

Amid the strife of war-torn Nicaragua

Vic Parsons, an Ottawa bureau columnist with Thomson News Service, recently returned from a 16-day stay in Central America. The following story, based on his observations and on interviews, focuses on the current economic turmoil in Nicaragua and its impact on the people. The visit was Parsons' second to Central America. Two years ago, he spent a month there.

By VIC PARSONS
TEPEYAC, Nicaragua - The lush, jungle-covered hills surrounding this village recall the popular images of a tropical paradise.

Along a deeply rutted country road that meanders through an orange grove and banana plants heavy with fruit, an ox-cart with squeaky wooden wheels carries a peasant farmer and his children toward the local health clinic.

But at the clinic, the portrait of paradise evaporates. Three hundred grime-streaked children, accompanied by parents, await their turn to be seen by a handful of European nuns, who have taken up service to the poor of Central America as their life's work.

Nearly all the children suffer from diarrhea. The nuns move among them, selecting the thinnest and those with the dull eyes of the very ill for priority attention. All they have is a pitifully limited supply of antibiotics, a medium-sized bottle of Peptobismol and fruit-and-cereal

discuits. "Can you take a list of our needs back to Canada?" asks Sister Nicole d'Escaille, a Belgian nun. She smiles gratefully when a visitor agrees.

The crowded, poorly supplied clinic is a telling symbol of years of war, the impact of an American embargo and blunders by an inexperienced government. Together, they have left the economy of Nicaragua in a shambles.

No matter who you talk to - supporters of the leftist Sandinista government, critics of the regime, or the many without political preferences - all say life is hard in what reformers hoped would be the model for a new Latin America.

You can see the impact among the street sellers trying desperately to support a meagre lifestyle, in the young students and their parents who ask visitors hopefully about the chances for scholarships or a new life in Canada. It's evident from the throngs of those with enough money to leave the country as they crowd A.C. Sandino airport, in the capital of Managua, hoping to catch planes to Miami or Mexico, a stepping stone to the U.S.

TROUBLES REVOLUTION
 Why has the revolution, which reached its climax on July 19, 1979, with the violent overthrow of 40 years of brutal dictatorship under the Somoza family, seemingly gone

sour?

Most blame the seven-year contra war - the rebels are backed by the Reagan administration - for most of the difficulties. Part of that war is the American embargo against Nicaragua, which has restricted the flow of essential equipment, such as buses and trucks, medicine and educational supplies, and even food.

Reynaldo Antonio Tefel, Nicaragua's social welfare minister, explains that the war has drastically cut into the ability of the country to sustain its social, education and health programs.

"In the first two years of the revolution (Sandinistas in power), only eight-to-ten per cent of our budget was spent on defence," Tefel said in an interview. "This is now 50 per cent."

Another Sandinista, Vidaluz Meneses, a former vice-minister of culture, notes that many people, including experienced professionals, have left the country because of the deteriorating economy.

Projects were left in the hands of the inexperienced, she says. There was no money to fix what was broken. Water shortages, made worse by successive years of drought, have contributed to epidemics of diarrhea that have taken the lives of many children. In Managua at the end of July, half the deaths of infants in the city of over one million were due to diarrhea.

Exports, once valued at \$500-600 million (U.S.) annually, have declined to \$200 million, leaving the government critically short of foreign currency. The disruptions of war and declining prices of coffee, beef, sugar, bananas and cotton are among the causes. What's more, the embargo means that the U.S., once Nicaragua's prime customer, has closed its doors to the country's products.

Power disruptions, largely due to the breakdown of overused, antiquated equipment, contributed to a decline in production of 34 per cent this year.

INFLATION RAMPANT
 Despite efforts to reform the currency, inflation continues apace and puts the squeeze on government-controlled wages.

While prices soar, inflation was 1,200 per cent last year and has been estimated at 4,000 per cent this year despite reform - wages remain low. In July, a bus driver earned 1,200 cordobas a month. A school teacher got 2,700 to 3,000. A lawyer brought in 7,000 to 8,000 cordobas. Recent increases of 140 per cent in wages will help modestly.

When the currency reform went into effect in February, the cordoba was pegged at 10 per \$1 U.S. By Sept. 1, the official exchange rate at banks was 380 cordobas.

A bus driver says his pay is barely enough to buy food for himself, his pregnant wife and two children. Before the reform, he estimates his buying power was three times higher.

The government has tried to cool down inflation by doling out weekly rations of rice, beans and sugar to its employees. But these rations do not go to non-government workers, including the thousands of street traders who buy, sell and speculate with whatever they can to scrounge a living.

A major problem is that the war, consisting largely of hit-and-run contra attacks on villages in the east and north, has displaced thousands of peasant farmers, known as campesinos. Many have flocked to Managua, swelling the city's population to twice its original size in less than a decade. That has strained services, notably water and transportation, and left many of

Nicaragua's poorest families, often with seven or eight children, living in jerry-built shacks the size of the average North American living room.

This exodus has also reduced agricultural output. Fearing attacks and kidnappings by the contras, farmers have abandoned their land to eke out a living in the unfamiliar cities.

There is now an official ceasefire, broken by occasional fighting, but few refugees are willing to risk the uncertainty and return home.

CITES WAR
 Frank Duarte, a lawyer and national youth director of the Conservative Democratic Party, the leading elected opposition to the Sandinistas with 14 of the 96 seats in the National Assembly, cites the "political instability" of the war as the main cause of economic problems. The U.S. should stop its embargo, he says.

But he also says low production, poor government administration and lack of incentives for workers are factors.

His party argues that there is plenty of land available for the campesinos, and it does not have to be taken from the large landowners and redistributed. Duarte also would like to see factories run by the workers and profit-sharing plans to encourage production.

Many Sandinistas accept there is bureaucratic bungling. The revolution and subsequent war took the lives of many of the best and brightest in the country. Many others, chasing the brighter prospects of a receptive U.S., have left.

Sylvia Cerrasco, responsible for North American affairs for Nicaragua's largest women's organization, says the government has made several serious mistakes.

"Our efforts were well-intended. We were young and inexperienced, and hoped to accomplish more than we could. It was romantic to try social transformations."

An artist, who prefers not to be named because he has received death threats from opponents of the government, expresses similar views.

"I'm a Sandinista, but I'm not a blind Sandinista," he says.

He cites as a recent mistake the nationalization of the country's largest sugar plantation. Government policy has been to leave large private landholdings alone unless they are not producing to capacity.

In this case, there was sugar rationing throughout the country. The plantation was producing one million sacks of sugar a year when its capacity is estimated at 2.5 million.

POLITICAL MISTAKE
 But, he says it would have been wiser to have left the plantation alone. The nationalization, he argues, will only add to the political heat at a time when more pressing economic issues need to be addressed. There are not enough competent administrators to run such a massive undertaking, he says.

There have been other policy blunders. Last year, the Soviet

Union was providing Nicaragua with 60 per cent of the Central American nation's oil. But the government chose to sell some of that oil to raise foreign cash. The enraged Soviets cut back on the amount of oil "sold" to Nicaragua.

Despite the problems, Nicaraguans often display the cheerful optimism that has helped them weather storms that would flatten other people.

There was not much to cheer for at the annual July 10 celebration of the revolution at Juigalpa, a southern cattle-ranching town, and celebrations seemed muted compared with other years, observers said.

But in the northern war zone, there was joy, says an American who has worked in power projects in the area for three years. The people were happy because of the ceasefire, recently unilaterally extended by President Daniel Ortega to the end of September.

There is hope among Nicaraguans that the end of the Reagan administration will also mean the election of Democrat Michael Dukakis as U.S. president. That, they believe, will mean the end of American backing for the contras and the conclusion of the war.

"I think Dukakis would be a strong and pragmatic leader," Tefel says. "I think there will be peace after discussions with our government."

And perhaps then, Nicaragua can begin the job of reconstruction that has languished through the seven years of war.

Most happy with Canada Post

Ninety-seven per cent of Canada Post customers are satisfied with retail postal services and ninety-two per cent are satisfied with the delivery of mail in rural areas following conversion of postal service to local businesses according to a recent Decima survey.

"The results show we are improving service in rural Canada and earning the support of our rural customers," said Gilles Hebert, Director of Rural Services for Canada Post. "Our customers are in the best position to assess our services. This assessment is far more credible after experiencing the value of those services."

The survey, commissioned by Canada Post, found rural customers believe their current service to be as good or better than their previous service. Ninety-two per cent consider their retail postal service to be the same or better, and ninety-one per cent consider their current mail delivery to be as convenient or more convenient than before.

In fact, customers endorse Canada Post's rural conversion of retail postal services to local businesses. A strong majority of customers consider using private businesses to provide postal services in rural communities as a step in the right direction.

Most rural customers believe the change to local private sector operated outlets has resulted in equal or better postal service and has not adversely affected community life. This was indicated by over ninety per cent of customers surveyed regarding the convenience and availability of postal services, overall quality of service, security of the mail, number and range of available postal services, social interaction in the community, the community's economy and community identity.

Customers were surveyed at twenty retail postal outlets in rural communities across Canada which had recently experienced a conversion of postal service to a local business.

Lock-boxes will be free

Canada Post announced recently that beginning on Wednesday, January 3, 1989 customers who depend on lockboxes in postal facilities as the primary mode of delivery will receive this service free of charge effective on their lockbox renewal date.

"This initiative, identified in Canada Post's Corporate plan released in May 1988 will be of particular interest to rural customers," said John Fellows, General Manager, Collection and Delivery for Canada Post. "Approximately one million Canadians, most of them rural, will benefit from this program."

To ensure customers are fully informed about guidelines for free lockbox service and have the opportunity to comment, Canada Post will provide details through householder information prior to the

end of October. This is another step in a national urban and rural delivery policy which ensures that the primary mode of delivery for all Canadians is free of charge. As is now the case, customers will continue to be charged a fee if they choose an alternate available delivery service in preference to the primary mode of delivery.

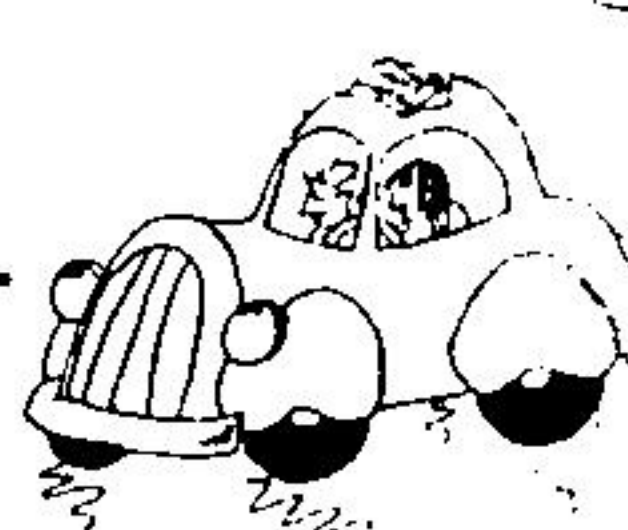
"There is no question that postal services in rural Canada are not only being maintained, they are being improved," said Fellows. "Providing free lockbox service is a tangible benefit that supports our commitment to better service. Canada Post is in rural Canada to stay. No longer will rural Canadians have to pay for receiving a letter as well as sending one."

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