

NEWS WRAP

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Iran's reappearance in Latin America has drawn concern from US officials. Iran denies any role in the 1994 bombing of a Buenos Aires community centre that killed 85 people. USA has blamed Iran for the 1991 bombing of the Israeli embassy in the Argentine capital, which left 29 dead. Since President Ahmedinejad was elected in 2005, six new embassies have been opened in Latin America, viz Colombia, Nicaragua, Chile, Ecuador, Uruguay and Bolivia. These add to Iran's embassies in Cuba, Argentina, Brazil, Mexico and Venezuela. Numerous economic and political accords have been signed by Iran with Venezuelan President Hugo Chavez's populist government. Iran's Islamic republic has invested in Venezuelan factories manufacturing tractors, bicycles and "anti-imperialist" cars.

During the 1980s USA secretly sold arms to Iran, a Sandinista ally in Nicaragua, and utilized profits to fund rebels fighting Ortega's leftist Sandinista National Liberation Front Government, which was accused of encouraging regional revolution. When Ortega left office in 1990, Iran and Nicaragua closed their embassies after Ortega returned to office in January 2007. Iran has rented a villa in Managua, which is now the Iranian embassy in Nicaragua. President Ortega has been looking forward to Iran's assistance "in the great battle against poverty". However, Iran's proposed investments in Nicaragua for a deep-water port, hydroelectric plants, and a tractor factory have failed to materialize. Nicaragua has not succeeded in renegotiating a \$160 million debt with Iran, since Iran feels that it is not permitted by the Koran. There are several other Iranian planned projects in Latin America, which have not sprung up, at a time when Iran's oil revenue is declining.

USA considers Iran to be a state sponsor of terrorism. Iran has been exploiting economic opportunities in Nicaragua. In the past two years, USA has been speculating that Iran was constructing a major beachhead in Nicaragua, as part of a diplomatic thrust in Latin America. Iranian activities in the Western Hemisphere, are reviving cold war-style rhetoric in Washington. While the Iranian ambassador in Managua resides in a rented house, the exclusive "mega-embassy" is proving to be similar to the US Congressional testimonies on the "non existent weapons of mass destruction in Iraq".

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On 30 June 09, US combat troops finished withdrawing from Baghdad and other Iraqi cities. Earlier Baghdad had a martial style, imposed by President Saddam Hussain. Now tolerance is receding behind physical and psychological walls, that demarcate secte, ethnicities, and classes. US occupation has converted Baghdad from a city of bricks to a city of cement. American generals who constructed the sprawling Green Zone to the concrete barriers and blast walls, have reoriented the physical, spiritual and social geography of Baghdad. On the bends of the Tigris river, Baghdad is a city divided between Shiite and Sunni neighbourhoods. The Christians have fled in large numbers. As cosmopolitanism has disappeared, the poor fend for themselves. While the Americans never created the divisions, the six years of an American presence have hastened the deeper, divisive forces.

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The drought of 2009 is less severe than the drought of 2002. During 2009, there has been a deficiency of about 30% in the south-west monsoon. Around 185 districts in India, have been declared drought affected, which are dispersed in Bihar, Uttar Pradesh, Jharkhand, Mahara-shtra, Himachal Pradesh, Assam and Manipur. Agriculture is more rain-fed in Maharashtra, parts of Karnataka, Andhra Pradesh, Orissa, Gujarat and Rajasthan, where drought is more severe. The water level in lakes, rivers and reservoirs

is 38% following drying up; where optimum water level should be 45%. The depletion of surface water has caused hydrological drought. In Gujarat, investments in infrastructure, irrigation networks, power, roads, more than 100,000 check-dams, the Khet Talavadi water ponds in fields, and the Sardar Sarovar dam have raised the water tables and improved agriculture.

The Green revolution success was confined to Punjab, Haryana and western UP with high doses of irrigation, high yielding fertilizers, pesticides and land consolidation. Noticeable increases in agriculture productivity occurred in Andhra Pradesh and certain portions of east India. 60% of India's cropped land is still dry-land, and there is no policy for dry land agriculture, coarse food grains, edible oils and pulses. There has been reduced sowings for paddy, groundnut, sugar-cane and coarse cereals. India's buffer stocks do not cover pulses, edible oils, coarse foodgrains, sugar and animal feed. While farmers often fail to obtain credit from the formal system, the government pursues debt relief, diesel subsidy for large farmers, and direct credit at fixed rates.

The food price inflation for pulses, sugar, edible oils and vegetables has preceded the drought, and is unrelated to the drought. The reduced rural demand is affecting manufactures products. Since agricultural production constitutes less than 20% of the economy, the slow monsoon of 2009 may not significantly impact India's gross domestic product. □□□