

IN THE NEWS

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World News

China continues to aggressively challenge its neighbors. For example, the communist giant threatened to attack Vietnamese islands if oil exploration continued in the South China Sea [1]. China also warned India it would not compromise in the current border stand-off; suggesting war [2]. At least one Chinese publication is warning India to withdraw peacefully, be captured, or be killed [3].

China is also aggressively challenging the US. For instance, Chinese fighter jets conducted an unsafe intercept of a US reconnaissance plane [4].

Once again, China appeases the rogue actions of North Korea by claiming no responsibility. Case in point, the communist giant claims the problem in North Korea did not originate in China and all sides need to work on a solution [5]. One piece suggests China would welcome an attack by North Korea against US targets as China would be the only beneficiary of such conflict [6]. A possible consequence, South Korea may start building its own nuclear weapons to counter the threat from the North [7]. Meanwhile, China's proxy, North Korea, continues to cause tension. On 29 July, the North Koreans launched a second ballistic missile that flew for 45 minutes, reached an altitude 1,730 miles above Earth, and landed in the Sea of Japan's exclusive economic zone [8].

It is interesting to note that back in the 1970's, when South Korea was considering developing nuclear weapons, the US convinced them to abandon the effort [9]. In contrast, China has not convinced North Korea to abandon its nuclear weapons program. What's more, the North's GDP was only \$28.5 billion while the South's was \$1.34 trillion [10]. If China is such a good friend, why is South Korea affluent while the North (China's close ally) is in poverty? So since the Korean War, what has China done to improve North Korea? With China's wealth, wouldn't we expect to see North Korea rise along with China?

As a final note, the situation between China and India remains tense. China claims India is massing troops along a contested border area [11]. (Continued on page 2)

Security

The race to keep software free of security vulnerabilities continues. Microsoft issued patches to correct an Outlook memory corruption flaw [1].

Meanwhile, we are learning more about threats originating from Russia. One piece suggests Russian hackers disrupted several voting systems in North Carolina [2]. Another report indicates Russian hackers have been targeting hotel WiFi systems in Europe and the

Middle East [3]. There is another growing cost associated with security. That is, companies are experiencing legal costs to cyber breaches. Case in point, the settlement for a 2012 Nationwide Mutual Insurance unpatched security code breach concluded for \$5.5 million [4]. So companies that do not patch their code can be held liable for losses. The number of customers that had private information

exposed was 1.27 million [5]. Or stated another way, the settlement was approximately \$4.33 per person.

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Special points of interest:

- North Korea Launches second ICBM
- DJIA closes above 22,000

Security

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Meanwhile, China conducted a live first drill and warned India not to test the Chinese resolve [12].

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*The sharp thorn often
produces delicate rose—
Ovid*

Terrorism

In Germany, an Islamic terrorist grabbed a kitchen knife at a supermarket and started stabbing people, killing at least one person [1]. The 26 year old Palestinian had applied for refugee status [2].

Suicide bombers continue to be a preferred tool of terrorism. In Afghanistan, a Taliban suicide bomber rammed an explosive filled car into a bus carrying government employees, killing at least 24 people [3]. In Pakistan, a car bomb exploded in a vegetable market killing at least 12 people [4]. Elsewhere in Pakistan, a motorcycle suicide bomber exploded a device that killed at least 15 people [5].

In the past, suicide bombings were mostly associated with male bombers. For instance, in Afghanistan, a male suicide bomber dressed in a burqa, killed at least three people [6]. However, the trend is shifting to use female bombers [7]. As this threat expands, we will likely see more resistance to religious full facial covering. The Islamic State (IS) may be experiencing setbacks in many

areas; however they are still expanding in others. Case in point, the IS has established a toe hold in the Philippines [8]. In response, the US may provide airstrikes against the emerging IS threat [9].

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2. Speciale, Alessandro, and Thomas, Chris, Bloomberg, *Hamburg Attack Puts Merkel Refugee Policy Back in Spotlight*, July 29, 2017.
3. Gannon, Kathy, and Shah, Amir, AP, *Taliban suicide car bombing in Kabul kills 24 people*, July 24, 2017.
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6. The Guardian (UK), *Burqa-clad Taliban suicide bomber targets Nato in Afghanistan*, August 4, 2017.
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*There's a snake lurking in
the grass—Virgil*

Economy

We have very good news on the energy front. Back in 2014, the price of oil was above \$110 per barrel; now the price is hovering just above \$40 [1]. What's more, OPEC is worried that its plan to cut back on oil production is not working [2].

The stock markets continue to set new records. On August 2, for the first time, the Dow Jones Industrial Average reached and closed above 22,000 [3].

Meanwhile, fair trade practices are back in the news. Case in point, Japan is imposing a 50% tariff on frozen US beef [4]. Likewise, China uses its massive trade wealth as a weapon to get countries to support their causes [5].

During the second quarter, the GDP growth rate was a weak 2.6% [6]. According to the Labor Department, the number for first time unemployment claims for the week ending July 22 was 244,000

[7]. For the week ending July 29, the number was 240,000 [8]. Finally, last week's number were 244,000 [9].

The US Trade deficit for June was \$43.6 billion of which \$32.6 billion was with China [10]. The deficit also reflects improvement in exports [11].

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11. Reuters/CNBC, *US trade deficit narrows as exports hit 2-1/2-year high*, August 4, 2017.

In the long term we can hope that religion will change the nature of man and reduce conflict. But history is not encouraging in this respect. The bloodiest wars in history have been religious wars.—

Richard M. Nixon
