

IN THE NEWS

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World News

Some US officials believe that Israel is supportive of sanctions to stop Iran's nuclear weapons program [1]. As far as sanctions go, one way to force a reduction in Iranian oil is through elimination of insurance for the tankers shipping the oil. For example, under EU sanctions set to kick in on July 1, many tanker owners will lose their "insurance" for shipping oil from Iran [2]. However, Japan's cabinet approved a bill to provide "insurance" for tankers trading oil with Iran [3]. As long as Iran can bypass sanctions, it's unclear how effective they will be. In spite of the current sanction effort some in Israel appear to be preparing for the worse. For instance, one German newspaper reports Israel is arming their subs with nuclear tipped cruise missiles [2]. The submarines are made in Germany and sold to Israel [3].

Currently, the U.S. is paying Russia \$65 - \$70 million, for each astronaut launched to the Space Station [6]. At the same time, China prepared another launch; a three-person manned spaceflight to dock with the previously launched orbiting laboratory [7]. Then on June 16, the Chinese crew successfully launched into space [8]. So at the moment, only Russian and China have the capability to put people into space.

On the world stage, China seems to go against US policy at every turn. Case in point, Japan found shipping evidence a Chinese company violated the U.N weapons ban against North Korea, by providing missile launch vehicles [9].

International monopolies impact the economic health of the US. For instance, after OPEC announced it will hold oil production at 30 million barrels per day, the

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Special points of interest:

- Family net worth falls 40% from 2007 to 2010
- 31st bank shuttered
- China launches three person spacecraft

Security

The newest computer virus called Flame, tricks machines into installing a fake Microsoft patch update [1]. In response, the latest Microsoft patch update fixed 26 security vulnerabilities including one IE bug actively being exploited [2]. Overall, security patches were not limited to Microsoft. For example, both Apple and Oracle released security

patches on June 11 [3].

Elsewhere, it appears that hackers compromised 6 million passwords used in the LinkedIn on-line social network [4]. The LinkedIn example illustrates why some are estimating there will be a shortage of 20,000 - 40,000 security personnel in years to come [5]. As long as we continue to deploy security weak software, the greater the need for

security personnel.

The number of counterfeit chips is on the rise. Case in point, during 2011 there were over 1,300 reported cases of counterfeit chips, more than double the number from 2010 [6].

Researchers have found some of the same code used in the Stuxnet virus in the newest Flame malicious

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*It has become appallingly
obvious that our
technology has exceeded
our humanity—Albert
Einstein*

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software [7]. This suggests the same source developed both viruses.

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price of oil rose [10]. If we could move more consumption away from oil and toward natural gas, we could help the economy by lowering energy cost. Elsewhere, the oil reserves in Venezuela are now estimated to be the largest in the world, surpassing Saudi Arabia [11]. In the Middle East, Israel started receiving 150 million cubic feet of natural gas daily from an offshore gas well [12].

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7. CNN, *Chinese female astronaut to join docking mission*, June 11, 2012.
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Pollution

China told foreign embassies to stop publishing their reports on the poor air quality [1]. Meanwhile, China insists it is still a developing country and should not have to curb its growing pollution problem [2]. Furthermore, according to a Pew Research global survey, most people believe China is the World's dominant economy [3]. One belief is that pollution on the other side of the world does not hurt the US. To see how connected the world actually is, consider the Japanese tsunami last year. Recently, a Japanese dock reached the shores of Oregon [4]. Consequently, exporting US industry (and jobs) in the belief the environment will be healthier ignores the global pollution problem. Consider, in the Chinese city of Wuhan where the nine mil-

lion residents were advised to stay indoors as a thick haze blanketed the city [5]. Moreover, one report concludes diesel exhaust causes cancer [6]. Meanwhile, in the US, the EPA is proposing tougher rules for soot pollution that could cost additional jobs [7]. The pollution in China is not limited to air quality but also product contamination. For example, high levels of mercury were found in baby formulas [8]. So as we tighten environmental laws in the US and force companies to relocate to China, overall world pollution increases.

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Olesen, Alexa, AP, *China tells US to stop tweets on Beijing's bad air*, June 5, 2012.

2.

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Pierson, David, Los Angeles Times, *More people see China as the world's top economy*, June 14, 2012.

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Barnard, Jeff, AP, *Dock from Japan tsunami washes ashore in Ore.*, June 7, 2012.

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Gallagher, James, BBC News, *Diesel exhausts do cause cancer, says WHO*, June 12, 2012

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Gardner, Timothy, and Crawley, John, Reuters, *U.S. proposes tighter rules on soot pollution*, June 15, 2012.

8.

AFP, *Mercury found in China baby formula*, June 15, 2012.

I believe that this nation should commit itself to achieving the goal, before this decade is out, of landing man on the Moon and returning him safely to the Earth. No single space project...will be more exciting, or more impressive to mankind, or more important...and none will be so difficult or expensive to accomplish...—President John F. Kennedy

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Economy

Regulators resumed closing financial institutions. On Jun 8, four were shuttered: 25) First Capital Bank in Oklahoma; 26) Carolina Federal Savings Bank in South Carolina; 27) Farmers and Traders State Bank in Illinois; and 28) Waccamaw Bank in North Carolina [1]. Then on June 15, three more were closed: 29) Putnam State Bank in Florida; 30) Security Exchange Bank in Georgia; and 31) The Farmers Bank of Lynchburg in Tennessee; [2]. In a prelude to busier times ahead, one news article suggests US banks may be next to get downgraded by the credit rating agencies [3].

For the week ending June 2, the number of first time unemployment claims was 377,000 [4]. Then for the week ending June 9, the number increased to 386,000 [5]. Meanwhile, the U.S. trade deficit for April was \$50.1 billion [6]. Of that, the deficit with China was \$24.6 billion [7]. Overall, China's exports surged 15.3% in May from a year earlier; thereby keeping its economy strong [8]. Perhaps this is one reason China is having a hard time filling job positions [9].

In other disappointing news,

the Fed estimated the average family net worth has fallen 40% from 2007 to 2010 [10]. To put this in perspective, the last time a net worth was less was in 1992 [11]. Furthermore, the revised U.S. retail sales for May fell by 0.2%, the second month in a row for decreases [12]. What's more, the US government reported a \$124.6 billion budget deficit for May; a 31% increase from the year earlier [13]. Finally, the US industrial production fell 0.1 percent in May [14].

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*Why don't you fix your
little problem and light
this candle?—Alan B.
Shepard Jr.*

Japan

For the first time since 1980, shares of Sony stock traded below 1,000 Japanese yen [1]. Moreover, the Tokyo market fell to a 28-year low on June 3 [2].

In 1995, a doomsday cult launched a nerve gas attack in the Tokyo subway system that killed 13 people. On June 15, the last person wanted for the

attack was apprehended [3].

Finally Japan has assessed the need for cheaper energy to maintain trade. To this end, two nuclear power plants will be restarted [4].

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