

IN THE NEWS

VOLUME 7 ISSUE 7

APRIL 6, 2014

World News

In a further sign of military reductions, the Tomahawk cruise missile along with the Hellfire missile programs will be terminated [1]. This comes as the Senate hears testimony the US Army will shrink to between 420,000 and 450,000 depending on the severity of budget cuts [2]. At the same time, Secretary of Defense Hagel promised Japanese officials that two additional US Navy missile defense destroyers would be deployed by 2017 to counter China and North Korea aggression [3]. Given the reduction in military spending, it is unclear where these two ships will come from.

Unlike when Russia fought Georgia in 2008; Russian soldiers inside the Crimea were well equipped and trained [4]. With Russia's conquest of the Crimea, the US plans to isolate Russia [5]. However, the US is paying Russia \$71 million for a rocket ride to the international space station [6]. Furthermore, as the US tries to maintain its nuclear force under continuing budget cuts; Russia continues a 10-year old program to modernize its nuclear capability [7]. As a final action to spite the West; after NATO indicated they plan to move troops into would other countries along the Russian border, Russia recalled its ambassador to NATO [8]. Finally, the US is warning Russia not to invade Moldova [9].

In the South China Sea, the contest to control the water continues. In the latest exchange, a Philippine supply ship was able to maneuver around the Chinese blockade and resupply the approximate 8 soldiers that are garrisoned aboard a rusting World II transport ship beached on a coral reef [10]. The US may find itself facing China due the occupied beached ship because the reef its on is claimed by both China and the Philippines. If China decides to forcefully tow the ship, the United States-Philippines Mutual Defense Treaty may require the US to act [11]. However, as we have seen from the Russian invasion of the Ukraine, sometimes commitments are not always honored.

Meanwhile, North and South Korea exchanged artillery fire across the international maritime boundary [12]. Elsewhere, a People Liberation Army (PLA) retired general suggests war between Japan and China is more likely and that China will be victorious [13]. Fearing the Chinese may follow the Russian annexation of Crimea approach; the US warned China not to do something similar in the South China Sea [13]. In the Middle-East, Iran continues to poke its finger in the eye of the US. For instance, one of the 1979 hostage takers at the US embassy has been names a UN envoy [14].

1. Kredo, Adam, Washington Free Beacon, *Obama to Kill Tomahawk, Hellfire Missile Programs*, March 24, 2014.
2. Washington Post, *Transcript: Senate Armed Services Committee hearing on the Army, Fort Hood*, April 3, 2014.

(Continued on page 2)

Security

Hackers continue to find ways to gain wealth. In the latest example, bad actors were able to steal \$1.5 million in toner cartridges through fraudulent orders [1]. Elsewhere, two hackers pleaded guilty in a New Jersey Federal

Court for trying to steal \$15 million from US bank customers [2].

Not surprisingly, the number of government information security incidents continues to rise. For 2013, 25,566 incidents were reported, up from 22,156 the

year before [3]. Readers should note, this is a minimum number because some incidents are not reported or went undetected. In any case, the 2013 number is a new record high.

1. Washington Free Bea-

(Continued on page 2)

Inside this issue:

Terrorism	3
Economy	4
China Pollution	4

Special points of interest:

- US to kill Tomahawk cruise missile
- 192,000 jobs added in March
- 500,000 more people looking for jobs in March
- March unemployment rate remains 6.7%

Security

(Continued from page 1)

con, *Hackers Steal \$1.5 Million in Printer Ink from FBI, EPA, GSA*, April 4, 2014.

- Walker, Danielle, *Two men plead guilty to role in worldwide hacking operation*, SC Magazine, April 2, 2014.
- Harrington, Elizabeth,

Washington Free Beacon, *Gov't Breaks Record for Number of Data Breaches in 2013*, April 3, 2014.

World News

(Continued from page 1)

- Stewart, Phil, and Kubo, Nobuhiro, Reuters, *U.S., in nod to Tokyo, to send more ships to Japan, prods China*, April 6, 2014.
- Chivers, C. J., and Herszenhorn, David M., New York Times, *Crimea Offers Showcase for Russia's Rebooted Military*, April 2, 2014.
- Kuhnenn, Jim AP, *Obama to try to rally world to isolate Russia*, March 24, 2014.
- Fox News, *Payin' Putin: As Ukraine crisis simmers, NASA to pay Russia \$71M for rocket ride*, March 24, 2014.
- Gertz, Bill, Washington Free Beacon, *Admiral Warns that Risk of Nuclear Conflict Is Growing*, April 3, 2014.
- Gumuchian, Marie-

Louise, et. al., CNN, *Russia recalls ambassador to NATO amid Ukraine tensions*, April 4, 2014.

- Kredo, Adam, Washington Free Beacon, *Senate Seeks to Warn Russia Over Looming Invasion of Moldova*, April 3, 2014.
- de Castro, Erik, and Ng, Roli, Reuters, *Philippine ship dodges China blockade to reach South China Sea outpost*, March 31, 2014.
- Diola, Camille, Philippines Starr, *'US may act if China tows Philippine ship'*, April 4, 2014.
- Kim, Cynthia, et. al., Bloomberg, *South Korea Exchanges Artillery Fire With North*, March 31, 2014.
- Chan, Minnie, South China Morning Post, *Chances of war between China and Japan increasing, says ex-PLA officer Luo*

Yuan, April 2, 2014.

- Brunnstrom, David, Reuters, *U.S. warns China not to try Crimea-style action in Asia*, April 4, 2014.
- Foroohar, Kambiz, Bloomberg, *Iran Names 1979 U.S. Embassy Hostage-Taker Its UN Envoy*, March 30, 2014.

The only real power comes out of a long rifle—Joseph Stalin

Terrorism

The war in Syria continues to test the resolve of neighboring countries. Case in point, Turkey shot down a Syrian warplane [1]. One piece suggests Al Qaeda may use Syria as a springboard to launch attacks against the West [2]. What's more, the current estimates of people killed in the Syrian conflict now tops 140,000 [3].

Some have proposed tough gun control laws to stem the risk from terrorism. However, as China has recently learned, terrorist will use any means to affect the same result. Case in point, in the latest mass murder attack, the terrorists used knives [4].

In Afghanistan, a suicide bomber was responsible for the death of at least six police officers [5]. Then in the neighboring country of Pakistan, a bomb exploded just after the former military leader, Pervez Musharraf, passed the site of the explosion [6]. This comes after Pakistan tried to restart peace talks with the Taliban terrorist group [7]. Moreover,

the number of Taliban attacks along the Afghanistan side of the border has been on the increase [8].

Meanwhile, Iraq remains a hot bed for terrorist activities. For instance, 20 Iraqi soldiers were killed when terrorists blew up a house [9].

1. Arsu, Sebnem, New York Times, *Turkey Downs Warplane From Syria After Warning*, March 23, 2014.
2. Washington Free Beacon, *Al Qaeda May Use Syria as Launch Pad for Terror Attacks on West*, March 26, 2014.
3. Karouny, Mariam, Reuters, *Apocalyptic prophecies drive both sides to Syrian battle for end of time*, April 1, 2014.
4. MacLeod, Calum, USA Today, *No guns, just knives: Chilling details of 'China's 9/11'*, March 30, 2014.
5. Bengali, Shashank, and Baktash, Hashmat, Los Angeles Times, *Suicide*

blast at Afghan Interior Ministry kills 6 police officers, April 2, 2014.

6. Shah, Saeed, Wall Street Journal, *Bomb Misses Convoy of Former Pakistani Military Ruler*, April 4, 2014.
7. Fry, Maddy, Time, *Pakistan Tries to Revive Peace Talks by Freeing 16 Taliban Prisoners*, April 3, 2014.
8. AP/Washington Post, *Afghans say Pakistani Taliban border attacks rise*, April 3, 2014.
9. Reuters, *At least 20 Iraqi soldiers killed in attacks*, April 5, 2014.

When the States already had nuclear weapons, and the Soviet Union was only building them, we got a significant amount of information through Soviet foreign intelligence channels—Vladimir Putin

Economy

In the past six years, the percentage of US worker participation fell from 66% to 63%, a loss of 7.4 million workers; placing the US behind the UK for the first time in 36 years [1]. According to the Labor Department, the number of first time unemployment claims for the week ending March 22 was 311,000 [2]. Then for the following week, the number reported was 326,000 [3]. March added 192,000 jobs; unfortunately, 500,000 people entered the work force leaving the unemployment rate at 6.7% [4]. One piece points out the US middle class is losing out to China and India [5]. What the article does not address are unfair trade practices. So, while the US continues to lose jobs to China, the communist giant maintains unfair trade practices. Case in point, the World Trade Organization determined China's restriction of rare earths is unfair [6]. One opinion piece points out the treaty violators get a free pass to kill competition without retroactive consequences [7]. This illustrates the timeline that allows China years to practice unfair trade

before having to step up and say they will no longer follow the practice. In the interim, US industries go bankrupt sending jobs over seas; all while the resulting pollution is choking the planet. To illustrate the cost, the trade deficit for February was reported by the Commerce Department to be \$42.3 billion with China making up \$20.9 billion [8]. We can only hope our leaders will get some skin in the game and help the US combat unfair trade.

Meanwhile, as US industry tries to compete internationally, the US is planning to increase the minimum wage. The Congressional Budget Office estimates increasing the minimum wage to \$10.10 per hour will cost US industry \$15 billion and increase the deficit by \$5 billion over 10 years [8]. It is unclear why the focus is not on getting the number of employed people increased instead of enriching the few that are employed.

1. O'Connor, Sarah and Harding, Robin, Financial Times, *US loses edge as employment powerhouse*, March 24, 2014.
2. Jamrisko, Michelle, Busi-

ness Week, *Jobless Claims in U.S. Unexpectedly Decreased Last Week*, March 27, 2014.

3. Puzanghera, Jim, Los Angeles Times, *Jobless claims rise, but remain low heading into Friday's jobs report*, April 3, 2014.
4. Woellert, Lorraine, Bloomberg, *Payrolls in U.S. Rose 192,000 in March, Unemployment 6.7%*, April 5, 2014.
5. New York Times, *Is the American Middle Class Losing Out to China and India?*, April 1, 2014.
6. Jollymarch, David, New York Times, *China Export Restrictions on Metals Violate Global Trade Law, Panel Finds*, March 26, 2014.
7. Wu, Mark, New York Times, *A Free Pass for China*, April 2, 2014.
8. Crutsinger, Martin, AP, *US trade deficit hits \$42.3 billion in February*, April 3, 2014.
9. McMorris, Bill, Washington Free Beacon, *CBO: Minimum Wage Hike Will Increase Deficit*, March 26, 2014.

China Pollution

As the industrialized world breathes in the air pollution generated by China, the World Health Organization (WHO) is issuing a warning. The WHO is estimating 7 million deaths each year are the result of air pollution [1]. Perhaps the best way to understand how bad China's air is; Chinese residents lined up to breath bags of sealed fresh mountain air [2].

With its heavy pollution and desertification of land, China is looking to farm in other parts of the world [3]. Additionally, by one estimate, over 280 million Chinese drink unsafe water and 50% of China's rivers have disappeared [4].

1. Vidal, John, The Telegraph (UK), *WHO: air pollution 'is single biggest environmental health risk'*,

March 25, 2014.

2. Cha, Frances, and Wong, Hiufu, CNN, *Chinese residents line up for bags of fresh mountain air*, April 4, 2014.
3. Demick, Barbara, Los Angeles Times, *China looks abroad for greener pastures*, March 29, 2014.
4. Keyi, Sheng, New York Times, *China's Poisonous Waterways*, April 4, 2014.

*After every major conflict -
World War I, World War
II, Korea, Vietnam, the
fall of the Soviet Union -
what happened was that
we ultimately hollowed out
the force, largely by doing
deep across-the-board cuts-*

Leon Panetta
