

IN THE NEWS

VOLUME 10 ISSUE 4

MARCH 19, 2017

World News

China is protesting plans for a U.S. anti-missile system located in South Korea [1]. In response to the US system, China is retaliating against South Korean companies located in China [2]. Separately, a spokeswoman for China's parliament announced a military spending increase of 7% [3]. This comes as China announced plans to construct a permanent structure in the Scarborough Shoal located northwestern of the Philippines [4]. These aggressive actions set the stage for potential future conflict.

To understand what technologies China's military might be investing in we first look at commercial offerings. During the International Defense Exhibition and Conference (IDEX) in Abu Dhabi, China's Poly Technologies displayed a laser weapon system capable of emitting over 30 KW of directed energy power with a range of 4 KM [5]. The laser weapons is advertised in the 50–70 KW range [6]. This suggests China is a serious contender in laser weapons. Following news of the Chinese commercial laser, one article indicates the US Army will receive a 60 KW laser from Lockheed Martin for testing [7].

As China continues to its aggressive military expansion, it also supports the rogue actions of North Korea. Consider, North Korea launched four ballistic missiles into waters near Japan [8]. One piece suggests the latest missile test was a test for future attacks against US bases located in Japan [9]. The aggressive North Korean actions are causing some Japanese lawmakers to call for first strike weapon systems [10]. In any case, North Korea's nuclear program is increasing the risk of war [11]. In response, the US Secretary of State issued a warning that a military action is not off the table [12]. With all the destabilizing actions taken by North Korea, China still calls for

(Continued on page 2)

Security

In many past newsletters, we are pointed out how insecure our information technology is. Now, one piece suggests the US will be vulnerable to catastrophic cyber attacks from Russia and China for the next 10 years [1]. This warning comes after AT&T suffered a massive outage effecting 911 service in several states [2].

Meanwhile, a 53-GByte Dun & Bradstreet database containing 33.6 million

records was discovered exposed [3]. A security researcher received an unauthorized copy of the database so it's unclear who else may have obtained the information [4].

Concurrently, the race to fix security flaws continues. Microsoft released patches to address 18 security bulletins [5]. Then Cisco released patches to fix security vulnerabilities [6].

1. Gertz, Bill, Washing-

ton Free Beacon, *Pentagon: Russia, China Able to Launch Catastrophic Cyber Attacks on U.S. Infrastructure for Next 10 Years*, March 10, 2017.

2. AP/ABC News, AT&T says 911 outage affecting several states has been fixed, March 8, 2017.

3. Olenick, Doug, SC Magazine, *Dun & Brad-*

(Continued on page 2)

Inside this issue:

Terrorism	3
Economy	4

Special points of interest:

- DJIA closed above 21,000
- Third bank shuttered this year

Security

(Continued from page 1)

- street database breached, 33.6M files vulnerable, March 15, 2017.
4. Rogers, James, Fox News, *Military personnel data leaked in Dun & Bradstreet database*, March 16, 2017
 5. Robinson, Teri, SC Magazine, *Patch Tuesday: Microsoft releases 18 Security Bulletins, 8 critical*, March 14, 2017.
 6. Masters, Greg, SC Magazine, *Cisco patches several tools*, March 16, 2017.

World News

(Continued from page 1)

If stock market experts were so expert, they would be buying stock, not selling advice—Norman Ralph Augustine

peaceful dialog [13].

1. Watt, Louise, AP/Washington Post, *Protests mount in China against South Korea's missile system*, March 3, 2017.
2. Jourdan, Adam, Reuters, *China is showing off its trade war strategy*, March 3, 2017.
3. Reuters, *China to strengthen defenses, but budget details excluded*, March 4, 2017.
4. Washington Times/AP, *China plans 1st structure on disputed South China Sea shoal*, March 17, 2017.
5. Fisher Jr., Richard D., and Dhahi, Abu, HIS Janes 360, *IDEX 2017: Poly reveals Silent Hunter fibre-optic laser system*, February 20, 2017.
6. Lin, Jeffrey, and Singer, P.W., Popular Science, *Drones, lasers, and tanks: China shows off its latest weapons*, February 27, 2017.
7. Gregg, Aaron, Washington Post, *Lockheed Martin says it's ready to hand over laser weapon to Army for testing*, March 16, 2017
8. Japan Times, *Abe warns of 'new stage of threat' as North Korea fires four ballistic missiles into sea near Japan*, March 6, 2017.
9. Sunghee, Hwang, AFP, *North Korea missiles 'drill for strike on US bases'*: KCNA, March 6, 2017.
10. Kelly, Tim, and Kubo, Nobuhiro, Reuters, *As North Korea missile threat grows, Japan lawmakers argue for first strike options*, March 8, 2017.
11. Warrick, Joby, Washington Post, *As North Korea's arsenal grows, experts see heightened risk of 'miscalculation'*, March 11, 2017.
12. Caplan, David, ABC News, *Rex Tillerson: Pre-emptive military action against North Korea is an option*, March 17, 2017.
13. Meyers, Jessica, and Wilkinson, Tracy, Los Angeles Times, *China pushes back on tougher U.S. approach to North Korea*, March 18, 2017.

Terrorism

We start this newsletter with events in Europe. A 36-year-old man from the former Yugoslavia injured 7 people in a terrorist axe attack a Dusseldorf, Germany, train station [1]. In France, a radicalized Muslim was shot and killed while trying to steal a soldier's gun at the Orly Airport [2].

Next we look at the middle east. In the Syrian capital Damascus, twin blasts near Shiite holy shrines left at least 40 people dead [3].

Elsewhere, one piece suggests Iran is supplying Houthi rebels in Yemen with remote controlled boats loaded with explosives [4]. This represents a new terrorist weapon that threatens commercial ships in the area.

Much of the terrorism we see is rooted in furthering religious beliefs. For instance, one piece suggests the Islamic State (IS) could eradicate Christians from the middle east [5]. For example, before

the war, Syria had a Christian population of 2 million people; now the remaining number at 500,000 [6].

1. Almasry, Steve, and Karimi, Faith, CNN, Germany ax attack: Seven people injured at train station, March 10, 2017.
2. Dearden, Lizzie, Independent, Paris Orly airport shooting: Attacker was 'radicalised Muslim' man known to French intelligence services, March 18, 2017.
3. AP/Bloomberg, Twin Blasts Kill 40 Near Religious Sites in Syria's Capital, March 11, 2017.
4. Gertz, Bill, Washington Free Beacon, Inside the Ring: Iran Behind Yemeni Rebels' Explosive Boats, March 16, 2017.
5. Kredo, Adam, Washington Free Beacon, ISIS Could Eradicate Christians From Middle East, March 17, 2017.
6. Moore, Johnnie, Fox

News, Christians are genocide victims and should get priority in refugee order, February 21, 2017.

*There is nothing impossible
to him who will try—
Alexander the Great*

Economy

One measure of economic confidence is the stock market. To this end, on March 1, the Dow Jones Industrial Average closed above 21,000 for the first time [1]. Meanwhile, financial regulators were once again closing troubled banks. The Proficio Bank in Utah was shuttered by financial regulators [2]. For the week ending February 25, the number of first time unemployment claims reported by the Labor Department was 223,000 [3]. Then for the week ending March 4, the number was 243,000 [4]. Finally for the week ending March 11, the number was 241,000 [5]. In other news, according to the Labor Department, the unemployment rate was 4.7% [6]. China continues to devalue its currency. Case in point,

during the last year, the value of the Chinese currency (the yuan) fell 7% [7]. This artificially lowers the price of Chinese goods, making American products less price competitive.

1. Nasdaq, *Dow Jones Industrial Average Skyrockets 303 Points, Roars to Record Highs*, March 1, 2017.
2. Stewart, Jackie, American Banker, *Proficio Bank becomes first Utah failure in six years*, March 3, 2017.
3. Mutikani, Lucia, Reuters, *U.S. jobless claims near 44-year low: rate hike expected this month*, March 2, 2017.
4. Nasdaq, *U.S. Weekly Jobless Claims Rebound From Four-Decade Low*, March 9, 2017.
5. Nasdaq, *U.S. Weekly Job-*

less Claims Edge Down To 241,000, March 16, 2017.

6. Lee, Don, Los Angeles Times, *U.S. gains a healthy 235,000 jobs in February; unemployment rate falls to 4.7%*, March 10, 2016.
7. Avi, Gilbert, and Golembesky, Mike, Market Watch, *Opinion: China lost the currency war, but the 'manipulation' continues*, March 3, 2017.

I was drafted during the Korean War. None of us wanted to go... It was only a couple of years after World War II had ended. We said, 'Wait a second? Didn't we just get through with that?'—Clint

Eastwood
