

IN THE NEWS

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World News

The President of Japan called for a high-level summit to discuss the contested islands dispute; however China is not willing to discuss the matter further [1]. Meanwhile, China continues to refine its technology. For instance, China plans to land a rover on the surface of the Moon before the end of this year [2]. Elsewhere, recognizing the threat from China; one article indicates the US is developing a conventional weapon system capable of attacking targets anywhere on Earth in a matter of minutes [3].

In Egypt the violence continues. For example, two men fired rocket propelled grenades at a container ship traversing the Suez Canal [4]. Elsewhere, police defused bombs discovered on railroad tracks located near the Suez Canal [5]. Then there was an assassination attempt that used a bomb exploding near the Egyptian Interior Minister's convoy [6]. Fortunately, the death toll was small with only one police officer killed in the bombing [7]. Additionally, Egypt is battling insurgents. For example, a military operation was launched against Sini insurgents [8]. In summary, with the world concentrating on Syria, the US has lost focus on Egypt [9].

Egypt is not the only hot spot obfuscated by the events unfolding in Syria. For instance, a US drone in Pakistan killed 6 people [10]. One report suggests a senior terrorist leader, Mullah Sangeen Zadran, along with three al Qaeda members were killed in the drone attack [11]. The unrest in Pakistan has caused concern over the safety of that country's nuclear weapons. To this end, one piece indicates, for the time being, Pakistan's nuclear weapons are believed to be safe and

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Security

Financial institutions continue to be at risk. For instance, bad actors were able to pocket \$ millions from banks by taking over the payment switch [1]. One piece suggests the New York Times was taken down by a cyber attack launched by the Syrian Electronic Army [2]. Moreover, days after the attack, both the New York Times and Twitter were still experiencing problems [3]. One report indicates that half of the cybercrime in the Middle-East is conducted by politically motivated programmers [4]. Elsewhere, regulators are

cracking down on companies with weak security. Case in point, the FTC filed a complaint against LabMD after investigating a breach impacting 9,000 consumers [5]. Amongst the problems in combating cyber-crime are the safe havens back actors operate from. For example, for the past two decades, Russia has been a relatively safe operating base for hackers [6]. With the number of state sponsored cyber warfare capabilities around the world, how vulnerable is the US to a major attack? For instance, in her farewell

speech, former Homeland Security Secretary Napolitano warned that a major cyber-attack is on its way [7]. After a cyber-attack, the extent of damage may not be fully realized until much later. Case in point, a cyber-attack against the Department of Energy last month is now thought to have compromised 53,000 employees and family information, up from the original 14,000 person estimate [8].

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Special points of interest:

- 312,000 left the workforce
- Unemployment rate 7.3%

Security

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7. Komando, Kim, USA Today, *How prepared are you for a cyberattack?*, September 7, 2013.
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World News

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will not fall into the hands of terrorists [12].

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Only the dead have seen
the end of the war—George
Santayana

Secretary of State Kerry asserted that chemical weapons were used against civilians [1]. In turn, reports indicated the US was moving toward a military repose on Syria for using chemical weapons [2]. Because of this news the price of oil rose to \$109 per barrel, a one and a half year high [3]. As the talks of attack continued, oil rose further to \$112.24, a two year high [4].

Expectedly, both China and Russia publically opposed a US strike on Syria [5]. What's more, Russia released a 100-page report alleging the use of chemical weapons was done by the rebels [6]. In further saber rattling, Russia dispatched another warship to Syrian waters [7].

Indications are that Iran will back away from nuclear reduction talks should the US attack Syria [8]. Given there has been no progress to date, it's unclear if this is a factor. However, one piece indicates that if the US attacks Syria then Iranian sponsored terrorists will attack the US embassy in Iraq [9]. Another article suggests Iran is ordering its proxies to kidnap Americans [10].

Moreover Iran is warning, retaliation against Israel would

be a likely response [11]. Additionally, Iranian Supreme Leader Ayatollah Ali Khamenei warned there would be dire consequences if the US attacks Syria [12]. These fears of an expanded war caused Israel to call up reserve military personnel [13].

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Aleppo sarin attack, September 5, 2013.

*Every gun that is made,
every warship launched,
every rocket fired, signifies
in the final sense a theft
from those who hunger
and are not fed, those who
are cold and are not
clothed—Dwight D.
Eisenhower*

Economy

The number of first time unemployment claims for the week ending August 24 was 331,000 [1]. Then for the week ending August 31, the number of claims reported by the Labor Department was 323,000 [2]. Meanwhile, because 312,000 Americans stopped working or looking for work, the unemployment rate fell to 7.3% [3].

One ray of hope for US economic growth is fracking. For example, because of fracking, the average family's disposable income increased by \$1,200 in 2012 [4]. Currently, domestic energy production employs 1.2 million and the disposable family income is expected to increase to \$2,000 per year by 2015 [5]. Moreover, this offers the potential for energy self-sufficiency and away from energy cartels, such as OPEC.

Concurrently, natural gas as a vehicle fuel is starting to expand. For instance, numerous truck stops now include natural gas pumps and companies such as UPS announced plans for exclusive use of natural gas trucks [6]. However, regulators are sending unclear messages to those companies trying to capitalize on fracking [7].

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All war is deception—Sun Tzu

China Pollution

In past newsletters, we have argued that pollution in China finds its way to the US. Now there is additional research indicating mercury from coal burning plants in China and India is finding its way into the fish near Hawaii [1].

Water pollution remains a problem. For instance, authorities in China removed 220,000 pounds of dead fish that were poisoned by ammonia from a chemical plant [2]. In sum-

mary, thousands of dead fish were floating over a 19-mile stretch of a river located in Hubei Province [3]. Elsewhere, although China has a poor food-safety record, the USDA is lifting a ban on imported heat treated chicken from China [4].

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