

IN THE NEWS

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Security

For years, the attacks against the power grid lacked regulatory reporting. As a consequence, the Federal Energy Regulatory Commission started requiring power utility attacks to be reported [1]. Under the new reporting requirement, the first response came from a Western utility [2]. The attack was directed against the power grid in Utah, Wyoming and Southern California but there were no perceived power outages [3].

There can be no question China wants Huawei to dominate the fifth generation (5G) wireless market. Now there is a report that China has been rigging equipment tests to discredit Huawei competitors [4]. Moreover, China has contacted tech companies and warned them not to comply with the US demands [5]. Concurrently, Chinese officials claim that Huawei is not a military company [6]. However, Pentagon sources point out, Huawei is too closely aligned with the Chinese government [7]. Unfortunately, Huawei has telecommunication equipment already embedded within the US telecommunication providers resulting in an unknown risk [8].

As the debate over allowing Huawei to control the 5G industry, it is worth noting Chinese cyberattack capabilities. Case in point, Chinese state sponsored hackers obtained NSA developed cyber-weapons before they were available on the Internet [9]. The stolen NSA developed tools have resulted in \$Billions in losses and are causing havoc around the world [10]. By one estimate, unfair business practices by China are costing the US economy \$57 Billion per year [11].

Finally, the issue of a reliable supply chain is in the news. Case in point, the US military purchased \$ millions of counterfeit Chinese goods, including night vision goggles that

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World News

Once again, we find ourselves victims of failed trade policies. This time there are indications that after securing a near monopoly in rare earth elements, China may cut off U.S. supplies [1]. This threat from China caused the rare earth mineral stocks to rise [2]. Additionally, while China is a signatory to the Montreal Protocol banning fluorocarbon emissions; scientists have detected a rise from 2014 to 2017 in Eastern China of 110% [3].

China's Communist Party controlled media released a

video that urged full scale conflict with the US over the new trade restrictions [4]. This comes as DIA director Army Lt. Gen. Robert P. Ashleyid indicated that China is aggressively increasing its nuclear warheads and expects the number to double within the next decade [5]. On the plus side, the US is calling for China to join in nuclear weapons treaty talks to include Russia [6].

China claims that Taiwan is part of China and if necessary will use military force to reunify [7]. Meanwhile, Taiwan let the US know

that it would like to purchase 108 M1A2 Abrams tanks, 1,240 TOW anti-armor missiles, 409 Javelin anti-tank missiles, and 250 Stinger man-portable air defense systems [8]. In response, the Chinese government condemned the planned sale [9]. To assess China's ability to invade Taiwan; consider, if we rely on the number of ships, not their size; China now has the largest navy in the World [10]. Additionally, China may believe it can win any conflict [11].

Overall, the rise of China

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Special points of interest:

- Hawwei Security Risk

World News

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has corresponded to the decline of Taiwan. Case in point, Spain has thus far deported 218 Taiwanese citizens to China for trial [12].

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Only two things are infinite, the universe and human stupidity, and I'm not sure about the former.

—Albert Einstein

Security

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didn't work [12].

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Terrorism

Once again France was the recipient of a terrorist attack. This time 13 people were wounded when an explosive device was set off near a crowded bakery in Lyon, France [1,2]. The alleged terrorist was identified as Mohamed Hichem, a 24 year old who came from Algeria [3]. Another report indicates the bomber was aligned with the Islamic State (IS)[4].

What's more, the IS has been active in terrorism throughout the world. Last year two Scandinavian tourists were brutally murdered in Morocco's Atlas Mountains [5]. Now one of the IS supporters admitted to beheading one of the women [6]. On location in the Philippines, the IS also executed a captive Dutch photographer [7]. In Yemen, two suicide bombings killed at least 47 people [8]. In the Congo, efforts to combat the second largest Ebola outbreak are being hampered by IS aligned terrorists [9].

In conclusion, the domestic

threat from terrorism remains a reality. For instance, an IS inspired man was arrested for planning an attack on Times Square [10].

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There are in fact two things, science and opinion; the former begets knowledge, the latter ignorance.—Hippocrates

Economy

Overall the economy remains strong. For the week ending May 18, the number of first time unemployment claims was 211,000 [1]. Then, for the week ending May 25, the number was 215,000 [2]. Finally, for June 1, the number reported was 281,000 [3]. This comes as the unemployment rate remained at a 50-year low of 3.6% [4]. The effort to correct the China trade imbalance continues. The April trade deficit for April was \$50.8 Billion [5]. Of this, \$26.9 Billion was with China [6]. This comes as the President is considering tariffs on \$300 Billion worth of Chinese goods [7]. To fully understand the long term risk, some are suggesting that a trade war with China could result in armed conflict [8].

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In questions of science, the authority of a thousand is not worth the humble reasoning of a single individual—Galileo Galilei
