

## IN THE NEWS

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### World News

The tension between China and its neighbors over the South China Sea continues to heat up. Japan seized a Chinese fishing vessel that entered disputed Senkaku islands and later released the crew [1]. What's more, the new Japanese Prime Minister ordered the military to increase surveillance of the contested islands [2]. This came after Japan issued a protest over four Chinese maritime surveillance ships that spent hours in the waters of the contested islands [3]. One report suggests that China is now flying fighter aircraft into the disputed area [4]. In response, Japan plans to form a dedicated coast guard group to patrol the Senkaku islands [5]. Additionally, for the first time in 11-years, Japan plans to increase its military spending [6]. Concurrently, indications are that China is preparing its next strategic missile defense test [7].

Meanwhile, India and Pakistan clashed near the volatile Kashmir boarder [8]. India is claiming two of its soldiers were killed in the skirmish [9]. Similarly, Pakistan claims one of its soldier was killed [10]. What's more, there have been three skirmishes tied to the current crisis; keeping the armies in a state or heightened readiness [11].

In the Middle-East, reports indicate Syria has launched ballistic missiles at rebel cities located in the northern part of the country [12]. Additionally, there were reports of rebels fighting within a Syrian air base located in the northern part of Syria [13]. Another indication of the widening civil war is a report that rebels now control a large helicopter military base [14].

1. Shen, Feifei, Bloomberg, *Japan Releases Chinese Fishing Boat Amid Tensions on Islands*, December 31, 2012.
2. Takenaka, Kiyoshi, et. al., Reuters, *Japan PM orders stronger surveillance near disputed isles*, January 8, 2013.
3. AP, *Tokyo protests to China over 4 ships near islands*, January 8, 2013.
4. Johnson, Robert, Business Insider, *China Warns Citizens To 'Prepare For The Worst' As It Sends Fighters To East China Sea*, January 11, 2013.
5. Japan Times, *Japan Coast Guard to form dedicated group for Senkaku* (Continued on page 2)

### Security

One report indicates 36,000 user's personal information was breached from Army command databases [1]. Meanwhile, bad actors are exploiting a zero-day bug in Microsoft Internet Explorers versions 6, 7, and 8 [2]. In response, Microsoft issued a tool to temporary fix to the problem [3].

State sponsored cyber-attacks against the US con-

tinue. For instance, the recent cyber-attacks directed against US banks appears to be the work of Iran [4].

Once again, Java exploits are in the news. A zero-date Java version 7 vulnerability is being exploited [5]. Some security experts are advising users to disable Java to avoid the widespread exploit [6]. Additionally, there is Java server malicious software (Malware) target-

ing Windows systems [7].

1. Walker, Danielle, SC Magazine, *Army commands databases hacked, info of 36k accessed*, December 28, 2012.
2. Keizer, Gregg, Computer World, *Microsoft confirms zero-day bug in IE6, IE7 and IE8*, December 29, 2012.
3. Kaplan, Dan, SC Mag-

(Continued on page 2)

#### Inside this issue:

Energy	3
Laser Weapon Technology	3
Economy	4

#### Special points of interest:

- Unemployment rate for December increased to 7.8%
- 164,000 more unemployed during December
- India and Pakistan troops clash
- Beijing air pollution level reaches hazardous to humans
- First bank in 2013 shuttered

## Security

(Continued from page 1)

- azine, *Microsoft issues temporary fix for zero-day IE vulnerability*, January 2, 2013.
4. Perlroth, Nicole, and Hardy, Quentin, *New York Times, Bank Hacks Were Work of Iranians, Officials Say*, January 8, 2013.
  5. Kessler, Topher, cnet, *New malware exploiting Java 7 in Windows and Unix systems*, January 11, 2013.
  6. Schwartz, Mathew J., *Information Week, Java Under Attack Again, Dis-*
  7. Walker, Danielle, *SC Magazine, Java server malware targets Windows systems*, January 2, 2013.

## World News

(Continued from page 1)

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*Never give advice  
unasked—German Proverb*

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- patrols, January 12, 2013.
6. Japan Times, *SDF spending targeted to rise in fiscal 2013*, January 7, 2013
  7. Gertz, Bill, *Washington Times, Inside the Ring: Chinese missile defense test?*, January 9, 2013.
  8. BBC News, *India and Pakistan in Kashmir border skirmish*, January 6, 2013.
  9. Khan, Shaan, et. al., *CNN, India says 2 soldiers killed in clash with Pakistani troops in Kashmir*, January 8, 2013.
  10. Rodriguez, Alex, and Magnier, Mark, *Los Angeles Times, Pakistan says soldier killed by Indian troops in cross-border raid*, January 6, 2013.
  11. Abbot, Sebastian, *AP, Pakistani soldier killed by Indian gunfire*, January 10, 2013.
  12. BBC News, *Syria fires ballistic missile at rebels, Nato says*, January 10, 2013.
  13. Aji, Albert, and Surk, Barbara, *AP, Syrian rebels fight at air base; missile detected*, January 10, 2013.
  14. Solomon, Erika, and Nebehay, Stephanie, *Reuters, Syria rebels seize base as envoy holds talks*, January 11, 2013

## Energy

Accidents are one risk with third world countries developing nuclear technology. Case in point, Iran is ordering the evacuation of a 1.5 million population city near a nuclear processing plant to flee [1]. According to the Iranian government, the city Isfahan was ordered to evacuate due to high levels of pollution [2].

All indications are that Iran will continue its nuclear weapons program. However, the rogue nation needs additional uranium to continue its nuclear enrichment. One report suggests Iran may take an estimated 50-tons of uranium from Syria [3].

One nuclear technology that offers the promise of lower risk nuclear power is Thorium. To this end, China is

moving full speed ahead with developing Thorium technology [4].

Domestically, the US continues to produce more of its energy needs. For instance, fracking technology has helped the US meet 83% of its energy needs last year, the highest percentage since 1991 [5].

One side effect of uncontrolled energy expansion is pollution. Expectedly, Beijing, China reached air pollution levels considered hazardous to people [6]. Unlike the Iranian city of Isfahan; China has no plans to evacuate Beijing.

1. Kredo, Adam, Washington Free Beacon, *Iran to Citizens: Flee Isfahan*, January 2, 2013.
2. Jerusalem Post, *Report: Iran orders evacuation of*

*Isfahan, near nuke site*, January 3, 2013.

3. Blitz, James, Financial Times, *Fears raised over Syria uranium stockpile*, January 8, 2013.
4. Telegraph (UK), *China blazes trail for 'clean' nuclear power from thorium*, January 6, 2013.
5. Loder, Asjylyn, Bloomberg, *Fracking Pushes U.S. Oil Production to Highest in 20 Years*, January 9, 2013.
6. BBC News, *Beijing air pollution soars to hazard level*, January 12, 2013.

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*The release of atomic energy has not created a new problem. It has merely made more urgent the necessity of solving an existing one-Albert Einstein*

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For years we have worried about weapons that could take down commercial aircraft. In particular, man portable surface to air missiles have been a major concern. However, the world of science fiction is becoming the world of reality.

Case in point, a German company demonstrated a small laser system that can cut through 11 millimeters of steel at a distance of one mile [1]. The 50 Kilo-watt laser successfully downed targets during poor weather conditions [2].

Likewise, Lockheed Martin demonstrated a Laser proto-

type that successfully destroyed an inflight missile from approximately one mile distant [3]. However, the Lockheed Martin Laser was operating at only 10 Kilo-watts of power [4].

Nevertheless, it seems lasers are here to stay with multiple sources demonstrating their capabilities. Once these become smaller, the threats to commercial aircraft will be greater.

1. BBC News, *Rheinmetall demos laser that can shoot down drones*, January 8, 2013.
2. UPI, *Rheinmetall's 50kW*

*laser proves worth*, January 2, 2013.

3. Eshel, Tamir, Defense Update, *Lockheed Martin Demonstrates High-Energy Laser C-RAM Application*, January 7, 2013.
4. Warwick, Graham, Aviation Week, *Lockheed Tests Laser For Countering Rockets*, November 29, 2012.

## Economy

Regulators shuttered the first bank of the year; the Westside Community Bank in Washington state [1]. Concurrently, employment remains weak. For instance, the Labor Department reported the unemployment rate for December increased 0.1% to 7.8% [2]. While 155,000 jobs were added in December, the number unemployed actually increased by 164,000 [3]. For the week ending December 29, the number of first time unemployment claims reported by the Labor Department was 372,000; the previous week was revised upward 12,000 to 362,000 [3]. For the week ending January 5, the number of claims was reported to be 371,000 [5].

Meanwhile the one-sided trade wars continue. For instance, the Japanese currency (the Yen) hit a 29-month low against the dollar [6]. With the Fed printing trillions of

dollars, a move that should weaken the value of the dollar, why is the yen's value falling?

At the same time, as the US continues to struggle through the tough economic times, China is expanding. For example, Chinese exports increased 14.1% in December compared to the year before [7]. The US trade deficit for November was \$48.7 billion [8]. In particular, the Trade deficit with China was \$29 billion [9].

1. DeSilver, Drew, Seattle Times, *Westside Community Bank fails*, January 11, 2013
2. Carroll, Doug, USA Today, *Economy added 155,000 jobs in December*, January 4, 2013.
3. AP, *December jobs report: 155,000 added, unemployment still 7.8 pct.*, January 4, 2013.
4. Woellert, Lorraine, Bloomberg, *Jobless Claims*
5. Reuters, *Jobless claims rise, but jobs market recovery intact*, January 10, 2013.
6. Debnath, Anooja, Reuters, *Dollar hits 29-month high vs yet; may gain on payrolls*, January 4, 2013.
7. Wang, Wynne, Wall Street Journal, *China Yuan up on Strong December Trade Data*, January 10, 2013.
8. AP, *US trade gap grows to \$48.7B in November; consumer spend more on imports, while exports lag*, January 11, 2013.
9. RTT News, *U.S. Trade Deficit Unexpectedly Widens To \$48.7 Billion In November*, January 11, 2013.

in U.S. *Rose More Than Forecast in Holidays*, January 3, 2013.

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*You can fool all the people  
all the time if the  
advertising is right and the  
budget is big enough—  
Joseph E. Levine*

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