

IN THE NEWS

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World News

In past newsletters, we have pointed out North Korea is a perfect proxy for China. What's more, by one report, China has helped North Korea target US cities [1]. Previously, North Korea was able to get Western concessions by making threats [2]. Unfortunately, the past policy of appeasement has only emboldened North Korea. Furthermore, one Congressional report indicates North Korea currently has a nuclear missile capability [3]. Expectedly, China blames the US for military tensions in the Pacific region [4]. And to be sure the Chinese people thinks ill of the US, the PLA spreads rumors of US conspiracies. For example, one of China's most influential military strategists has accused the US of the current bird flu ravaging China [5]. In the meantime, China is deploying its new super missile, designed to sink US aircraft carriers, off the coast facing Taiwan [6].

In response to the North Korean threats of nuclear war, Secretary of State Kerry offered talks to resolve the matter [7]. What's more, it seems that North Korea is interested in discussions with the West [8]. At this time, we don't know what aid package the US will offer for North Korea to lower its threats. In the past, the US has provided extensive aid to North Korea, such as free oil [9]. So once again, it appears North Korea will receive some financial aid as an extortion payment. Perhaps this time the policy of appeasement will work. What is surprising is Secretary of State Kerry is offering missile defense concessions in exchange for China's help calming down North Korea [10]. With the prospect of the US ready to unilaterally cut back its missile defense system; China announced it will send an envoy to the US to discuss the North Korean nuclear weapons issue [11]. However, the US has assured Japan that it will defend them against North Korean aggression [12]. It is unclear how the US can protect Japan if it reduces its missile defense system.

The inability to address the North Korean nuclear problem has not been lost on Iran. For example, after a decade of talks, once again, the latest discussions were labeled unproductive for the West [13]. However, they provide valuable time for Iran to continue its nuclear program without fear of military action. Consider, Iran announced two additional projects designed to expand its nuclear program [14].

1. Chang, Gordon G., Forbes, *China Helped North Korea Target Ameri-*

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Security

After years of little action, it looks like the US is taking a small step in addressing the risk posed by Chinese imported technology. For instance, the 2013 Consolidated and Further Continuing Appropriations Act allows the FBI or heads of agencies the ability to stop the sale of imported Chinese IT determined to be harmful to the US [1]. More and more commercial

products are developed with security as an afterthought. In the latest example, there is a report that commercial aircraft can be hacked with an Android Smartphone [2]. So now there is a known risk to commercial aircraft. A question here is, how long will it be before an exploit causes serious damage? Once again, the race to keep products patched is

on. For example, Oracle's latest patch fixes 42 holes in Java [3].

1. Walker, Danielle, SC Magazine, *White House says new Chinese IT equipment rule may disrupt business without helping security*, April 8, 2013.
2. Grobart, Sam, Business Week, *Hacking an*

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Special points of interest:

- China helps North Korea target US cities
- 8th bank shuttered

Security

Oracle fixes 42 holes in Java to revive security confidence, April 16, 2013.

(Continued from page 1)

Airplane With Only an Android Phone, April 12, 2013.

3. Menn, Joseph, Reuters,

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Hille, Kathrin, Financial Times, *China deploys anti-ship missile off Taiwan*, April 19, 2013.

7. Gordon, Michael R., New York Times, *Kerry Says North Korea Talks Are Possible, but Hints at Conditions*, April 14, 2013.
8. Harlan, Chico, Washington Post, *North Korea hints at willingness for talks, despite ongoing rhetoric*, April 18, 2013.
9. Reuters/CNN, *Oil runs dry for North Korea*, November 19, 2002.
10. Gordon, Michael R., New York Times, *Kerry offers missile defense concession*, April 14, 2013.

11. Perlez, Jane, and Feng, Bree, New York Times, *China's North Korea Envoy Will Visit U.S. for Talks*, April 19, 2013.
12. Holland, Steve, Reuters, *U.S. assures Japan of defense against North Korean threat*, April 19, 2013.
13. Richter, Paul, Los Angeles Times, *Iran nuclear talks unproductive*, April 6, 2013.
14. Dareini, Ali Akbar, AP/ABC News, *Defiant Iran Inaugurates 2 Nuclear-Linked Projects*, April 8, 2013.

War is the remedy that our enemies have chosen, and I say let us give them all they want.—William Tecumseh Sherman

(Continued from page 1)

- can Cities, April 7, 2013.
2. Dyer, Geoff, Financial Times, *Kerry trip sets tone for N Korea response*, April 11, 2013.
3. Mulrine, Anna, Science Christian Monitor, *Lawmaker drops bombshell: North Korea may have nuclear missiles*, April 11, 2013.
4. Blanchard, Ben, Reuters, *China points finger at U.S. over Asia-Pacific tensions*, April 16, 2013.
5. Yu, Miles, Washington Times, *PLA strategist reflects military's mainstream*, April 11, 2013.
6. Mishkin, Sarah, and

Terrorism

The initial reports indicated two people were killed and scores injured [1]. What's more, the early reports are often misleading. For example, a Saudi suspect was being questioned [2]. The suspect was later released. Then there was a report of a third explosion at the JFK Library [3]. Again this turned out to be a false claim.

However, after being identified, the two terrorist brothers killed an MIT police officer and robbed a 7-Eleven [4]. It seems that one of the suspects was enrolled as a student at the University of Massachusetts Dartmouth [5]. While the full story unfolds, it appears the terrorists were born in an area near Chechnya [6]. This area is known for a history of terrorist activity [7]. What's more, one report indicates the FBI interviewed the older brother two years ago but failed to make the terrorist connection [8]. In summary: at the time of this writing, the marathon death toll was 3 with 176 injured; the older suspect was killed; the younger suspect was captured [9].

Moreover, terrorism is not

limited to Boston. Case in point, a letter addressed Sen. Roger Wicker tested positive for the deadly ricin toxin [10]. Then another letter addressed to President Obama was also discovered to have ricin [11]. Police arrested a 45 year old Mississippi man alleged to have sent the ricin laced letters [12].

1. Sheridan, Mary Beth, Washington Post, *Boston Marathon bomb blasts kill at least three, leave scores injured*, April 15, 2013.
2. CBS News, *Authorities question Saudi national in Boston attack*, April 16, 2013.
3. Golen, Jimmy, AP, *Boston police: 3rd explosion at library*, April 15, 2013.
4. CBS News, *1 Boston bombing suspect dead; massive manhunt for 2nd, the "white hat" suspect*, April 19, 2013.
5. Chang, Juju, ABC News *Dzhokhar Tsarnaev 'Acted Like Nothing Happened' Day After Marathon*, Friend Says, April 20, 2013.
6. Sonne, Paul, et. al. Wall Street Journal, *Chechen*
7. Williams, Carol J., Los Angeles Times, *A history of terrorism out of Chechnya*, April 19, 2013.
8. CBS News, *FBI interviewed dead Boston bombing suspect years ago*, April 19, 2013.
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10. Brooks, Mike, and Bash, Dana, CNN, *Envelope tests positive for ricin at Washington mail facility*, April 17, 2013.
11. Williams, Pete, NBC News, *Letter sent to Obama tests positive for ricin, officials say*, April 17, 2013.
12. Mohr, Holbrook, and Gresko, Jessica, AP, *Attorney: Ricin suspect interrogated for hours*, April 19, 2013.

Terror Usually Aimed at Russia, April 19, 2013.

*Study the past if you
would define the future.~
Confucius*



Economy

Bank regulators have resumed shuttering financial institutions. One April 3 three banks were shuttered: First Federal Bank in Kentucky; along with the Heritage Bank and Chipola Community Bank located in Florida [1]. Overall, the economy remains soft. For the week ending April 13, the number of first

time claims reported by the Labor Department was 352,000 [2]. This was up from the 248,000 reported for the week ending April 6 [3].

1. AP/Washington Post, Regulators close small lenders in Florida, Kentucky; brings US bank failures this year to 8, April 19, 2013.
2. Chandra, Shobhana, Bloomberg, *Jobless Claims Little Changed as U.S. Job Market Stabilizes*, April 18, 2013.
3. Puzzanghera, Jim, Los Angeles Times, *Initial jobless claims bump up to 352,000 last week*, April 18, 2013.

China's Pollution

Once again, pollution is killing animals in China. For example, one report indicates chemical pollution may be responsible for 410 pigs along with 122 dogs were discovered dead in a village near Yanshi, China [1].

In addition to mainland China cities suffering air pollution, the situation in Hong Kong is also bad. Case in point, the highest levels of air pollution measured this year prompted authorities in Hong Kong to advise people with respiratory problem to remain indoors [2].

It's difficult to fully appreciate what China is doing to the environment and to protected species. However, a boat accident provides some insight. For example, a Chinese boat ran into a protected reef in the Philippines and the cargo was found to include 10,000 kilograms of protected species meat [3].

1. Fremont Tribune, *410 pigs and 122 dogs found dead in central China*, April 17, 2013.
2. Li, Grace, Reuters, *Worst pollution this year envelops Hong Kong*, April 15, 2013.
3. Cerojano, Teresa, AP, *Boat filled with protected species hits coral reef*, April 15, 2013.

*It goes without saying that
when survival is
threatened, struggles erupt
between peoples, and
unfortunate wars between
nations result.—Hideki
Tojo*
