Distribution,
www.cbsd.com
In Canada, Publishers Group Canada, www.pgcbooks.ca
In the UK, Turnaround Publisher Services,
www.turnaround-uk.com
All other countries, Ingram Publisher Services International,
IPS_Intlsales@ingramcontent.com

This book was published with the generous support
of Lannan Foundation and Wallace Action Fund.

Printed in Canada by union labor.
Cover design by Rachel Cohen.

Library of Congress Cataloging-in-Publication data is
available.

10 9 8 7 6 5 4 3 2 1



CONTENTS

Foreword	vii
A Solar Oasis	1
Invasion of the Puertopians	15
An Island Weary of Outside Experiments	25
“Welcome to Magic Land”	32
Shock-After-Shock-After-Shock Doctrine	43
Desperation, Distraction, Despair, and Disappearance	53
The Islands of Sovereignty Converge	65
Race Against Time	73
Acknowledgments	79



Photo by Kourosh Keshiri

ABOUT THE AUTHOR

Naomi Klein is an award-winning journalist, syndicated columnist, documentary filmmaker, and author of the international bestsellers *No Logo*, *The Shock Doctrine: The Rise of Disaster Capitalism*, *This Changes Everything: Capitalism vs. the Climate*, and *No Is Not Enough*. She is Senior Correspondent for *The Intercept* and contributor to *The Nation* magazine. She is also a Puffin Foundation Writing Fellow at The Nation Institute and her writing appears widely in such publications as the *New York Times*, *Le Monde*, and the *Guardian*. Klein is a member of the board of directors for climate-action group 350.org and one of the organizers behind Canada's Leap Manifesto (theleap.org), a blueprint for a rapid and justice-based transition off fossil fuels. In November 2016 she was awarded Australia's prestigious Sydney Peace Prize. Her books have been translated into more than 30 languages.



Photo by Kourosh Keshiri

Naomi Klein is an award-winning journalist, syndicated columnist, documentary filmmaker and author of the international bestsellers *No Logo*, *The Shock Doctrine: The Rise of Disaster Capitalism*, *This Changes Everything: Capitalism vs. the Climate*, and *No Is Not Enough*. She is Senior Correspondent for *The Intercept* and contributor to the *Nation* magazine. She is also a Puffin Foundation Writing Fellow at the Nation Institute and her writing appears widely in such publications as the *New York Times*, *Le Monde*, and the *Guardian*. Klein is a member of the board of directors for climate-action group 350.org and one of the organizers behind Canada's Leap Manifesto (theleap.org), a blueprint for a rapid and justice-based transition off fossil fuels. In November 2016 she was awarded Australia's prestigious Sydney Peace Prize. Her books have been translated into more than thirty languages.

All royalties from the sale of this book in English and Spanish go directly to JunteGente, a gathering of Puerto Rican organizations resisting disaster capitalism and advancing a fair and healthy recovery for their island. For more information, visit juntegente.org.

FOREWORD

Weeks after the passing of Hurricane Maria in Puerto Rico, members of PAREs—a collective of professors created to defend public education during the 2017 University of Puerto Rico student strike—met to discuss how to confront the devastation that the country and our university faced. What concerned us was not only the enormous physical damage caused by the storm but also the intensification of neoliberal policies to come.

We knew that the real disaster was not the hurricane but the terrible vulnerability imposed by Puerto Rico's colonial relationship to the United States, as well as the forced privatization of health and other services; massive layoffs; huge numbers

of school closures; reductions in social rights and in investments for collective well-being; abandonment of social and physical infrastructure; and high levels of government corruption and ineptitude. This vulnerability was aggravated by Washington's imposition of the Financial Oversight and Management Board, an unelected body pushing for the privatization of electricity and schools, increased costs of basic services, massive cuts in public education, pensions, vacation time, and other rights—all in order to pay bondholders a \$73 billion debt that was patently unpayable, illegal, and illegitimate. The net result was to leave the majority of people in Puerto Rico without a hopeful future, and that was all before Hurricane Maria hit our shores.

PAReS decided to create a series of public forums on disasters, hoping to generate public debate and encourage new kinds of collective thinking about resistance and alternatives. We invited Naomi Klein as our first speaker, to talk about her work focusing on the application of a "shock doctrine" in various post-disaster settings. Our goal was to highlight how disaster capitalism was being applied

in Puerto Rico, to promote equitable and ecological alternatives to these policies, and to strengthen the project of public education as a common good. We also wanted to denounce the exploitation of Hurricane Maria to promote widely rejected neoliberal policies that undermine our country's well-being, especially that of our most vulnerable inhabitants. These policies will limit access to basic rights such as water, electricity, and housing, and will destroy our environment, health, and democracy, as well as our quality of life and economic stability. And all the while, they will increase the transfer of wealth to the already rich.

In solidarity, Naomi accepted our invitation and spent an intense week with us in January 2018. Our time together included a forum on disaster capitalism at the University of Puerto Rico, Río Piedras, which was attended by more than 1,500 people and was widely covered in the press. We also took multiple trips across the island to research the topics of debt and privatization, energy sovereignty, and food sovereignty. The week finished with a full-day gathering of more than 60 organizations

resisting disaster capitalism. These organizations have continued to meet, giving rise to the creation of the JunteGente network, with the aim of uniting different struggles for the future of Puerto Rico. Naomi's visit, as well as the presence of other groups featured in this book, helped to develop ongoing discussions on how organized civil society can build a "counter-shock" strategy able to resist disaster capitalism and promote alternatives to neoliberalism on a national scale.

A product of these intense investigations and conversations, this book clearly shows the historical juncture at which Puerto Rico finds itself. Interspersing stories of the super-rich who seek to buy our country for a bargain with reports from grassroots struggles over agro-ecology, renewable energy, and public education, Klein acutely and captivatingly exposes the essence of the battle that is being waged between these opposing visions. On one side lies the utopia (for us, a dystopia) of Puerto Rico as a resort for the wealthy. On the other, a utopian vision of a Puerto Rico that is equitable, democratic, and sustainable for all. In addition, Klein addresses

the historical complexities of this moment, linking current struggles to long-standing processes of colonialism and neoliberalism. The book is thus a necessary read for anyone who wishes to understand the ongoing crisis in Puerto Rico and to grasp what is at stake, which is nothing less than the survival of the people of our beautiful Caribbean archipelago.

Federico Cintrón Moscoso
 Gustavo García López
 Mariolga Reyes Cruz
 Juan Carlos Rivera Ramos
 Bernat Tort Ortiz
 Professors Self-Assembled in Solidarity
 Resistance (PAREs)

April 2018

A SOLAR OASIS

Like everywhere else in Puerto Rico, the small mountain city of Adjuntas was plunged into total darkness by Hurricane Maria. When residents left their homes to take stock of the damage, they found themselves not only without power and water, but also totally cut off from the rest of the island. Every single road was blocked, either by mounds of mud washed down from the surrounding peaks, or by fallen trees and branches. Yet amid this devastation, there was one bright spot.

Just off the main square, a large, pink colonial-style house had light shining through every window. It glowed like a beacon in the terrifying darkness.

The pink house was Casa Pueblo, a community and ecology center with deep roots in this part of the island. Twenty years ago, its founders, a family of scientists and engineers, installed solar panels on the center's roof, a move that seemed rather hippy-dippy at the time. Somehow, those panels (upgraded over the years) managed to survive Maria's hurricane-force winds and falling debris. Which meant that in a sea of post-storm darkness, Casa Pueblo had the only sustained power for miles around.

And like moths to a flame, people from all over the hills of Adjuntas made their way to the warm and welcoming light.

Already a community hub before the storm, the pink house rapidly transformed into a nerve center for self-organized relief efforts. It would be weeks before the Federal Emergency Management Agency or any other agency would arrive with significant aid, so people flocked to Casa Pueblo to collect food, water, tarps, and chainsaws—and draw on its priceless power supply to charge up their electronics. Most critically, Casa Pueblo became a kind of makeshift field hospital, its airy

rooms crowded with elderly people who needed to plug in oxygen machines.

Thanks also to those solar panels, Casa Pueblo's radio station was able to continue broadcasting, making it the community's sole source of information when downed power lines and cell towers had knocked out everything else. Twenty years after those panels were first installed, rooftop solar power didn't look frivolous at all—in fact, it looked like the best hope for survival in a future sure to bring more Maria-sized weather shocks.

Visiting Casa Pueblo on a recent trip to the island was something of a vertiginous experience—a bit like stepping through a portal into another world, a parallel Puerto Rico where everything worked and the mood brimmed with optimism.

It was particularly jarring because I had spent much of the day on the heavily industrialized southern coast, talking with people suffering some of the cruellest impacts of Hurricane Maria. Not only had their low-lying neighborhoods been inundated, but they also feared the storm had stirred up toxic materials from nearby fossil fuel-burning

power plants and agricultural testing sites they could not hope to assess. Compounding these risks—and despite living adjacent to two of the island's largest electricity plants—many still were living in the dark.

The situation had felt unremittingly bleak, made worse by the stifling heat. But after driving up into the mountains and arriving at Casa Pueblo, the mood shifted instantly. Wide open doors welcomed us, as well as freshly brewed organic coffee from the center's own community-managed plantation. Overhead, an air-clearing downpour drummed down on those precious solar panels.

Arturo Massol-Deyá, a bearded biologist and president of Casa Pueblo's board of directors, took me on a brief tour of the facility: the radio station, a solar-powered cinema opened since the storm, a butterfly garden, a store selling local crafts and their wildly popular brand of coffee. He also guided me through the framed pictures on the wall—massive crowds of people protesting open-pit mining (a pitched battle Casa Pueblo helped win); images from their forest school where they do outdoor

education; scenes from a protest in Washington, D.C., against a proposed gas pipeline through these mountains (another win). The community center was a strange hybrid of ecotourism lodge and revolutionary cell.

Settling into a wooden rocking chair, Massol-Deyá said that Maria had changed his sense of what's possible on the island. For years, he explained, he had pushed for the archipelago to get far more of its power from renewables. He had long warned of the risks associated with Puerto Rico's overwhelming dependence on imported fossil fuels and centralized power generation: One big storm, he had cautioned, could knock out the whole grid—especially after decades of laying off skilled electrical workers and letting maintenance lapse.

Now everyone whose homes went dark understood those risks, just as the people in Adjuntas could all look to a brightly lit Casa Pueblo and immediately grasp the advantages of solar energy, produced right where it is consumed. As Massol-Deyá put it: "Our quality of life was good before, because we were running with solar power. And after

the hurricane, our quality of life is good as well. . . . This was an energy oasis for the community.”

It's hard to imagine an energy system more vulnerable to climate change—amplified shocks than Puerto Rico's. The island gets an astonishing 98 percent of its electricity from fossil fuels. But since it has no domestic supply of oil, gas, or coal, all of these fuels are imported by ship. They are then transported to a handful of hulking power plants by truck and pipeline. Next, the electricity those plants generate is transmitted across huge distances through above-ground wires and an underwater cable that connects the island of Vieques to the main island. The whole behemoth is monstrously expensive, resulting in electricity prices that are nearly twice the U.S. average.

And just as environmentalists like Massol-Deyá had warned, Maria caused devastating ruptures within every tentacle of Puerto Rico's energy system: The Port of San Juan, which receives so much of the imported fuel, was thrown into crisis, and some 10,000 shipping containers full of much-needed supplies piled up on the docks, waiting to

be delivered. Many truck drivers couldn't make it to the port, either because of obstructed roads, or because they were struggling to get their own families out of danger. With diesel in short supply across the island, some just couldn't find the fuel to drive. The lines at gas stations stretched out by the mile. Half of the island's stations were out of commission altogether. The mountain of supplies stuck at the port grew ever larger.

Meanwhile, the cable connecting Vieques was so damaged it had yet to be repaired six months later. And the power lines carrying electricity from the plants were down all over the archipelago. Literally nothing about the system worked.

This broad collapse, Massol-Deyá explained, was now helping him make the case for a sweeping and rapid shift to renewable energy. Because in a future that is sure to include more weather shocks, getting energy from sources that don't require sprawling transportation networks is just common sense. And Puerto Rico, though poor in fossil fuels, is drenched in sun, lashed by wind, and surrounded by waves.

Renewable energy is by no means immune to storm damage. At some Puerto Rican wind farms, turbine blades snapped off in Maria's high winds (seemingly because they were improperly positioned), just as some poorly secured solar panels took flight. This vulnerability is partly why Casa Pueblo and many others emphasize the micro-grid model for renewables. Rather than relying on a few huge solar and wind farms, with power then carried over long and vulnerable transmission lines, smaller, community-based systems would generate power where it is consumed. If the larger grid sustains damage, these communities can simply disconnect from it and keep drawing from their micro-grids.

This decentralized model doesn't eliminate risk, but it would make the kind of total power outage that Puerto Ricans suffered for months—and which hundreds of thousands are suffering still—a thing of the past. Whoever's solar panels survive the next storm would, like Casa Pueblo, be up and running the next day. And “solar panels are easy to replace,” Massol-Deyá pointed out—unlike power lines and pipelines.

In part to spread the gospel of renewables, in the weeks after the storm, Casa Pueblo handed out 14,000 solar lanterns—little square boxes that recharge when left outside during the day, providing a much-needed pool of light by night. More recently, the community center has managed to distribute a large shipment of full-sized solar-powered refrigerators, a game-changer for households in the interior that still don't have power.

Casa Pueblo has also kicked off #50ConSol, a campaign calling for 50 percent of Puerto Rico's power to come from the sun. They have been installing solar panels on dozens of homes and businesses in Adjuntas, including, most recently, a barbershop. “Now we have houses asking us for support,” Massol-Deyá said—a marked shift from those days not so long ago when Casa Pueblo's solar panels looked like eco-luxury items. “We're going to do whatever is at reach to change that landscape and to tell the people of Puerto Rico that a different future is possible.”

Several Puerto Ricans I spoke with casually referred to Maria as “our teacher.” Because amid

the storm's convulsions, people didn't just discover what didn't work (pretty much everything). They also learned very quickly about a few things that worked surprisingly well. Up in Adjuntas, it was solar power. Elsewhere, it was small organic farms that used traditional farming methods that were better able to stand up to the floods and wind. And in every case, deep community relationships, as well as strong ties to the Puerto Rican diaspora, successfully delivered lifesaving aid when the government failed and failed again.

Casa Pueblo was founded 38 years ago by Arturo's father, Alexis Massol-González, who was awarded the prestigious Goldman Prize for environmental leadership in 2002. Massol-González shares his son's belief that Maria has opened up a window of possibility, one that could yield a fundamental shift to a healthier and more democratic economy—not just for electricity, but also for food, water, and other necessities of life. “We are looking to transform the energy system. Our goal is to adopt a solar energy system and leave behind oil, natural gas, and carbon,” he said, “which are highly polluting.”

His message particularly resonates 45 miles to the southeast, in the coastal community of Jobos Bay, near Salinas. This is one of the areas coping with a slew of environmental toxins, much of it stemming from antiquated fossil fuel-burning power plants. As in Adjuntas, residents here have seized on the post-Maria electricity failures to advance solar power, through a project called Coquí Solar. Working with local academics, they have developed a plan that would not only produce enough energy to meet their needs, but would also keep the profits and jobs in the community as well. Nelson Santos Torres, one of Coquí Solar's organizers, told me they are insisting on solar skills training “so that community youth can participate in the installation,” giving them a reason to stay on the island.

When I visited the area, Mónica Flores, a graduate student in environmental sciences at the University of Puerto Rico who has been working with communities on renewable energy projects, told me that truly democratic resource management is the island's best hope. People need to have a sense, she said, that “this is our energy. This is our water, and

this is how we manage it because we believe in this process, and we respect our culture, our nature, everything that is supporting us.”

Months into the rolling disaster set off by Maria, dozens of grassroots organizations are coming together to advance precisely this vision: a reimagined Puerto Rico run by its people in their interests. Like Casa Pueblo, in the myriad dysfunctions and injustices the storm so vividly exposed, they see opportunities to tackle the root causes that turned a weather disaster into a human catastrophe. Among them: the island’s extreme dependence on imported fuel and food; the unpayable and possibly illegal debt that has been used to impose wave after wave of austerity that gravely weakened the island’s defenses; and the 130-year-old colonial relationship with a U.S. government that has always discounted the lives of Puerto Rico’s Black and Brown people.

If Maria is a teacher, this emerging movement argues, the storm’s overarching lesson is that now is not the moment for reconstruction of what was, but rather for transformation into what could be. “Everything we consume comes from abroad and

our profits are exported,” said Massol-González, his hair now white after decades of struggle. It’s a system that leaves debt and austerity behind, both of which made Puerto Rico exponentially more vulnerable to Maria’s blows.

But, he said with a mischievous smile, “we look at crisis as an opportunity to change.”

Massol-González and his allies know well that they are not alone in seeing opportunity in the post-Maria moment. There is also another, very different version of how Puerto Rico should be radically remade after the storm, and it is being aggressively advanced by Gov. Ricardo Rosselló in meetings with bankers, real estate developers, cryptocurrency traders, and, of course, the Financial Oversight and Management Board, an unelected seven-member body that exerts ultimate control over Puerto Rico’s economy.

For this powerful group, the lesson that Maria carried was not about the perils of economic dependency or austerity in times of climate disruption. The real problem, they argue, was the public ownership of Puerto Rico’s infrastructure, which lacked the

proper free-market incentives. Rather than transforming that infrastructure so that it truly serves the public interest, they argue for selling it off at fire-sale prices to private players.

This is just one part of a sweeping vision that sees Puerto Rico transforming itself into a “visitor economy,” one with a radically downsized state and many fewer Puerto Ricans living on the island. In their place would be tens of thousands of “high-net-worth individuals” from Europe, Asia, and the U.S. mainland, lured to permanently relocate by a cornucopia of tax breaks and the promise of living a five-star resort lifestyle inside fully privatized enclaves, year-round.

In a sense, both are utopian projects—the vision of Puerto Rico in which the wealth of the island is carefully and democratically managed by its people, and the libertarian project some are calling “Puertopia” that is being conjured up in the ballrooms of luxury hotels in San Juan and New York City. One dream is grounded in a desire for people to exercise collective sovereignty over their land, energy, food, and water; the other in a desire for a small elite to

secede from the reach of government altogether, liberated to accumulate unlimited private profit.

As I traveled throughout Puerto Rico, from sustainable farms and schools in the central mountain region, to the former U.S. Navy base on Vieques, to a legendary mutual aid center on the east coast, to former sugar plantations-turned-solar farms in the south, I found these very different visions of the future sprinting to advance their respective projects before the window of opportunity opened up by the storm begins to close.

At the core of this battle is a very simple question: Who is Puerto Rico for? Is it for Puerto Ricans, or is it for outsiders? And after a collective trauma like Hurricane Maria, who has a right to decide?

INVASION OF THE PUERTOPIANS

Earlier this month, in San Juan’s ornate Condado Vanderbilt Hotel, the dream of Puerto Rico as a for-profit utopia was on full display. From March

14 to 16, the hotel played host to Puerto Crypto, a three-day “immersive” pitch for blockchain and cryptocurrencies with a special focus on why Puerto Rico will “be the epicenter of this multitrillion-dollar market.”

Among the speakers was Yaron Brook, chair of the Ayn Rand Institute, who presented on “How Deregulation and Blockchain Can Make Puerto Rico the Hong Kong of the Caribbean.” Last year, Brook announced that he had personally relocated from California to Puerto Rico, where he claims he went from paying 55 percent of his income in taxes to less than 4 percent.

Elsewhere on the island, hundreds of thousands of Puerto Ricans were still living by flashlight, many were still dependent on FEMA for food aid, and the island’s main mental health hotline was still overwhelmed with callers. But inside the sold-out Vanderbilt conference, there was little space for that kind of downer news. Instead, the 800 attendees—fresh from a choice between “sunrise yoga and meditation” and “morning surf”—heard from top officials like Department of

Economic Development and Commerce Secretary Manuel Laboy Rivera about all the things Puerto Rico is doing to turn itself into the ultimate playground for newly minted cryptocurrency millionaires and billionaires.

It’s a pitch the Puerto Rican government has been making to the private jet set for a few years now, though until recently it was geared mainly to the financial sector, Silicon Valley, and others capable of working wherever they can access data. The pitch goes like this: You don’t have to relinquish your U.S. citizenship or even technically leave the United States to escape its tax laws, regulations, or the cold Wall Street winters. You just have to move your company’s address to Puerto Rico and enjoy a stunningly low 4 percent corporate tax rate—a fraction of what corporations pay even after Donald Trump’s recent tax cut. Any dividends paid by a Puerto Rico-based company to Puerto Rican residents are also tax-free, thanks to a law passed in 2012 called Act 20.

Conference attendees also learned that if they move their own residency to Puerto Rico, they will

not only be able to surf every single morning, but also win vast personal tax advantages. Thanks to a clause in the federal tax code, U.S. citizens who move to Puerto Rico can avoid paying federal income tax on any income earned in Puerto Rico. And thanks to another local law, Act 22, they can also cash in on a slew of tax breaks and total tax waivers that includes paying zero capital gains tax and zero tax on interest and dividends sourced to Puerto Rico. And much more—all part of a desperate bid to attract capital to an island that is functionally bankrupt.

To quote billionaire hedge fund magnate John Paulson, owner of the hotel in which Puerto Crypto took place, “You can essentially minimize your taxes in a way that you can’t do anywhere else in the world.” (Or, as the tax dodger’s website Premier Offshore put it: “All the other tax havens might as well just close down. . . . Puerto Rico just hit it out of the park . . . did the best set ever and dropped the mic.”)

With just a 3 1/2-hour commute from New York City to San Juan (or less, depending on the private jet), all it takes to get in on this scheme is agreeing to

spend 183 days of the year in Puerto Rico—in other words, winter. Puerto Rican residents, it’s worth noting, are not only excluded from these programs, but they also pay very high local taxes.

Manuel Laboy used the conference to announce the creation of a new advisory council to attract blockchain businesses to the island. And he extolled the lifestyle bonuses that awaited attendees if they followed the self-described “Puertopians” who have already taken the plunge. As Laboy told *The Intercept*, for the 500 to 1,000 high-net-worth individuals who relocated since the tax holidays were introduced five years ago—many of them opting for gated communities with their own private schools—it’s all about “living in a tropical island, with great people, with great weather, with great piña coladas.” And why not? “You’re gonna be, like, in this endless vacation in a tropical place, where you’re actually working. That combination, I think, is very powerful.”

The official slogan of this new Puerto Rico? “Paradise Performs.” To underscore the point, conference attendees were invited to a “Cryptocurrency Honey

Party,” with pollen-themed drinks and snacks, and a chance to hang out with Ingrid Suarez, Miss Teen Panama 2013 and upcoming contestant on “Caribbean’s Next Top Model.”

Mining cryptocurrencies is one of the fastest growing sources of greenhouse gas emissions on the planet, with the industry’s energy consumption rising by the week. Bitcoin alone currently consumes roughly the same amount of energy per year as Israel, according to the Bitcoin Energy Consumption Index. The city of Plattsburgh, New York, recently adopted a temporary ban on cryptocurrency mining after local electricity rates suddenly soared. Many of the crypto companies currently relocating to Puerto Rico would presumably do their currency mining elsewhere. Still, the idea of turning an island that cannot keep the lights on for its own people into “the epicenter of this multitrillion-dollar market” rooted in the most wasteful possible use of energy is a bizarre one and is raising mounting concerns of “crypto-colonialism.”

In part to allay these fears, Puerto Crypto made a last-minute name change to the less impe-

rial “Blockchain Unbound,” though it didn’t stick. Moreover, for some in the crypto crowd, the appeal of relocating to Puerto Rico goes well beyond Laboy’s version of paradise. Post-Maria, with land selling for even cheaper, public assets being auctioned at fire-sale prices, and billions in federal disaster funds flowing to contractors, some distinctly more grandiose dreams for the island have begun to surface. Now rather than simply shopping for mansions in resort communities, the Puertopians are looking to buy a piece of land large enough to start their very own city—complete with airport, yacht port, and passports, all run on virtual currencies.

Some call it “Sol,” others call it “Crypto Land,” and it even seems to have its own religion: an unruly hodgepodge of Ayn Randian wealth supremacy, philanthrocapitalist noblesse oblige, Burning Man pseudo-spirituality, and half-remembered scenes from watching “Avatar” while high. Brock Pierce, the child actor turned crypto-entrepreneur who serves as the movement’s de facto guru, is known for dropping New Age aphorisms like, “A billionaire is someone who has positively impacted

the lives of a billion people.” Out on a real estate expedition scouting locations for Crypto Land, he reportedly crawled into the “bosom” of a Ceiba tree, a magnificent species sacred in many indigenous cultures, and “kissed an old man’s feet.”

But make no mistake—the true religion here is tax avoidance. As one young crypto-trader recently told his YouTube audience, before moving to Puerto Rico in time to make the tax-filing deadline, “I had to actually look it up on the map.” (He subsequently admitted to some “culture shock” upon learning that Puerto Ricans spoke Spanish, but instructed viewers thinking of following his lead to put a “Google translator app on your phone and you’re good to go.”)

The conviction that taxation is a form of theft is not a novel one among men who imagine themselves to be self-made. Still, there is something about rapidly becoming rich from money that you literally created—or “mined”—yourself that lends an especially large dose of self-righteousness to the decision to give nothing back. As Reeve Collins, a 42-year-old Puertopian, told the *New York Times*,

“This is the first time in human history anyone other than kings or governments or gods can create their own money.” So who is the government to take any of it from them?

As a breed, the Puertopians, in their flip-flops and surfer shorts, are a sort of slacker cousin to the Seasteaders, a movement of wealthy libertarians who have been plotting for years to escape the grip of government by starting their own city-states on artificial islands. Anybody who doesn’t like being taxed or regulated will simply be able to, as the Seasteading manifesto states, “vote with your boat.”

For those harboring these Randian secessionist fantasies, Puerto Rico is a much lighter lift. When it comes to taxing and regulating the wealthy, its current government has surrendered with unmatched enthusiasm. And there’s no need to go to the trouble of building your own islands on elaborate floating platforms—as one Puerto Crypto session put it, Puerto Rico is poised to be transformed into a “crypto-island.”

Sure, unlike the empty city-states Seasteaders fantasize about, real-world Puerto Rico is densely

habited with living, breathing Puerto Ricans. But FEMA and the governor's office have been doing their best to take care of that too. Though there has been no reliable effort to track migration flows since Hurricane Maria, some 200,000 people have reportedly left the island, many of them with federal help.

This exodus was first presented as a temporary emergency measure, but it has since become apparent that the depopulation is intended to be permanent. The Puerto Rican governor's office predicts that over the next five years, the island's population will experience a "cumulative decline" of nearly 20 percent.

The Puertopians know all this has been hard on locals, but they insist that their presence will be a blessing for the devastated island. Brock Pierce argues (without offering any specifics), that crypto-money is going to help finance Puerto Rican reconstruction and entrepreneurship, including in local agriculture and energy. The enormous brain drain currently flowing out of Puerto Rico, he says, is now being offset with a "brain gain," thanks to

him and his tax-dodging friends. At a Puerto Rico investment conference, Pierce observed philosophically that "it's in these moments where we experience our greatest loss that we have our biggest opportunity to sort of restart and upgrade."

Gov. Rosselló himself seems to agree. In February 2018, he told a business audience in New York that Maria had created a "blank canvas" on which investors could paint their very own dream world.

AN ISLAND WEARY OF OUTSIDE EXPERIMENTS

The dream of the blank canvas, a safe place to test one's boldest ideas, has a long and bitter history in Puerto Rico. Throughout its long colonial history, the archipelago has continuously served as a living laboratory for prototypes that would later be exported around the globe. There were the notorious experiments in population control that, by the mid-1960s, resulted in the coercive sterilization of more than one-third of Puerto Rican women. Many dangerous drugs have been tested in Puerto Rico

over the years, including a high-risk version of the birth control pill containing a dosage of hormones four times greater than the drugs that ultimately entered the U.S. market.

Vieques—more than two-thirds of which used to be a U.S. Navy facility where Marines practiced ground warfare and completed their gun training—was a testing ground for everything from Agent Orange to depleted uranium to napalm. To this day, agribusiness giants like Monsanto and Syngenta use the southern coast of Puerto Rico as a sprawling testing ground for thousands of trials of genetically modified seeds, mostly corn and soy.

Many Puerto Rican economists also make a compelling case that the island invented the whole model of the special economic zone. In the '50s and '60s, well before the free-trade era swept the globe, U.S. manufacturers took advantage of Puerto Rico's low-wage workforce and special tax exemptions to relocate light manufacturing to the island, effectively road testing the model of offshored labor and maquiladora-style factories while still technically staying within U.S. borders.

The list could go on and on. The appeal of Puerto Rico for these experiments was a combination of the geographical control offered by an island and straight-up racism. Juan E. Rosario, a longtime community organizer and environmentalist who told me that his own mother was a Thalidomide test subject, put it like this: "It's an island, isolated, with a lot of nonvaluable people. Expendable people. For many years, we have been used as guinea pigs for U.S. experiments."

These experiments have left indelible scars on Puerto Rico's land and people. They are visible in the shells of factories that were abandoned when U.S. manufacturers got access to even cheaper wages and laxer regulations in Mexico and then China after the North American Free Trade Agreement was signed and the World Trade Organization was created. The scars are etched too in the explosive materials, uncleared munitions, and diverse cocktail of military pollutants that will take decades to flush from Vieques's ecosystem, as well as in the small island's ongoing health crisis. And they are there in the swaths of land all over the archipelago that are

so contaminated that the Environmental Protection Agency has classified 18 of them as Superfund sites, with all the local health impacts that shadow such toxicity.

The deepest scars may be even harder to see. Colonialism itself is a social experiment, a multilayered system of explicit and implicit controls designed to strip colonized peoples of their culture, confidence, and power. With tools ranging from the brute military and police aggression used to put down strikes and rebellions, to a law that once banned the Puerto Rican flag, to the dictates handed down today by the unelected fiscal control board, residents of these islands have been living under that web of controls for centuries.

On my first day on the island, at a meeting of trade union leaders at the University of Puerto Rico, Rosario spoke passionately about the psychological impact of this unending experiment. He said that at such a high-stakes moment—when so many outsiders are descending wielding their own plans and their own big dreams—“we need to know where we are heading. We need to know where is our ultimate

goal. We need to know what paradise looks like.” And not the kind of paradise that “performs” for currency traders with a surfing hobby, but that actually works for the majority of Puerto Ricans.

The problem, he went on, is that “people in Puerto Rico are very fearful of thinking about the Big Thing. We are not supposed to be dreaming; we are not supposed to be thinking about even governing ourselves. We don’t have that tradition of looking at the big picture.” This, he said, is colonialism’s most bitter legacy.

The belittling message at the core of the colonial experiment has been reinforced in countless ways by the official responses (and nonresponses) to Hurricane Maria. Time after humiliating time, Puerto Ricans have been sent that familiar message about their relative worth and ultimate disposability. And nothing has done more to confirm this status than the fact that no level of government has seen fit to count the dead in any kind of credible way, as if lost Puerto Rican lives are of so little consequence that there is no need to document their mass extinguishment. As of this writing, the official count of how

many people died as a result of Hurricane Maria remains at 64, though a thorough investigation by Puerto Rico's Center for Investigative Journalism and the *New York Times* put the real number at well over 1,000. Puerto Rico's governor has announced that an independent probe will re-examine the official numbers.

But there is a flipside to these painful revelations. Puerto Ricans now know, beyond any shadow of a doubt, that there is no government that has their interests at heart, not in the governor's mansion, not on the unelected fiscal control board (which many Puerto Ricans welcomed at first, convinced it would root out corruption), and certainly not in Washington, where the current president's idea of aid and comfort was to hurl paper towels into a crowd. That means that if there is to be a grand new experiment in Puerto Rico, one genuinely in the interest of its people, then Puerto Ricans themselves will have to be the ones to dream it up and fight for it—"from the bottom to the top," as Casa Pueblo founder Alexis Massol-González told me.

He is convinced that his people are up to the task. And ironically, this is in part thanks to Maria. Precisely because the official response to the hurricane has been so devoid of urgency, Puerto Ricans on the island and in the diaspora have been forced to organize themselves on a stunning scale. Casa Pueblo is just one example among many. With next to no resources, communities have set up massive communal kitchens, raised large sums of money, coordinated and distributed supplies, cleared streets, and rebuilt schools. In some communities, they have even gotten the electricity reconnected with the help of retired electrical workers.

They shouldn't have had to do all this. Puerto Ricans pay taxes—the IRS collects some \$3.5 billion from the island annually—to help fund FEMA and the military, which are supposed to protect U.S. citizens during states of emergency. But one result of being forced to save themselves is that many communities have discovered a depth of strength and capacity they did not know they possessed.

Now this confidence is rapidly spilling over into the political arena and with it, an appetite