

# IN THE NEWS

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## World News

One report indicates the Secretary of Defense has plans to reduce the Army to between 440,000 and 450,000 soldiers (the smallest number since 1940) and completely eliminate one class of Air Force attack jets [1]. The cuts are to reduce labor costs that are 50% of the defense budget [2]. This comes at a time when the US seems to be fixated on nuclear reduction treaties with Russian that do not include China [3]. However, one piece suggests Russia has violated every nuclear weapons treaty signed with the US [4]. So in effect, the US is unilaterally reducing nuclear weapons. Meanwhile, Russia declared war against the Ukraine [5]. Reports indicate the Russian supported Crimea is breaking away from Ukraine [6]. The Russian actions against the Ukraine present a teachable moment. For instance, back in 1994 Russia and other powers agreed to respect Ukraine's border in exchange for its nuclear weapons [7]. Now that the Ukraine has no nukes, nuclear armed Russia is showing other nations potential consequences. Furthermore, Russia teaches us the need for a credible nuclear capability. Case in point, to remind everyone of its nuclear power, Russia tested an ICBM with plans for two more launches [8]. In response, US officials downplayed the launch by claiming the Russia provided advanced notice of the SS-25 Sickle ICBM test before the Ukraine crisis [9].

The South China Sea will likely remain an area of contention. When North Korea does anything that could fan confrontation, China is there to support the rogue nation. In contrast, with China and Japan debating ownership of contested islands, the US is taking no sides [10]. What is perhaps puzzling to the Japanese because back during the 1970's the US returned the Senkakus to Japanese control [11]. How is it now the US now does not recognize Japan's claim to the islands? Nevertheless, a US general told Japan and the Philippines to cool their harsh anti-China language [12].

Meanwhile, further enhancing nationalism, China is preparing plans to celebrate September 3 in honor of its victory over Japan during World War II [13]. Additionally, China designated December 13 for the Nanjing Massacre remembrance [14]. Meanwhile, Japan is poised to reverse a ban on exporting weapons [15]. While the US plans significant reductions in military size, China continues its aggressive advance in the South China Sea. For instance, Chinese coast guard ships used water cannons to drive Filipino fishermen out of Scarborough Shoal located in the West Philippine Sea [16]. In response, the Philippines government issued an official protest [17]. Moreover, China is deploying a new intermediate range nuclear missile, the Dongfeng-26C (DF-26C), with a range exceeding 2,200 miles [18]. Finally, China announced plans to increase military spending by 12.2% to an artificial level of \$131.57 billion [19].

In the Middle-East, Israeli jets attacked Hezbollah militants and missiles

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## Security

University security breaches remain in the news. In the latest example, Indiana University experienced a data breach that put 146,000 people at risk [1]. Then over 290,000 people were exposed during a North Dakota security

breach [2].

The future of bitcoins appears to be in question following a several hundred million dollar theft [3]. For example, because of the breach, Tokyo-based MtGox bitcoin exchange filed for bankruptcy [4].

Then, the Poloniex bitcoin exchange announced hackers made off with 12.3% of all funds [5].

Fallout from the breach at Target continues. For instance, the Chief Information Officer has resigned

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### Special points of interest:

- US plans significant military cuts
- US Army to shrink to pre-WW II size
- China prepares for short war in South China Sea
- China establishes 2 anti-Japanese holidays
- Russia violates nuclear arms treaties
- Russia declares war on Ukraine

## Security

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as the company overhauls its security practices [6].

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## World News

(Continued from page 1)

located in Lebanon [20]. In response, the Hezbollah organization promised to retaliate [21].

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18. Gertz, Bill, Washington Free Beacon, *China Fields New Intermediate-Range Nuclear Missile*, March 3, 2014
19. Martina, Michael, and Torode, Greg, Reuters, *China's Xi ramps up military spending in face of worried region*, March 5, 2014.
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*To fight and conquer in all your battles is not supreme excellence; supreme excellence consists in breaking the enemy's resistance without fighting—Sun Tzu*

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## Terrorism

If the US is to slow down terror attacks, the borders must be controlled. However, the Southern border appears to be a weak link that could allow bad actors easy entry into the US. Case in point, the number of youths crossing the Southern border by themselves is on the increase [1]. If this report is correct, border security is deteriorating.

In the battle with terrorist, suicide bombings cut both ways. Case in point, in Syria, an al-Qaeda affiliated rebel leader was killed in Aleppo by a suicide bombing [2]. In other news A Malaysia Airlines 777 plane carrying 239 people, including 4 with fake passports, vanished 2 hours into a flight to Beijing [7]. Right now it's still too early to determine what went wrong. For instance, Vietnam reported an oil slick in the Gulf of Thailand [8]. We expect more refined information will be available in time for the next newsletter.

, Saudi Arabia has declared the Muslim Brotherhood a

terrorist group on par with al-Qaeda [3].

Israel has many enemies that resort to terrorism. What's more, there seems to be no give and take on the side of terrorist sponsored entities. For example, Palestinian President Mahmoud Abbas has affirmed his organization will not recognize the state of Israel [4].

In China, terrorists using knives killed at least 29 people and injured another 130 at a train station [5]. The attack was located in Southern China, far from Xinjiang where the Uighur terrorists are alleged to have come from [6].

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*It is not a sign of  
arrogance for the king to  
rule. That is what he is  
there for—William F.  
Buckley, Jr.*

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Russian Flag



Ukraine Flag

## Economy

The Labor Department reported, for the week ending February 22, the number of first time unemployment claims was 348,000 [1]. Then for the following week ending March 1, the number reported was 338,000 [2]. Moreover, according to the Labor Department, the unemployment rate rose to 6.7% with 175,000 new jobs added [3].

Financial institutions continue to be shuttered. On February 28, regulators closed the Millennium bank in Virginia and the Vantage point Bank in Pennsylvania, bringing this year's number closed to five [4].

Further signs of a changing economy are the closing of

brick and mortar stores. For example, Radio Shack announced plan to shutter 1,100 stores [5]. Additionally, Staples announced plans to close 225 stores [6].

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6. Thomas, Maria Ajit, Reuters, *Staples to shut 225 stores in North America as sales fall*, March 6, 2014.

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*I think scientific arrogance really does give a great degree of distrust. I think people begin to think that scientists like to believe that they can run the universe—Robert Winston*

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## China Pollution

It may be some time before China corrects its air pollution problem. For example, China's Navy Major General, Zhang Zhaozhong, claims smog is the best defense against the US Navy's new laser system [1]. China has one export, air pollution, that its neighbors find unwelcome. Case in point, China's air pollution has

caused Japan's air quality to exceed safe limits [2].

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