

IN THE NEWS

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World News

Once again, Japan's one sided trade policies are supporting its industry. Case in point the weaker Yen (Japan's currency) is helping Japan's exporters [1]. With so many unemployed, the ability to consume more imported goods from Japan is waning. For instance, the weak global economy is causing Japan to lower its economic assessment for the first time in 10 months [2].

In the Middle East, another Iranian leader is predicting the destruction of Israel. This time, Iranian Supreme Leader Ayatollah Ali Khamenei made the assertion [3]. Concurrently, the Iranian President called Israel's existence an "insult to all humanity" [4]. Threats such as these focus on the existence of the Jewish state. Recall, that Hitler laid out his genocidal plan in his book, "My Struggle" (Mein Kampf). At the time, nobody believed he was serious. Now the Iranian leadership is making similar statements. It remains to be seen if Israel will take the chance that Iran's leaders are bluffing or not. Meanwhile, Iran will receive a visit from the new North Korean leader; further cementing a close relationship [5].

It looks like China is concerned that its monopoly on rare earth elements may be at risk. Case in point, the communist giant announced plans to increase rare earth quotas. This could impact the ability of Molycorp (a US company) from a profitable restart of its mining operation [6]. A question here is why does China have any quotas at all? After all they are part of the WTO and have agreed not to engage in such practices. Why do we allow our industry to be subjected to dumping followed by inflated prices (and quotas) when China secures a monopoly?

We tend to design our applications around current technology. What's more, some are suggesting that our technology has advanced to the point where we cannot understand it and it is controlling us [7].

With the changes toward a more radical Egypt comes the increased risk of miscalculation. Case in point, Egypt moved its army tanks into the Sinai in violation of the 33-year old treaty between Israel and Egypt [8]. Furthermore, it seems that Egypt is now forming a strong relationship with Iran [9]. This cannot be good news for Israel.

1. Dennis, Neil, Financial Times, *Weaker yen lifts Japan's exporters*,

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Security

The California DMV computers statewide experienced a service glitch on 14 August [1]. The problem was later blamed on a DMV router [2].

A new Trojan horse program attempts to cover its tracks by erasing the master boot record thereby making the computer unbootable [3]. Then hackers executed a DNS attack on AT&T causing some customers to

lose Internet access [4].

Computer aided white collar crime continues to be problematic. For instance, the SEC shut down ZeekRewards calling it a Ponzi scheme [5].

According to Australia's director-general of the Australian Security Intelligence Organization (ASIO), most cyber-attacks go undetected [6]. Of all the cyber-attacks

to date, the most feared are those state sponsored. Consider, some are suggesting the cyber-attack against Iran is the start of Israel's strike that will be followed with traditional military combat [7].

1. Los Angeles Times, *California DMV computers down statewide; many services disrupted*, Au-

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Special points of interest:

- Middle East Meltdown

Security

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2. ABC/KGO, *State takes blame for crippling DMV outage*, August 16, 2012.
3. Keizer, Gregg, *Computer World, Shamoon malware cripples Windows PCs to cover tracks*, August 17,

2012.

4. Reuters, *AT&T says attack temporarily cut internet access*, August 17, 2012.
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6. ZDNet/AAP, *Most cyber attacks fly under our radar:*

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7. Gjelten, Tom, BPR, *Massive Cyberattack: Act 1 Of Israeli Strike On Iran?*, August 24, 2012.

*Let me tell you something
that we Israelis have
against Moses. He took us
40 years through the desert
in order to bring us to the
one spot in the Middle
East that has no oil-Golda
Mei*

(Continued from page 1)

- August 16, 2012.
2. Reuters, *Japan economic assessment "likely to fall for first time in 10 months"*, August 25, 2012.
3. Keinon, Herb, and Paraszczuk, *Jerusalem Post, Khamenei: Zionist regime will disappear from map*, August 15, 2012.
4. AP, *Iran: Israel's existence 'insult to all humanity'*, August 17, 2012.
5. Huus, Kari, *NBC News,*

World News

Reports: North Korea's Kim Jong Un will travel to Iran, August 21, 2012.

6. Yap, Chuin-Wei, *Wall Street Journal, China Raises Rare-Earth Export Quota*, August 22, 2012.
7. Davidow, William, *IEEE Spectrum, Our tool are using us*, August, 2012.
8. Kershner, Isabel, *New York Time, Israel Asks Egypt to Remove Tanks From Sinai*, August 21, 2012.

9. Knell, Yolande, *BBC, Egypt and Iran: Old enemies become new friends?*, August 24, 2012.

Syria

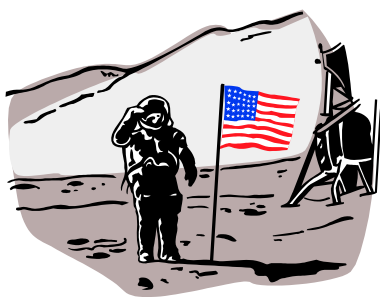
In Syria, the fighting is forcing many people to leave the country [1]. To date, there are over 200,000 refugees fleeing from the fighting [2]. Currently, Syria's capitol and its largest city are areas with active combat [3]. For example, following Syrian attacks on the southwestern belt of Damascus (the capitol), hundreds of bodies were uncovered [4]

With the war comes concern over Syrian chemical weapons. One report suggests Russia is assisting Syria with its chemical weapons [5]. Moreover, President Obama indicated the US could get involved should chemical weapons be used [6].

There are reports that Syria is using war planes to bomb the rebel positions [7]. In re-

sponse, France is calling for a Syrian no-fly zone [8]. There are also concerns the war could widen, spilling over into Lebanon [9]. This concern comes as two people were killed and 17 wounded in Lebanon fighting [10].

1. Oweis, Khaled Yacoub, Reuters, *Fierce fighting in Syria swells refugee exodus*, August 25, 2012.
2. Nebehey, Stephanie, Washington Post, *Syrian refugees top 200,000 as exodus grows UN-agency*, August 24, 2012.
3. Carey, Glen, Bloomberg, *Syrian Forces Press Offensive Against Rebels In Aleppo, Damascus*, August 25, 2012.
4. Sydney Morning Herald, *Hundreds of bodies found in Syrian town*, August 26, 2012.
5. UPI, *Russia denies assisting Syria's chemical weapons program*, August 24, 2012.
6. CBS, *Obama: Chemical weapons in Syria are a "red line"*, August 20, 2012.
7. Reuters, *Syrian leader Assad's planes pound vital prize of Aleppo*, August 5, 2012.
8. Mroue, Bassem, Bloomberg, *Paris backs Syria no-fly zone as fighting grows*, August 23, 2012.
9. VOA, *US Fears Spillover of Syrian Conflict Into Lebanon*, August 24, 2012.
10. Malla, Hyssien, AP, *Syria spillover clashes escalate in Lebanon*, August 24, 2012.



That's one small step for man, one giant leap for mankind—Neil Armstrong

The U.S. now imports over half of its oil supply from the Middle East. This dangerous dependence on foreign energy sources is an issue of national security~

Kenny Marchant

Economy

Unemployment continues to be difficult for Americans. For example, during the week ending August 11, the number of first time unemployment claims was 366,000 [1]. For the week ending August 18, the number of claims was 372,000 [2].

The US continues to export wealth and relies on foreign sources for oil. For example, the US is increasing oil imports from Saudi Arabia by 20% and the Persian Gulf states now providing 23% of US oil imports [3]. In other news, a refinery in Venezuela exploded killing 24 people [4]. With so much imported oil and refined products, this could help drive up the cost of gasoline.

There is more bad news for those nearing retirement. Workers in 55-64 age range

area averaging incomes 10% less than before the great recession started [5]. In another troubling economic sign; one survey concludes half of new college graduates find employment in job requiring no college degree [6]. This is not good news for higher education.

Illustrating the declining cost of US labor, some countries are looking to expand American operations. For example, near Austin, Texas, Korean electronics giant, Samsung, plans to spend up to \$4 billion modernizing its current facilities [7].

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2. AP, *Claims for unemployment*

benefits rise 4K, August 23, 2012.

3. Krauss, Clifford, New York Times, *U.S. Reliance on Saudi Oil Heads Back Up*, August 16, 2012.
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6. Fottrell, Quentin, Market Watch, *Trading caps and gowns for mops*, August 22, 2012.
7. Reisinger, Don, Cnet, *Samsung to invest up to \$4 billion in Texas plant*, August 21, 2012.

*As the cost of gasoline rises
and our dependence on
foreign oil continues to
increase, the effect of
sending over \$100 billion
each year to OPEC
nations hurts every
American-Paul Gillmor*

