

VICE PRESIDENT
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SPEECH
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ANAHEIM HILTON

- Dear friends

As you all know, I come from Nicaragua, a country whose name has been in the world news during the last 20 years, and we are not at all proud of the kind of reputation we have earned. You see, in 1979 we became pawns of the east-west/Cold War confrontation when a group of marxist-leninists guerrilla revolutionaries took over Nicaragua. We are now paying a very high price for that adventure –and we will continue to pay it for many years to come.

Let me explain: The backbone of Nicaragua's economy has always been farming and cattle. By 1978, prior to the marxist take over of the government, Nicaragua had become the granary capital of Central America; production of best quality upland cotton had reached half a million bales; the average yield was 2½ times greater than the average yield of Texas. We were exporting over 80 million pounds of beef; over 120 million pounds of best quality coffee, and supplying grains to other Central American countries. We bragged then about the significant achievement that our yearly exports represented. We had reached 650 million dollars in yearly exports --dollar value of 21 years ago. It may not sound like much, but it was the equivalent to 260 dollars per capita, the same 260 dollars per capita that Mexico was then exporting, including its huge oil production. The Soviet Union was exporting 300 dollars per capita, Argentina 250, Brazil 200, the United States 900, Germany 4000, Singapore 7000. Ours was the product of our hard working people, for we have never had oil nor mining wealth. We were among the fastest growing countries in Latin America, reaching a net real growth of more than 12% on several occasions, and achieving 7% real average growth for 20 consecutive years.

Then came the marxist take-over and far reaching ideological reforms began taking place. During the ten

year Marxist tenure, rampant confiscation of properties occurred; the number of government agencies increased from 18 to almost 400; the number of government employees grew from 43 thousand to 285 thousand; the foreign debt increased from 1.2 billion dollars to 12 billion dollars, while exports decreased from 650 million to 225 million dollars; this meant that the debt grew from the equivalent of 2 years of the total value of the yearly exports to 53 years of the total value of the yearly exports. Gross National Product per capita dropped to the levels of 1942 –that is, it went back 37 years. Our development index plummeted from among the leading countries in Latin America to the next to last place, close to Haiti's. One out of every five Nicaraguans fled the country, and most of them came to the U.S., specifically Miami. Inflation reached 30 thousand percent, and our currency depreciated from ten cordobas to the dollar to 25 billion cordobas to the dollar.

Allow me to give you some facts -or information if you will-- about energy in Nicaragua. From 1958 to 1978 --20 years-- the country's installed capacity grew 275 Mw. During the next 18 years --1979 to 1996- the installed capacity only grew 65 Mw. The effects of the poor growth in energy were so severe and long lasting that by the time Dr. Aleman and I took office on January 10 1997, Nicaraguans were enduring energy rations, having their power cut from 4 to 5 hours daily.

Of course , due to the gross mismanagement of the country, the Marxist system collapsed, and with it, so did the government. The remnants of the sandinista system are now being uprooted – they have been since 1990-- but we still have a long way to go. The number of government employees has been slowly reduced from 285 thousand to 86 thousand; the number of government agencies have been decreased from almost 400 to 54. As soon as Dr. Aleman and I took of-

face, we put an end to the power rations, buying energy from neighboring countries, no matter the cost -- the most expensive energy is the energy we do not have. We made it a priority to install new plants. With the inauguration of a new 50 Mw plant which will begin operating in May of this year, we will have installed a total of 168 Mw within the first 2 ½ years as heads of government. The Mw growth for the past 2 ½ years totals close to 50%.

We are asking the international financial community to condone 80% of the burdensome foreign debt; something we expect to happen within the next 12 months.

I have explained all of this to you because I thought it was important to make a sketch --a moving portrait throughout time--of my country Nicaragua..

Let me also present you with some other valuable information, although the relevance may not be readily appreciated.

The Nobel Prizes were initiated in 1901. According to the database I keep in my computer, up until 1995 there were over 700 Nobel Prizes awarded. Of all those prizes, the U.S. won 237, while the whole of Latin America received a total of 13.

During the Gulf War, almost 100 thousand Iraqi soldiers lost their lives, compared to 115 American casualties. Such a technological contrast has never before existed.

Two earthquakes, one in California, the other in Iran, both with a 7.2 on the Richter Scale, took place within a short time of each other. The California earthquake claimed 74 lives while 80 thousand people died in Iran.

A drought in the U.S. causes little more than a bad case of the jitters, while the drought in Africa has practically doomed 70 million Africans to die.

Florida and North Carolina are bothered by yearly tropical hurricanes -- some of which are very strong like Hurricane Andrew in Miami -- and they manage to heal their wounds in a relatively short period of

time. Hurricane Mitch has managed to set back the future development of Central America.

These examples show the bottomless pit that divides the developed countries from the underdeveloped countries. Nicaragua is standing at the edge of that pit, and it is feeling a sense of vertigo, which is forcing us to quickly find the ways to jump over the abyss to quickly reach the other side.

Without electricity, there can be no technological advances. Without electricity, there can be no night schools, no one would be able to read or study at night; women cannot use sewing machines; computers are useless, and no one can read or study at night. Only 50% of the Nicaraguans have access to electricity -- the urban areas, mostly. Almost 80% of the rural area needs electricity. We need for NRECA to return full blast to Nicaragua.

I have asked Mr. Jim Durnil, President of the NRECA International Foundation, to join hands with other organizations and myself to help us get electricity to 90% of the citizens of Nicaragua over the next 10 years.

This indeed is a difficult task, one that will cost us tens of millions of dollars. However, our forces are already moving forward and, like in the United States in the 40's and 50's, many people in the rural areas of Nicaragua are now looking forward to higher standards of living and to a more prosperous future. With the help of NRECA International Programs, and with the help from NRECA's member co-ops --like all of you here today--we can get electricity to the rural areas of Nicaragua and make a real difference in these people's lives by giving them a tool to improve their quality of life.

Your donations of material and equipment to Nicaragua, through the International Foundation; your volunteering of linemen and other technicians to help in line construction and your International Program staff helping us organize our efforts and implement a Nicaragua-wide rural electrification program has been and will continue to be a major catalyst to our success to help achieve the dreams of two million Nicaraguans come true.

NRECA established its presence in Nicaragua in 1962 with the creation of the *Cooperativa de Abastecimiento de Energía Eléctrica Rural (CAEER No.1)* located on the outskirts of Masaya. Wilfred Mast, an NRECA advisor assisted in the creation of the cooperative, attended the organizational meetings and was the cooperative's initial interim manager. U.S. Cooperatives provided donated meters, transformers, line hardware and equipment to electrify the initial one thousand consumers. The Board of Directors was elected by popular vote from amongst the membership, and cooperative democracy flourished.

Based on the success of this model for Rural Electrification, the Nicaraguan Government and the United States Government initiated a national rural electrification program based on the cooperative model, and with NRECA's assistance the coop members grew to 45 thousand by 1979.

Then the country was taken over by the marxists, as I have stated, and due to the collectivist political ideology, all the cooperatives were taken over by the state.

After the marxist collapse NRECA returned to Nicaragua in 1992, to provide assistance in electrifying the Atlantic coast towns of Bluefields and Puerto Cabezas. Today NRECA has an office in Nicaragua and is providing valuable technical training to linemen and is again promoting rural electrification through the cooperative model.

After the destruction caused by Hurricane Mitch, NRECA mobilized several tons of material to be used in the renovation of the damaged distribution system, and I take the opportunity now to thank that the members of ENRECA for all the support and donation sent to my people; and also, I thank the American people for the generous donations and aid delivered to Nicaragua on a thousand and one occasion, specially the emergency relief efforts on account of Hurricane Mitch.

In the fast world of today, we sometimes do not stop and say thank you to those people who make a difference by helping those in need, either by the donations of materials or even by donating their own time. I

want to say a heartfelt thank you to NRECA for all the work they have done and all of the electrical line gear, transformers and other material donated to the people of Nicaragua. It is difficult for me to tell you how we feel when our people get electricity and their dreams finally come true. On behalf of the rural poor of Nicaragua, we thank you from the deepest of our hearts.

God bless all of you; God bless Nicaragua; God bless America.