

IN THE NEWS

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World News

China continues to modernize its military capabilities. At a time when the US is so dependent on Global Positioning System (GPS) satellites; China is demonstrating they can target this system [1]. Additionally, China conducted a test in the Gobi desert of its DF-21D missile designed to hit US aircraft carriers [2].

Meanwhile, the Syrian government continues to bomb rebels located in the suburbs of Damascus [3]. What's more, one report indicates chemical weapons were used during December by the Syrian government forces [4]. This follows a report last December indicating 'Agent-15' chemical weapons were used against rebel forces [5]. In response, the US has downplayed the report [6]. The situation in Syria has deteriorated to the point that Russia is starting to evacuate its people [7].

Events in the South China Sea continue to escalate. For example, for the first time, both Japanese and Chinese super-sonic fighters were in the airspace above contested islands [8]. The situation was tense as Chinese fighters tailed Japanese warplanes [9]. Moreover, one Chinese military officer warned Australia not side with Japan and pointed out China has a strategic nuclear arsenal ready for use [10]. While the number of actual nuclear warheads China has is questionable, one study dating back to 2011 estimates 3,000 devices [11].

What's more, the Philippines claims islands 124-miles from its shore; however, China also claims the same islands even though they are over 500-miles from Chinese shores [12]. In response to China's military actions, the Philippines government is seeking international arbitration to resolve the crisis [13]. Expectedly, China appears to be ignoring the Philippines request for arbitration [14]. Perhaps China's ever increasing demand for oil is driving its belligerent action. For example, China's oil consumption for December hit a new record high, averaging 10.58 million barrels per day [15]. However, China plans to limit oil imports to 61% by 2015 [16].

1. Reuters, *RPT-China's space activities raising US satellite security concerns*, January 14, 2013.
2. Johnson, Robert, Business Insider, *China Successfully Tests 'Carrier Killer' Missile In The Gobi Desert [REPORT]*, January 25, 2013.

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Security

One problem with security vulnerabilities is the case where the exploit goes undetected. Case in point, the just discovered 'Red October' cyber-attack appears to have been targeting governments, nuclear research labs, oil, and gas targets since 2007 [1]. It appears that this exploit used a vulnerability within Java [2]. A question here is how

many other exploits are ongoing yet undetected?

Meanwhile, concerns over Java security remain. Oracle issued a security patch to fix the latest security vulnerabilities [3]. However, the Department of Homeland Security's Computer Emergency Readiness Team is warning Java still lacks adequate security and should be disabled [4].

On the financial front, banks are asking the government for help in blocking cyber-attacks originating from Iran [5]. For example, three people were arrested for their part in the Gozi computer virus that infected over 1 million machines and netted \$50 million in illegal funds [6].

Attacks to the critical infra-

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Special points of interest:

- Java vulnerabilities continue
- Second bank shuttered
- North Korea announced preparation for new nuclear test
- China's pollution

Security

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structure are also in the news. One report indicates malware infected the controls of a power generating facility [7].

1. Lee, David, BBC News, 'Red October' cyber-attack found by Russian researchers, January 14, 2013.
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Java exploit for spy campaign, January 16, 2013.

3. Nakashima, Ryan, AP, Oracle issues Java fix; feds maintain warning, January 14, 2013
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5. Gorman, Siobhan, and Yadron, Danny, Wall

Street Journal, Banks Seek U.S. Help on Iran Cyberattacks, January 15, 2013.

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Pollution is nothing but the resources we are not harvesting. We allow them to disperse because we've been ignorant of their value—Richard Buckminster Fuller

World News

(Continued from page 1)

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4. Rogin, Josh, Foreign Policy, Exclusive: Secret State Department cable: Chemical weapons used in Syria, January 15, 2013.
5. Ingersoll, Geoffrey, and Johnson, Robert, Business Insider, Here's What The 'Agent 15' Chemical Doctors Say Was Used In Syria Does To People, December 24, 2012.
6. Mohammed, Arshad, Reuters, U.S. plays down media report that Syria used chemical weapons, January 16, 2013.
7. Mroue, Bassem, and

Isachenkov, Vladimir, AP, Moscow to start evacuating Russians from Syria, January 21, 2013.

8. Perlez, Jane, New York Times, As dispute over islands escalates, Japan and China send fighter jets to scene, January 19, 2013.
9. Talmadge, Eric, AP, Tensions high between Japan, China over islands, January 20, 2013.
10. Torres, Ida, The Japan Daily Press, Chinese military officer warns Australia about siding with Japan in disputes, January 22, 2013.
11. Daily Mail (UK), China has up to 3,000 nuclear weapons hidden in tunnels', three-year study of secret documents reveals, Decem-

ber 1, 2011.

12. Maresca, Thomas, USA Today, Seabed a hotbed of controversy for Philippines, China, January 22, 2013.
13. Gomez, Jim, AP, Philippines taking S. China Sea fight to tribunal, January 22, 2013.
14. VOA, China Likely to Ignore Philippines' Challenge in South China Sea, January 22, 2013.
15. Saefong, Myra P., Market Watch, China oil demand hit a record in December: Platts, January 22, 2013.
16. Ma, Wayne, Wall Street Journal, China Aims to Import 61% of Crude-Oil Needs by 2015, January 23, 2013.

Nuclear

The threat of nuclear war increases as rogue nations continue to expand their atomic weapons. For instance, North Korea warned that its nuclear weapons program is non-negotiable and appears to be planning another atomic weapon test [1]. What's more, the rogue nation announced plans for more missile testing and higher value nuclear bomb testing to contest its claimed enemy the United States [2]. The implication is the US is the target of North Korea's missile development effort [3]. One lingering question is will the nuclear device be Iranian?

With such a dismal result in containing North Korea's nuclear weapons program, it should come as no surprise that other nations would follow a similar path. Case in point, Iran has consistently refused to allow international inspections of its nuclear program, suggesting a commitment to building atomic weap-

ons [4]. Then there is the Israeli policy of preventing Iran from becoming a nuclear weapons power [5]. However, there may not be much that can be done short of military intervention.

Tensions between nuclear powers India and Pakistan over the contested Kashmir region remain high. For example Indian police are warning local people to prepare for possible nuclear war and offered survival tips [5]. By one estimate, Pakistan may have 115 nuclear warheads and is in the process of completing plutonium plants capable of adding 19 to 26 additional devices per year [7].

Meanwhile, China continues to modernize its nuclear forces. For instance, China is purchasing 36 Russian Tu-22M3 supersonic, swing-wing bombers that can fly at 1,240 mph and has a 1,500-mile combat radius [8].

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January 23, 2012.

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5. Reuters/Chicago Tribune, *Netanyahu says preventing nuclear Iran his primary challenge*, January 22, 2012.
6. Hussain, Aijaz, AP, *Kashmir police publish nuclear war survival tips*, January 22, 2013.
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*There's so much pollution
in the air now that if it
weren't for our lungs
there'd be no place to put
it all—Robert Orben*

One of the star technologies cited in reducing pollution is biofuels. However, the environmental impact of biofuels is now in question. For instance, one study from Norway indicates biofuel pollution is more harmful than burning regular fuels [1].

Meanwhile, China announced air pollution in Beijing fell after reaching record levels [2]. Elsewhere in China, smog remains a serious problem. For instance, in Eastern China, a factory fire raged for hours because people were unable to distinguish smoke from smog [3]. The pollution was so bad

that some areas had only 328 feet of visibility as pollution levels reached 35 times the World Health Organization's safe limits [4]. Not surprisingly, 7 of the 10 most polluted cities are located in China [5]. Moreover, extending the list further, 16 of the top 20 most polluted cities are also in China [6]. What this shows is that as the US exports industry to China, pollution is a byproduct.

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Beijing Pollution Lifts as Party Answers Critics, January 15, 2013.

3. VOA News, *China Fog Masks Factory Fire*, January 15, 2013.
4. UPI, *China to tackle air pollution?*, January 15, 2013.
5. Staedter, Tracy, Discovery News, *7 of 10 Most Air-Polluted Cities Are in China*, January 16, 2013.
6. Beech, Hannah, Time, *Beijing Chokes on Record Pollution, and Even the Government Admits There's a Problem*, January 14, 2013.

Pollution

Economy

While much of Europe has been in a recession, Germany was still showing growth. However, during the last quarter, Germany's gross domestic product decreased by 0.5% [1].

Meanwhile, following Japan's weakening of the Yen, Russia is warning of world-wide currency wars [2]. What's more, Japan plans to pump money into the system for as long as necessary [3]. The impact to the US will be cheaper imported goods at the cost of more American jobs.

For the week ending January 12 the number of first time unemployment claims reported by the Labor Department was a five year low of 335,000 [4]. For the week ending January 19, the number fell further to 330,000 first time claims [5].

Furthermore, regulators continued the process of closing banks. On January 18, the 1st Regents Bank in Minnesota became the second bank shut-

tered during 2013 [6].

While the US struggles to recover from economic problems, China continues to grow. For instance, during the fourth quarter of 2012, China's economy grew at a 7.9% rate [7]. When looking at the entire year, China's 2012 economy saw a growth of 7.8% [8]. One impact of China's growth is an increase in the cost of oil [9]. In turn, this increases the US cost of imported energy.

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2. Kennedy, Simon, and Rose, Scott, Bloomberg, *Russia Says World Is Nearing Currency War as Europe Joins*, January 16, 2013.
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7. Yao, Kevin, and Wang, Aileen, Reuters, *China's economy posts slowest growth since 1999*, January 18, 2013.
8. Inocencio, Ramy, CNN, *China's economy grows 7.8% for 2012, better than expected*, January 18, 2013.
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*The best way to destroy the
capitalist system is to
debauch the currency—
Vladimir Lenin*
