

IN THE NEWS

VOLUME 12 ISSUE 2

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World News

This newsletter begins with a warning we issued eight years ago on January 16, 2011 (Newsletter Volume 4, Issue 2): “Expect to be shocked when China’s nuclear weapons capability comes into focus.” Now there is recognition that the Intermediate-Range Nuclear Forces (INF) treaty resulted in China’s missile advantage in the Pacific [1]. Indeed, if China were part of the INF, many of its missiles would be banned [2]. China opposed the US withdrawal from the INF because it restricts the US while allowing the People’s Liberation Army to build quantities of DF-26 missiles [3]. Citing Russian non-compliance, the US announced plans to withdraw from the INF treaty [4]. Following the US lead, Russia announced it would withdraw from the INF treaty [5].

Additionally, China is deploying units with anti-satellite missiles [6]. Overall, the potential for armed conflict between China and the US is increasing. Consider, one report suggests China is more confident in its military [7]. Meanwhile, China continues to be a greater threat in other areas. Case in point, the communist giant tested a naval rail gun and is expected to deploy the most powerful ship-mounted gun by 2025 [8]. This comes as the Director of National Intelligence Dan Coats pointed out for the past decade and a half, we have underestimated China allowing it to become our most serious threat [9].

Near the end of last year, the US announced plans to remove its troops from Syria [10]. This leaves the future of Syria in uncertain hands. For example, Iran continues a significant presence in Syria [11]. Meanwhile, Israel continues launching military strikes on targets affiliated with the Iran [12].

1. Deptula, Dave, Forbes, *Whether The U.S. Scraps The INF Or Stays In, China Must Be Checked*, November 5, 2018.
2. South Morning China Post, *Chinese missiles would violate international nuclear arms treaty – Nato chief*, November 13, 2018.

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Security

In past newsletters, we have discussed made in China products risk state-sponsored malicious electronics and software. Now one piece suggests for security reasons, the Taiwanese Institute has banned the Chinese telecom giant, Huawei, from connecting to its network [1]. This reinforces concerns that Huawei is tied to China’s spying operations [2]. For example, Polish police arrested a Huawei official on spy charges [3].

China is not the only concern for state sponsored activities. By one account, sources in Iran targeted Department of Homeland Security websites [4].

One question that comes up is what do hacker do with breached information. One report indicates a 2.2 billion record dump is available on hacker sites [5].

We often think of banks as safe places for our investments. However, there are instances were money is electronically stolen. Case

in point, in New Jersey, a fraudulent wire transfer resulted in \$460,000 drained from the Mariner’s Bank [6].

Finally, one report indicates the FBI has a counter-hacking operation that is allowed to hack into infected networks, potentially providing accesses private information [7]. The question here is how good is the FBI at protecting their tools and the information gathered? Case in point, confi-

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Special points of interest:

- First time unemployment claims fell to 1969 levels

During my service in the United States Congress, I took the initiative in creating the Internet—Al Gore

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dential Mueller files have been posted online, suggesting a failure in protecting sensitive information [8].

1. Hayward, John, Breitbart, *Taiwanese Institute Bans Huawei Phones for 'Information Security'*, January 15, 2019.
2. BBC, *Huawei: A simple guide to why the company is in so much trouble*, January 29, 2019.
3. Chappell, Bill, NPR,

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Polish Police Arrest Huawei Executive On Suspicion Of Spying For China, January 11, 2019.

4. Caralle, Katelyn, AP/Washington Examiner, *DHS reports cyberattack on government websites*, January 22, 2019.
5. Greenberg, Andy, Wired, *Hackers are Passing Around a Megaleak of 2.2 Billion Records*, January 30, 2019.
6. Cattafi, Kristie, North Jersey Record, *Palisades Park officials say nearly*

\$500,000 is missing from its accounts in bank breach, January 30, 2019.

7. Mordock, Jeff, Washington Times, *'Inherently invasive': FBI counter-hacking operations raise red flags over privacy*, January 31, 2019.
8. Farrell, Greg, Government Technology/Bloomberg News, *Mueller: Confidential Files in Russian Hacker Case Leaked*, January 31, 2019.

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3. Gertz, Bill, Washington Free Beacon, *China Opposes U.S. Withdrawal From Missile Treaty to Keep Advantage*, January 31, 2019.
4. Riechmann, Deb, et. al., AP, *US pulls out of Cold War-era nuclear treaty, blaming Russia*, February 1, 2019.
5. BBC News, *INF nuclear treaty: Russia follows US in suspending pact*, February 2, 2019.
6. Gertz, Bill, Washington Free Beacon, *Pentagon: Chinese Military Units Training With ASAT missiles*, January 23, 2019.

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7. Lubold, Gordon, and Volz, Dustin, Wall Street Journal, *China's Confidence Rises in Its Military, U.S. Says*, January 15, 2019.
8. Macias, Amanda, CNBC, *China just tested the world's most powerful naval gun, and US intelligence says it will be ready for warfare by 2025*, January 30, 2019.
9. Gertz, Bill, Washington Free Beacon, *DNI: Beijing Set for 'Ideological Battle' with U.S.*, January 30, 2019.
10. Montoya-Galvez, Camilo, CBS News, *Mattis signs order to withdraw troops from Syria*, December 24, 2018.

11. VOA, *Iran's Growing Influence in Syria Sparks Concern*, October 15, 2018.
12. McDowall, Angus, and Williams, Dan, Reuters/Washington Free Beacon, *Israel Strikes in Syria in More Open Assault on Iran*, January 21, 2019.

Terrorism

Terrorist attacks are continuing. In Kabul, Afghanistan, a Taliban suicide bomber killed at least 4 people [1]. The Taliban also launched a suicide attack against a military base resulting in the death of at least 45 people [2]. In Nairobi, Kenya, the al-Qaida affiliated Al-Shabab terrorist group killed at least 14 people in a combined suicide bombing and gun attack on the DusitD2 hotel [3].

In Syria, the Islamic State (IS) claimed responsibility for a suicide bombing that killed at least 14 people [4]. Of those killed in the IS attack, 4 were US [5]. Days later, the IS launched another suicide attack directed against a US convey [6].

In the Philippines, a twin terrorist bombing of a Catholic cathedral, killed at least 20 people [7]. The IS claimed responsibility for the attack

- [8].
1. Faiez, Rahim, AP/Washington Times, *Taliban suicide bomber kills 4, wounds over 100 in Kabul*, January 14, 2019.
2. AP/Fox News, *Taliban attack on military base kills at least 45, Afghan officials say*, January 22, 2019.
3. Curtis, Ben, AP/ABC News, *Kenya's president says all gunmen killed at hotel complex*, January 16, 2019.
4. CBS News, *U.S. troops killed in Syria suicide attack claimed by ISIS*, January 16, 2019.
5. Ant, Onur, and Jacobs, Jennifer, Bloomberg, *Four Americans Are Said Killed in Islamic State Attack in Syria*, January 16, 2019.
6. Cohen, Zachary, CNN, *ISIS claims responsibility for suicide attack on US convoy in Syria*, January 21, 2019.
7. Gomez, Jim, AP, *Bombing of Roman Catholic cathedral in southern Philippines kills at least 20*, January 27, 2019.
8. Chamberlain, Samuel, Fox News, *ISIS claims responsibility for Philippines church bombing that killed at least 20*, January 27, 2019.

*Half a truth is often a
great lie—Benjamin*

Franklin

Economy

More troubling economic news. The trade deficit with China reached a record \$323 billion for 2018 [1].

On the positive side, the number of first time unemployment claims for the week ending January 12 was 213,000 [2]. For the week ending January 19, the number of claims fell to a 49-year low of 199,000 [3]. Finally, for the week ending January 26, the number rose to 253,000 [4].

In conclusion, the overall economy remains strong with good job growth and low inflation [5]. For example, during January, 304,000 non-farm jobs were added with the un-

employment rate at 4.0% [6].

1. CBS News, *China's trade gap with U.S. hits record \$323 billion*, January 14, 2019.
2. Nasdaq, *U.S. Weekly Jobless Claims Unexpectedly Edge Lower*, January 17, 2019.
3. Mutikani, Lucia, Reuters, *U.S. weekly jobless claims fall to lowest level since 1969*, January 24, 2019.
4. Bartash, Jeffrey, Market Watch, *Jobless claims surge to 16-month high, but spike is likely a one-off due to seasonal quirks that will fade soon*, January 31, 2019.
5. Bartash, Jeffrey, Market Watch, *Has the U.S. economy found a sweet spot? Job creation is soaring, but not inflation*, February 2, 2019.
6. Mutikani, Lucia, Reuters, *U.S. Job Growth Surges; Unemployment Rate Rises to 4.0 Percent*, February 1, 2019.

But we have to pass the bill so you can find out what is in it, away from the fog of the controversy—

Nancy Pelosi
