

IN THE NEWS

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World News

In 1962, China and India were engaged in a border war [1]. Now there is a report that China is constructing an observatory on land seized from India during the 1962 war [2]. Recognizing the threat from China (and Pakistan), India continues to expand its nuclear weapons capability. For example, India announced plans to test its 3,100 mile range Agni V missile [3]. Then on Thursday, April 19, India successfully launched the new missile capable of delivering a nuclear weapon to Beijing [4]. Furthermore, the Indian Agni-V missile is capable of carrying a 1.5 ton nuclear warhead [5]. In response, Chinese sources warned India not to overestimate its strength [6]. Interestingly, Chinese experts believe the Indian missile actually has a range of 8,000 KM and claimed the Indian government downplayed its capabilities to avoid scaring other nations [7]. The Indian missile test highlights the ongoing Asian nuclear arms race with China at the center [8]. However, the nuclear weapons treaty recently signed by the US and Russia doesn't include any of the Asian nuclear weapons states.

China continues to use its newly enhanced military strength. Case in point, Chinese intelligence ships blocked Philippines warships trying to arrest the crews of Chinese fishing boats [9]. Meanwhile, China sent a third warship to the disputed area [10]. In conclusion, China won and the Chinese fishermen were allowed to leave with their catch [11].

The Israel Prime Minister Benjamin Netanyahu accused the UN of giving Iran a freebie by imposing no new restrictions and scheduling additional discussion for May [12]. The US response to the Israeli criticism was to refute Iran received freebie [13]. This exchange perhaps highlights friction between the US and Israel regarding how best to address the Iran nuclear enrichment program. Another area of interest was the presence of 12 Iranian officials from the Shahid Hemmat Industrial Group (SHID) at the failed North Korean missile launch [14]. This could indicate collaboration between North Korea and Iran. With that thought in mind, the expected next nuclear bomb test in North Korea is expected to be a uranium (not plutonium) bomb [15]. Given the difficulty of processing uranium and the close relationship between the two nations, might the North Korean test actually be an Iranian bomb?

Japan is still suffering from international competition. There was a time when Japanese workers were assured lifetime employment in the company they worked for. Not anymore; for example Sony announced it will cut 10,000 jobs [16]. This announcement comes as Sony estimates a record \$ 6.4 billion loss for the business year just ended [17].

(Continued on page 2)

Inside this issue:

Energy	3
Economy	4
North Korea	4

Special points of interest:

- India tested 3,000 mile range missile with 1.5 ton payload
- North Korea missile launch failed
- Head-on collision of Two Dutch trains
- 17th Bank closed

Security

Keeping up with security fixes continues to be a challenge. For instance, Microsoft issued patches for 11 security issues, including one actively exploited [1].

Identity theft continues to be a problematic crime. For example, in New York a

former manager of a Long Island head injury association was charged with stealing 50 patient's identities in order to get their tax refunds [2].

For a long time, users of Apple products have been operating without anti-virus protection. However, once

the market share increased, cyber-criminals began targeting the Mac OSX [3]. What's more, the number of infected Mac computers may be increasing [4].

With China contesting the Philippines over the South China Sea and its sensitivity

(Continued on page 2)

Security

(Continued from page 1)

ty to political events; the expected cyber war was sure to follow. Case in point, Chinese hackers attacked the University of the Philippines website [5]. Similarly, a US website covering China's Bo Xilai scandal was hacked [6].

Whenever there is a rail accident one consideration is the role played by supervisory control and data acquisition (SCADA) software. Typically, SCADA ensures the safety of the system but was not designed with security as a con-

sideration. The latest incident was a head-on collision involving two Dutch trains that injured over 100 people [7].

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World News

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*Inflation is taxation
without legislation-Milton
Friedman*

Energy

With the collapse of Japan's nuclear industry more oil and natural gas are being consumed. For instance, Tokyo Power (Tepco) burned four times the oil for March than it did for the same month last year [1]. Japan currently has only one out of 54 nuclear reactors operating with two given tentative approval to restart [2]. Without nuclear generated electricity, energy costs are more expensive.

Since the Fukushima nuclear reactor meltdowns, Japan has been facing higher energy costs. In turn, the added costs are hurting Japan's export industry. After examining the risks to the people versus the need to maintain export competitiveness, the Japanese government has decided nuclear energy is still viable. For example, the Japanese government has approved the restarting of two nuclear power plants in spite of citizen protests [3].

Meanwhile, the US export of coal reached the highest levels since 1991 with most trade

going to Asia [4]. What's more, South Korea may be importing more coal following disclosure that a nuclear power plant failed a month ago [5].

It seems Iran is turning off tracking systems so oil exports cannot be readily tracked to countries violating the oil embargo [6]. Meanwhile, the US is meeting with Iran to discuss resolutions to the nuclear stand-off [7]. What's more, Israel pointed out that Iran continues to reprocess its nuclear fuel while negotiations continue [8].

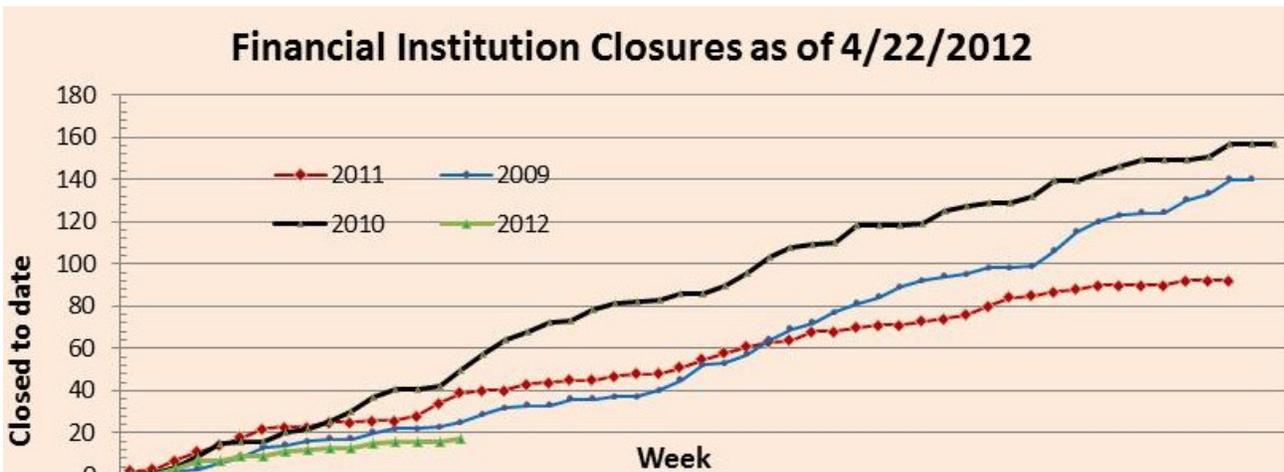
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*Every gun that is made,
every warship launched,
every rocket fired, signifies
in the final sense a theft
from those who hunger
and are not fed, those who
are cold and are not
clothed-Dwight D.*

Eisenhower



Economy

The first time unemployment claims for the week ending April 7 were reported to be 380,00 and the number for the prior week was increased by 10,000 to 367,000 [1]. For the following week ending April 14, the number of claims were 386,000 and the number for the previous week adjusted to 388,000 [2].

The rate of financial institution closures remains low. The chart on page 3 depicts the number of closures thus far

are well below the past three years. What's more, on April 20, only one financial institution was closed: 17) Fort Lee Federal Savings Bank in New Jersey [3].

For years, manufacturing jobs have been exported in mass to China. However, there are signs that industry is looking to move some manufacturing back to the US [4].

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However, even during the preparations for action, we laid our plans in such a manner that should there be progress through diplomatic negotiation, we would be well prepared to cancel operations at the latest moment that communication technology would have permitted-

Hideki Tojo

North Korea

For years leading up to North Korea's nuclear weapons program, China castigated the US for not letting talks resolve the issue [1]. Then in 2006, North Korea conducted its first test of a nuclear bomb [2]. Following that, in 2009 they conducted a second nuclear bomb test [3]. Now, by some reports, North Korea may be planning its third nuclear weapons test [4]. Unlike Iran, North Korea lacked the economic resources but was still able to develop nuclear weapons. This was done in spite of sanctions, aid packages, and negotiations. What's more, China supported the rogue nation throughout.

Now China is providing the same type of cover to Iran that helped North Korea successfully build an atomic bomb. Case in point, China is again calling for flexibility in dealing with the Iranian nuclear program [5].

It was less than 6-weeks after

signing a accord with the US that North Korea announced a rocket launch and there are signs they plan to test another nuclear device [6]. Interestingly, North Korea admitted the missile test failed [7]. What's more, one report indicates that China may have broken UN Sanctions by provided North Korea with its mobile missile launcher [8]. Elsewhere, without providing specifics, Secretary of Defense Leon Panetta acknowledged China is providing North Korea nuclear weapons assistance [9]. A question here is what are we gaining by a policy toward China of appeasement that sends many US jobs to the communist giant?

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