

GOOD FRIEND, GOOD DRIVER

Photo by Antonio Aragón | EFE



Taiwan's President Chen Shui-bian was picked up at the airport Sunday by President Daniel Ortega and driven to Matagalpa to help hand out aid as part of the Zero Hunger program. Related Stories at Right, Page 5 ▶

NEWS IN BRIEF

Taiwan Pledges Continued Friendship, Development Aid

MANAGUA – Taiwan's President Chen Shui-bian traveled to Nicaragua this week to meet with his counterpart Daniel Ortega, whom he called his "best friend," and to offer continued aid, including a proposal to purchase "all the available coffee" in Nicaragua.

Apparently borrowing a page from the book on diplomacy by Venezuela's Hugo Chávez, Chen, shouted "viva Daniel" and said that he felt "at home" and "among his brothers and countrymen" during a visit to the northern department of Matagalpa. He said that only "comandante Ortega" could bring peace, work and hope to Nicaragua.

Chen praised Nicaragua as "Taiwan's best friend" in the region, and said that he had a lot to learn from Ortega as a President.

The Asian leader also commended Ortega on his driving skills, after the Nicaraguan President personally picked up his counterpart at the airport and drove him to Matagalpa, 128 kilometers away.

Chen, who has visited Nicaragua three times, announced that a trade mission from Taiwan will visit here in September, representing investors and technological specialists to help improve harvests.

Ortega, for his part, urged Chen to invest in "fair trade" in Nicaragua during "this new phase of relations."

Ortega said that Taiwan should not limit its investment here to free-trade zones that can "leave at any moment to find cheaper labor," but rather to look at ways of creating joint ventures here in agriculture, livestock and other areas.

Ortega also thanked Chen for his country's donation of \$1.1 million to the government's Zero Hunger program to combat extreme poverty.

Vice-President Jaime Morales, who recently traveled to Taiwan to meet with Chen, said that the two countries this week were expected to hash out a series of accords to the tune of \$400 million in infrastructure, energy, environment and education, according to daily El Nuevo Diario.

Following Costa Rica's severing of relations with Taiwan in June, the Taiwanese government has been lobbying hard to keep its remaining friends in the region, which forms the most important diplomatic bloc for the Asian country in its struggle for international recognition. Nicaragua was initially rumored to be the next country to cut ties with Taiwan in exchange for diplomatic relations with communist China, but leaders of the Sandinista government have insisted that move isn't in the tea leaves (see separate story).

–Nica Times and EFE wire reports

Esso Embargo Rattles Investors

By Eric Sabo
Nica Times Staff

Foreign Minister Samuel Santos this week announced that the government is close to resolving the crisis at an Esso Standard Oil facility near the Port of Corinto, which the government seized Aug. 17 as part of a "preventive embargo" after the company allegedly failed to pay several years worth of taxes on undeclared oil imports.

"There is the greatest willingness of the government to find the best solution," Santos told reporters Aug. 23, following a tense week of negotiations. "And I have received information that the [company] has also expressed the greatest willingness to find a

good exit for both parties."

About 10 armed men stormed and took over a fuel-storage terminal run by Esso, a local subsidiary of Exxon Mobil, at 7 p.m. Aug. 17, according to a representative for the oil company. The representative said the men, who claimed to be police, gave no reason for the seizure.

The weekend confrontation provoked both confusion and alarm, as company officials and the U.S. Embassy called on the administration of President Daniel Ortega to resolve the issue quickly. It took several days before government officials confirmed that Nicaragua's Customs Services had ordered the police to seize the facility because the company allegedly owed back taxes.

"The company in mention has neglected to pay taxes on petroleum imports it didn't declare," Lorena Romero of General Customs Services said in an e-mailed statement. Romero cited three laws that allow for a "preventive embargo" to collect unpaid bills, adding that Nicaragua may initiate additional legal measures against the company for "other debts."

Esso officials, however, claim that crude-oil imports are tax-free and insisted that the company has always paid all its due taxes.

Government officials, meanwhile, admitted Aug. 24 that the facility could be used to store Venezuelan oil, fueling speculation that the takeover has to do with pressuring Esso

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Granada Expats Relieved by Verdict

By Sam Jacoby
Nica Times Staff

Concerned residents of Granada let out a long-held breath last week as the murder trial of Lemon Groves, a 49-year-old U.S. citizen who was fatally attacked in her home May 25, concluded with the conviction of 21-year-old Carlos Aguilar.

"I'm extraordinarily relieved," said Nadene Holmes, a close friend of Groves who testified on her behalf. "She was a very special woman; she was always looking to try to connect with her community and her neighbors."

For the dozen or so supporters present, the Aug. 21 guilty verdict brings a satisfying resolution to what has been a trying few months for the expatriate community.

"I have a new faith in the Nicaraguan justice system," said Madeline Alpert, who like many there, had been a friend of Groves. Alpert had been concerned as to how the legal system would handle the politically charged case.

"I didn't want it to turn into an us-versus-them situation," she said. "I had only been hearing about crimes against foreigners, but of course, Nicaraguans are victims

as well. This kind of crime is meaningful to everyone."

The divisions across the courtroom, however, were evident early on. The trial began under tense circumstances, as Groves' supporters and the family of the accused scuffled for the few seats in the crowded room. That earned the gallery a stern admonition from the presiding judge, Maria Solano, who maintained an atmosphere of brisk professionalism for the rest of the proceedings.

Though some 20 witnesses were called, the

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Investment Climate Shaken by Esso Scandal

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into agreeing to receive, process and distribute the oil promised by Venezuelan President Hugo Chávez. The Sandinista government doesn't have the capacity to handle all the oil sent by Chávez, and Esso has reportedly refused past offers to purchase and process it.

Investment Threatened

The Esso embargo is the first action against a U.S.-based company since the former revolutionary party returned to power, and U.S. officials were quick to condemn the move.

"The actions taken by Nicaraguan authorities have the potential to seriously damage economic relations between the United States and Nicaragua," the U.S. Embassy said in a statement. "This also has the potential to affect the foreign investment climate in Nicaragua."

The Superior Council of Private Business, which has resisted calls to be more critical of Ortega, sent a letter to the President warning him that the seizure "could damage the image of his government and the nation, which needs so much investment."

End of an Era

Sandinista officials have defended their actions, saying that the era of transnationals not paying their fair share is over.

"For the first time, the state is asking the big companies to account for themselves," said Bayardo Arce, Ortega's economic advi-



Tim Rogers | Nica Times

sor and former member of the original revolutionary junta in the early 1980s.

Vice-President Jamie Morales said that corporations sometimes "act arrogantly but later they become more reasonable."

In returning to office, Ortega has said that he has changed from the days when he imposed a state-run economy and nationalized properties as part of an agrarian reform to give land to those who work it. He has courted outside investment and continued with free-trade agreements. As a result, there have been few signs of serious capital flight.

Concerned:
U.S.
Ambassador
Paul Trivelli
warns that the
Esso takeover is
sending a bad
sign to investors.

Yet the Esso seizure seems to have rattled whatever confidence the returning Sandinista administration has been able to win.

"Other possible investors watched with horror how the government seized a private installation," said U.S. Ambassador Paul Trivelli.

Turning to Chávez

The confrontation with the subsidiary of the world's largest oil company follows Ortega's stepped up criticism of the United States, which emerged as a Cold War foe to

become the country's leading trading partner. In recent speeches, Ortega said that the Sept. 11 terrorist attacks were "insignificant" when compared to the atomic bombs that the United States dropped on Nagasaki and Hiroshima during World War II.

Ortega, who largely relied on Cuba and Soviet support in the 1980s, has also increasingly championed trade with leftist countries under the Bolivarian Alternative for the Americas (ALBA), a pact he claims is more humane than "savage capitalism."

A notice on the ALBA Web site suggests that Venezuelan oil can largely take over where the U.S. oil company leaves off, claiming a new Nicaraguan refinery paid for by Hugo Chávez's government will "quadruple" the amount the Texas-based company provides at its Managua refinery.

Although trade has increased with leftist countries since Ortega has returned to office, the new ALBA accords still represent a small portion of Nicaragua's economy. Exports to Venezuela, Cuba and Bolivia represent about 1.5% of the overall market combined, compared to 27% for the United States.

U.S. investors also represent the largest source of foreign investment in Nicaragua.

Trivelli said that a large company like Exxon could potentially weather the storm, but warned that smaller businesses may be scared off for good.

"What will be the opinion of the small investor, who is perhaps thinking about constructing a tourist hotel in Corinto, in Matagalpa, Rivas or Managua?" Trivelli asked. ■

DNA Tests Provide Key Evidence in Murder Trial

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trial lasted only one day and included an accusation of false testimony against three of the witnesses who took the stand and defended Aguilar. The five-member jury was under deliberation by 5:30 p.m., and returned a half-hour later with the guilty verdict. The sentencing hearing has yet to be scheduled.

The verdict was not surprising considering the strength of the case arrayed against Aguilar, including DNA evidence that linked the defendant to the scene of the crime. Tina Delgado, a forensic specialist with the U.S. Federal Bureau of Investigations (FBI), flew in from the U.S. state of Virginia to present her DNA crime-scene findings, the first DNA evidence ever used in a trial here.

She testified that the FBI laboratory had found evidence of Aguilar's DNA in one of the samples they had been sent - clippings taken from beneath Groves' fingernails.

She was followed to the stand by a litany of police officers and medical specialists who reconstructed the crime - in which Aguilar broke into Groves' house late at night and attacked her in her bed - in chilling detail. Groves died in the hospital two days after her attack (NT, June 1).

Despite rumors that she had also been raped, the DNA tests reportedly found no signs of violation.

Carl Currier, a longtime resident of Granada, could scarcely contain his anger as

the sometimes grisly evidence was presented.

Currier said that he had spoken with Groves a few days before her murder, advising her to put up razor-wire and other security measures to protect her home, which had been broken into several times earlier over the back wall facing a riverbed used for rain drainage.

Holmes also testified that security issues had been a frequent topic of conversation with Groves.

"She had been broken into two times before," Holmes said. "We always talked about her living situation. She was building a new room so that she could get a roommate."

Moving Forward

For many of Groves' friends, moving on after her death has been a long process, and security concerns remain paramount for many foreign residents (NT, June 8).

"I hope people will take the proper security measures now," Holmes said. "Living here is not like living in the (United) States. You need to live like the Nicaraguans do."

Many are still dealing with the emotional consequences of the tragedy, and trying to deal with the way in which it has affected their lives here. A friend of Groves, Laura Curtis, recounted her emotions after the murder.

"I was scared," she said. "I have never lived here in fear, never - but I was then."



Courtesy of photographybyivan.com

Lemon Remembered: Friends of Lemon Groves showed support for the slain U.S. citizen from the time of her murder up until last week's guilty verdict.

For many of those present at the trial, showing up at the courthouse was not only a way of showing support for Groves, but also a way to bring to conclusion their own per-

sonal cycles of grief.

"Being here is part of the healing process," Curtis said. "To see justice in action, especially in a foreign land - it's encouraging." ■