

IN THE NEWS

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World News

North Korea is increasing the rhetoric. For example, they have cancelled the armistice that ended the Korean war [1]. The North Korean threats accompanied by a fear the US will not provide adequate protection, are resulting in South Korea to openly discuss the need to develop nuclear weapons [2]. What's more, according to a recent poll, most South Koreans do not believe the US will provide a nuclear deterrence and favor developing their own nuclear weapons [3]. For its part, the US plans to add 14 interceptors to the West-coast missile defense system [4]. Expectedly, instead of raining in North Korea, China has criticized the US announcement to increase its missile defenses [5]. This comes after a Russian satellite was damaged from debris left over from China's missile defense test [6].

One measure of a country's military technology is the number of customers willing to purchase it. To this end, China has replaced the UK to become the fifth largest exporter of military equipment [6].

China is starting to crack down on its poor food quality. Case in point, in China 46 people were jailed for selling over 1,000 pigs that died from disease between 2010 and 2012 [7]. So why doesn't domestic meat get routinely inspected?

In the Middle-East, there are reports indicating chemical weapons were used in Aleppo, Syria [8]. These reports indicate the chemical was part of a missile that killed 25 people; the symptoms were victims became unconsciousness with convulsions [9]. All indications are, the war in Syria is not going well for the current government. Case in point, one report indicates rebels captured an air base near the Jordanian border [10].

1. Harlan, Chico, Washington Post, *N. Korea says it has scrapped armistice that ended Korean War*, March 11, 2013.
2. Fackler, Martin, and Sang-Hun, Choe, New York Times, *South Korea Flirts With Nuclear Ideas as North Blusters*, March 10, 2013.
3. Kwon, K.J., CNN, *Under threat, South Koreans mull nuclear weapons*, March 18, 2013.

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Special points of interest:

- Dead pigs found in Chinese river supplying 23 million drinking water
- China to overtake US as world's largest economy by 2016

Security

The Director of National Intelligence James Clapper, in Senate Intelligence Committee testimony, warned of cyber-threats to our critical infrastructure [1]. Meanwhile, in response to China's government sponsored cyber-espionage against US business, the US has called on China to stop this activity [2].

Additionally, China still relies on human intelli-

gence to gather secrets. For instance, the FBI arrested a NASA researcher on charges he spied for China [3].

Bank cyber-attack and computer glitches are again in the news. For instance, South Korean banks were subjected to a cyber-attack believed to have been directed by North Korea [4]. Moreover, the attacking address appears to have originated in China [5].

This highlights the close relationship between China and North Korea. Then on March 19, when JP Morgan Chase customers say their accounts zeroed; the bank stressed the problem was a computer glitch and not related to hacking [5].

1. Gorman, Siobhan, Wall Street Journal, *U.S. Official Cites*

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Security

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- Cyberattack Risks, March 12, 2013.
2. Samson, Ted, InfoWorld, *U.S. to China: Please stop hacking our companies, if you don't mind*, March 12, 2013.
3. Lambidakis, Stephanie, CBS News, *NASA re-searcher arrested on China-*

bound plane, March 18, 2013

4. AP/Washington Post, *Computer networks crash at South Korean banks, media companies; North Korea attack suspected*, March 20, 2013..
5. MacLeod, Calum, USA Today, *South Korea: Chinese address source of attack*, March 21,

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5. Gray, Melissa, CNN, *Chinese space debris hits Russian satellite, scientists say*, March 9, 2013.
6. Martina, Michael, Reuters, *China replaces Britain in world's top five arms*

exporters: report, March 18, 2013.

7. BBC News, *China criticises US missile defence plans*, March 18, 2013.
8. Flannery, Russell, Forbes, *China Jails 46 For Selling Meat From Diseased Pigs*, March 13, 2013.
9. Reuters, *U.S. evaluating Syria chemical weapons charges*, March 19, 2013.

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*Vision is the art of seeing
what is invisible to others—
Jonathan Swift*

Nuclear

While the US and West tries to force sanctions against countries supporting nuclear proliferation, more countries are ignoring the sanctions. Case in point, Pakistan and Iran are moving ahead with a natural gas pipeline [1]. Moreover, one report indicates China signed a secret agreement to build the Chashma 3 reactor in Pakistan; a violation of Beijing's promises under an international anti-nuclear weapons

accord [2].

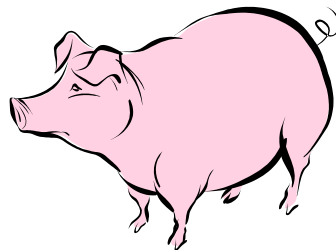
Meanwhile, North Korea continues to worry Western nations. For instance, one report suggests the rogue nation is trying to sell nuclear weapons to countries hostile to the US [3]. Perhaps the export of advanced technology weapons is helping an expected trade surplus for North Korea [3].

1. Ahmed, Munir, AP/Houston Chronicle, *Pakistan, Iran leaders inaugurate pipeline project*, March 11, 2013.

2. Gertz, Bill, Washington Free Beacon, *China, Pakistan reach controversial deal on nuclear power plant, sources say*, March 21, 2013.
3. Klug, Foster, AP, *Renewed nuke sale fear after recent NKorea test*, March 19, 2013.
4. AFP, N. Korea runs 'bad news' trade surplus: economists, March 19, 2013.

China's Pollution

By March 18, over 13,000 dead pigs were removed from the Huangpu River near Shanghai in China [1]. What's more, this river provides the drinking water for 23 million people [2]. Although thousands of dead pigs were discovered, Chinese authorities



claimed water quality has not changed [3]. A question here is does this mean the water was toxic to begin with?

What's more we should not forget China's air pollution. For instance, only 5 out of 500 Chinese cities comply with World Health Organization levels for air quality [4]. The environmental impact is extending to neighboring countries. For example, Japan has measured a 2 to 5 fold increase

in metallic precipitate soil pollution attributed to Chinese pollution [5].

What's more, China's rapid growth and deforestation are causing problems. For instance, flights in Tokyo were delayed because of sandstorms originating from China's Gobi desert [6]. Additionally, the Sasebo Naval Base (Japan) air pollution (from China) has entered the Environmental Protection Agency's unhealthy range [7].

China's pollution problem is expected to get much worse before it starts to improve. For instance, anticipated demand for more coal, high sulfur diesel, and political infighting point to high pollution in the coming years [8]. So as the US continues to export jobs and industry to China, one consequence is the world is becoming a polluted ecosystem.

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hai, Pork Soup Jokes Give Way to Worry, March 11, 2013.

3. Wong, Edward, New York Times, *Thousands of Dead Pigs Found in Chinese River*, March 11, 2013.
4. Campbell, Charlie, Time, *China: A River of Pigs and 5 Other Environmental Nightmares*, March 7, 2013.
5. Schreiber, Mark, Japan Times, *No clearing the air over neighbor's pollution*, March 9, 2013.
6. Pesek, William, Bloomberg, *China's Poison Air Is Becoming Its Leading Export*, March 21, 2013.
7. Burke, Matthew M., and Kusumoto, Hana, Stars and Stripes, *Pollution from China spawns unhealthy haze at Sasebo*, March 20, 2013.
8. Wong, Edward, New York Times, *As Pollution Worsens in China, Solutions Succumb to Infighting*, March 21, 2013.

When the commission finds that a pig has entered the parlor, the exercise of its regulatory power does not depend on proof that the pig is obscene.—John Paul Stevens

Economy

As the US struggles to recover from the economic downturn, China is growing fast. For example, for the first 2 months, China's automobile sales increased 19.5% from the year before [1]. What's more, predictions are China will become the world's largest economy by 2016, three years from now [2].

Meanwhile, China continues to harass US companies trying to conduct business there. Case in point, China is accusing Coca-Cola of illegally using GPS [3].

The economies of certain states are becoming critical. Case in point, the Securities and Exchange Commission accused Illinois of security fraud by not stating the true problems associated with its pension fund [4]. In effect, investors paid too much for Illinois munibonds [5]. What's more, according to Census data 1 in 3 counties in the US is in decline due to the weak economic situation [6].

In a sign of improvement, the number of first time unemployment claims for the week ending March 9 was 332,000 [7]. For the following week, the number was 336,000 [8].

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2. Rabinovitch, Simon, Financial Times, *China forecast to overtake US by 2016*, March 22, 2013.
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4. Walsh, Mary Williams, New York Times, *S.E.C. Accuses Illinois of Securities Fraud*, March 11, 2013.
5. Wile, Rob, Business Insider, *Illinois Settles With SEC For Misleading Muni Investors – State Had Failed To Properly Disclose Underfunded Pension*, March 11, 2013.
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8. CNBC, *Futures Narrowly Mixed After Jobless Claims*, March 21 2013.

*Always remember, a cat
looks down on man, a dog
looks up to man, but a pig
will look man right in the
eye and see his equal.–
Winston Churchill*
