



PROPHETIC TIMES

WEEKLY WORLD NEWS UPDATE

OAKLAND, CALIFORNIA

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OIL PRICE LEAPS TO YEAR'S HIGH

June 10, 2009 Guadian.co.uk reported: "The price of oil burst through the \$71 a barrel mark today amid revelations that proven reserves had fallen for the first time in 10 years and predictions that the price could eventually hit \$250.

The latest high – from 1 rose by \$1.35 to \$71.36. ows of \$30 only four months ago – came on the New York Mercantile Exchange, where the cost of July deliveries. This comes on top of a \$2 rise the day before as investors rushed into the market on the back of lower stockpile figures, higher demand estimates and speculation against further falls in the dollar.

"I wouldn't be surprised if we're testing \$80 in a week or two," said one analyst, while BP's chief executive, Tony Hayward, questioned whether \$90 could be the "right" value.

Kuwait's oil minister, Sheikh Ahmad al-Abdullah al-Sabah, put some of the rise down to signs of recovery in Asia but warned that overall demand was still weaker than last year. Opec would not raise supply at current oil prices but did not rule it out "if it reached \$100", he said.

Alexei Miller, chairman of the Russian energy group Gazprom, raised the stakes further when he reiterated last year's estimates of \$250 a barrel. "This forecast has not become reality yet, given that the [credit] crisis gained momentum and exerted a powerful impact on the global energy market. But does this mean that our forecast was unrealistic? Not at all."

The latest surge has also raised fears that higher energy costs could snuff out the nascent economic recovery. Shares on Wall Street's Nasdaq index fell 1%.

The febrile atmosphere in oil markets was fed by the publication of BP's Statistical Review of World Energy, which showed that the world's proven crude reserves had fallen by 3bn barrels to 1.258tn by 2008 from a revised 1.261tn in 2007.

Declines in important producers such as Russia and Norway offset rises in new areas such as Vietnam, India and Egypt. The figures did not include Canada's tar sands, which are put at 150bn barrels."..."

The drop is partly attributed to a drop in exploration drilling due to the precipitous fall in oil prices last year but also to the end of "easy" oil. Conflict this week in the Amazon and speculation about Arctic drilling underlined how oil companies are pushing into environmentally sensitive places to find new reserves.

Tony Hayward, BP's chief executive, insisted there was enough crude to last 42 years at current consumption levels, roughly the same as last year. Adherents of "peak oil" – the theory that the maximum rate of oil production has been reached – believe supplies will run out much sooner because of growing demand."..."

AMERICANS' NET WORTH SHRINKS \$1.33 TRILLION IN 1Q

June 11, 2009 The Associated Press reported: "American households lost \$1.33 trillion of their wealth in the first three months of the year as the recession took a bite out of stock portfolios and dragged down home prices.

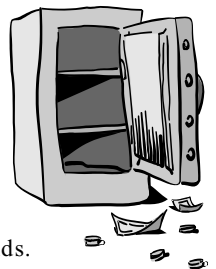
The Federal reserve reported Thursday that household net worth fell to \$50.38 trillion in the January-March quarter, the lowest level since the third quarter of 2004. The first-quarter figure marked a decline of 2.6 percent, or \$1.33 trillion, from the final quarter of 2008.

Net worth represents total assets such as homes and checking accounts, minus liabilities like mortgages and credit card debt. The damage to wealth in the first quarter came from the sinking stock market. The value of Americans' stock holdings dropped 5.8 percent from the final quarter of last year.

Another hit came from falling house prices. The value of household real-estate holdings fell 2.4 percent. Collectively, homeowners had 41.4 percent equity in their homes in the first quarter. That was down from 42.9 percent in the fourth quarter. The latest snapshot of Americans' balance sheets was contained in the Fed's quarterly report called the flow of funds.

Despite the drop, the speed at which net worth shrunk slowed to start the year. During the recession's deepest point in the October-December period, Americans' net worth fell 8.6 percent, according to revised figures.

With wealth declining and unemployment rising, there are questions about how consumers—the lifeblood of the economy—will behave in the coming months."..."



WHO DECLARES FIRST 21ST CENTURY FLU PANDEMIC

June 11, 2009 Reuters reported: "The World Health Organization declared an influenza pandemic on Thursday and called on governments to prepare for a long-term battle against an unstoppable flu virus. The United Nations agency raised its pandemic flu alert to phase 6 on a

six-point scale, indicating the first influenza pandemic since 1968 is under way.

"With today's announcement, WHO moves from an emergency to a longer-term response. Based on past experience, this pandemic will be with us for some months, if not years, to come," WHO Director-General Dr Margaret Chan said in a letter to staff, a copy of which was obtained by Reuters.

People aged 30-50, pregnant women or people suffering from chronic conditions such as asthma, diabetes or obesity are deemed at highest risk, she told a news conference.

Countries from Australia to Chile and the United States are also reporting that the new virus, commonly known as swine flu, is "crowding out" seasonal flu, becoming the predominant influenza strain, she said. For now the virus was "pretty stable," but Chan warned that it could still mutate into a more deadly form, taking on characteristics of the separate H5N1 bird flu virus circulating widely in poultry."..."

OBAMA SEEKS ISRAEL CRISIS FOR MUSLIM SUPPORT

June 10, 2009 Middle East Newsline reported: "President Barack Obama has staged a crisis with Israel in an effort to improve U.S. relations with the Muslim world, a leading American strategic consultant said. Stratfor, a private intelligence consultancy, has asserted that Obama intends to force Israeli Prime Minister Binyamin Netanyahu to halt all Jewish construction in the West Bank and agree to the rapid establishment of a Palestinian state. Stratfor chief executive officer George Friedman said Obama's strategy was meant to demonstrate to the Muslim world his ability and willingness to pressure Israel.

IRAN PREPARES TO LAUNCH BUSHEHR

June 11, 2009 Middle East Newsline reported: "Iran, amid new financial difficulties, said it entered the final stage of its nuclear energy reactor project. The Iranian government has established an administration to operate the 1,000 kilowatt Bushehr reactor, expected to become fully operational in 2010. Officials said the administration would contain 900 employees, including engineers and technicians."..."

US, CHINA AND RUSSIAN LIFT ARMS SPENDING TO NEW RECORD: STUDY

June 8, 2009 SpaceWar.com reported: "World military spending hit a new record in 2008, boosted by the Iraq war, the return of Russia as a global player and the emergence of China, a Swedish think tank said in its annual report Monday.

World arms expenditure totalled 1.464 trillion dollars last year, a rise of 45 percent from a decade ago and representing 2.4 percent of global gross domestic product or 217 dollars for every person on the planet, the Stockholm International Peace Research Institute (SIPRI) said.

Compared with 2007, the figure rose by 4.0 percent in real terms. "The introduction of the idea of 'the war on terrorism' has encouraged several countries to see their problems from a very militarised perspective, and is used to justify high military spending," Sam Perlo-Freeman, the main author of SIPRI's report on military expenditure, said in a statement. "At the same time, the wars in Iraq and Afghanistan have cost an extra 903 billion dollars in increased military spending for the United States alone," he said.



The United States is, as expected, by far the world's biggest arms spender, according to the think tank. It represented almost 42 percent of the 2008 total, more than the 14 other top countries combined in what SIPRI described as a legacy from former president George W. Bush. Since 1999, US defense spending has soared by 67 percent in real terms to 607 billion dollars last year. China, which like Russia has almost tripled its military expenditure in the past 10 years, was for the first time the world's second-biggest arms spender in 2008.

SIPRI estimated its spending at 84.9 billion dollars, which accounted for six percent of the global total. That would put it ahead of France and Britain, which each accounted for 4.5 percent. "China's increase has roughly paralleled its economic growth and is also linked to its major power aspirations," SIPRI said. Russia, like China, took advantage of the recent years' economic boom prior to the global crisis to reassert its superpower ambitions, returning to fifth position on SIPRI's list in 2008 after a decline in the post-Cold War period.

Meanwhile, military spending in South America soared by 50 percent in 2008 over the previous decade, "led by Brazil's long-term push for regional power status and Colombia's escalating spending related to its internal conflict," the think tank wrote. Among the top 15 biggest spenders, only Germany and Japan have decreased their arms spending since 1999, with drops of 11 percent and 1.7 percent respectively last year."..."

RIGHTISTS TO PERES: NOT YOUR PLACE TO CALL FOR PALESTINIAN STATE

June 11, 2009 Haaretz.com reported: "Two right-wing parties on Thursday demanded that President Shimon Peres immediately desist from "interfering" in controversial political matters, shortly after he called for a Palestinian state with provisional borders.

"The president of the state lacks any authority in political matters, in particular diplomatic and political subjects that are steeped in controversy," wrote MK Zevulun Orlev, chairman of Habayit Hayehudi, which is in Prime Minister Benjamin Netanyahu's coalition, in a letter to Peres.

Peres made the comments during a meeting with the European Union's chief foreign policy official, Javier Solana, with whom he discussed the latest developments in the Israeli-Palestinian peace process."

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