

IN THE NEWS

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World News

Welcome to the year of the horse (Chinese new year). With the new year comes more challenges. For instance, China is embracing new weapons and technology designed for space dominance. These new weapons include anti-satellite missiles [1]. What's more, there are concerns that China's military technology advances will surpass the US in as few as five years [2]. Meanwhile, China continues to upgrade its air force and Navy [3]. At a time of US cut backs, China's 2014 military spending will increase over \$10 billion [4].

With the enhanced Chinese military comes new expansion plans. Case in point, one report indicates China is planning to expand its air control zone to cover most of the South China Sea [5]. Last year, China launched 27 new surface combat ships consisting of 3 destroyers, 6 frigates, and 18 corvettes [6]. Meanwhile, the Philippines President Benigno S. Aquino III called on world leaders to help his country resist China's assertive South China Sea claims [7]. What's more, China's navy is reaching far beyond the South China Sea. For example, three Chinese ships, consisting of two destroyers and an amphibious landing ship, conducted exercises in the Indian Ocean [8].

When it comes to treaties, the US often looks the other way when cheating is detected. Case in point, the US is now claiming that Russia has been violating a treaty since 2008 that bans specific ground launched missile tests [9]. Of course, Russia is aware of the threat that China presents and is taking measures to protect itself from another border war with the Asian giant.

In the Middle-East, by one estimate, Iran now has the ability to build atomic bombs and a missile system to deliver the weapon [10]. What's more, Iran is moving several warships close to the US maritime border [11]. This effectively places the East coast of the US at risk from an Iranian attack. Iran is not the only direct threat to the US. For example, US citizens fighting in Syria are exposed to terrorist recruiters and could wreak havoc when they return home [12].

1. Gertz, Bill, Washington Free Beacon, *Experts: China Boosts Space Warfare Capabilities*, January 29, 2014.
2. Gertz, Bill, Washington Free Beacon, *Pentagon Concerned by China's New High-Speed Missile*, January 28, 2014.
3. Capaccio, Tony, Bloomberg, *China Making Air Force, Navy Upgrades*, (Continued on page 2)

Security

The Affordable Care Act web page may include foreign developed malicious software (Malware). One report indicates part of the code was developed by a Belarusian company and there are fears Malware was infected [1].

The fallout from the Target breach continues. One

report indicates the breach went on longer than originally thought [2]. Furthermore, in the latest round of finger pointing, retailers and banks are blaming the other for weak security [2]. Here's a radical idea, why not beef up security at both ends?

A challenge with justifying security is the belief there is

no problem. For example, one report indicates that 40% of Government security breaches go undetected [4].

Security patching continues to make news. The latest is Mozilla's Firefox 27 that contains 13 patches [5].

1. Gertz, Bill, Washington Free Beacon, *The*

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Special points of interest:

- Third bank closed
- \$38.7 billion December trade deficit
- Iran send warships near the US

Security

(Continued from page 1)

- Belarusian Connection, February 3, 2014.
2. Ziobro, Paul, Wall Street Journal, *Target Data Breach Went On Longer Than Thought*, February 4, 2014.
3. Gordon, Marcy, AP/Seattle Times, *Target data breach pits banks against retailers*, February 4, 2014.
4. Harrington, Washington Free Beacon, *Report: 4 in 10 Government Security Breaches Go Undetected*, February 5, 2014.
5. Greenberg, Adam, SC Magazine, *Mozilla releases Firefox 27, addressing four critical vulnerabilities*, February 5, 2014.



When Henry Ford made cheap, reliable cars people said, 'Nah, what's wrong with a horse?' That was a huge bet he made, and it worked—Elon Musk

World News

(Continued from page 1)

- U.S. Officials Say, January 31, 2014.
4. Washington Free Beacon, *China Boosting Military Spending in 2014*, February 4, 2014.
5. Washington Free Beacon, *Report: China Preparing New ADIZ in South China Sea*, February 3, 2014.
6. The China Post, *PLA Navy made important advances in 2013: reports*, January 7, 2014.
7. Bradsher, Keith, New York Times, *Philippine Leader Sounds Alarm on China*, February 4, 2014.
8. AP/ABC News, *China's Navy Holds Indian Ocean Drills*, February 4, 2014.
9. Gordon, Michael R., New York Times, *U.S. Says Russia Tested Missile, Despite Treaty*, January 29, 2014.
10. Newman, Marissa, The Times of Israel, *Iran can now build and deliver nukes, US intel reports*, January 29, 2014.
11. AP, *Iran sending warships close to US borders*, February 8, 2014.
12. Chiacu, Doina, Reuters, *Syria a U.S. homeland security threat: DHS chief*, February 7, 2014.

Once again, China finds itself battling terrorism. In the latest example, at least 12 people were killed in Xinjiang, home to the Muslim Uighur minority [1].

China is not the only nation to worry about terrorism. For instance, terrorists are warning they plan to use chemical weapons to strike the Sochi Winter Olympics [2].

Meanwhile, the Middle-East continues to be a hot bed of terrorism. Since the US withdrew from Iraq, the vacuum left is being filled by al-Qaeda terrorists [3]. For instance, in Baghdad, six suicide bombers killed at least 24 people in an attack on a government buildings [4]. Then more bombings killed another 32 people in Baghdad [5]. Meanwhile, the number of people killed in Iraq during January exceeded 1000 [6]. What's more, by one estimate, there are now 7,000 foreign Jihadists fighting in Syria [7]. Another report indicates al-Qaeda terrorists are also gaining a foothold in Lebanon [8]. Then there are indications that terrorism is taking root in Egypt [9].

We often think of Iranian sponsored terrorist organizations as limited to the Middle East. However, the Iranian proxy terrorist group, Hezbollah, is actively involved with money laundering, counter-

feiting, piracy, and drug trafficking with criminal groups in Latin America [10]. Additionally, some believe the sniper attack on California power transformers last April may have been a dry run for a terrorist attack [11].

It is difficult to believe we are serious about stopping terrorists from entering into the US with our Southern border unsecure. For instance, it appears that as drug gangs use high powered weapons to kill US agents, we respond by firing bean bags at them [12]. Hopefully, we will eventually secure our Southern border.

1. BBC News, *China: Twelve dead in Xinjiang violence*, January 26, 2014.
2. Gertz, Bill, Washington Free Beacon, *U.S. Identifies Terror Group Threatening Attacks on the Olympics*, January 27, 2014.
3. Wiser, Daniel, Washington Free Beacon, *Withdrawal from Iraq Could Make it a Safe Haven for al Qaeda*, January 29, 2014.
4. al-Salhy, Suadad, Reuters, *Suicide bombers storm Iraq ministry building, 24 killed*, January 30, 2014.
5. Yacoub, Sameer N., AP/Houston Chronicle, *Bombings kill at least 32 in Iraqi capital*, February 5, 2014.
6. Tawfeeq, Mohammed, CNN, *At least 1,000 killed in Iraq this month, official says*, January 31, 2014.
7. Washington Free Beacon, *Director of National Intelligence: 7,000 Foreign Jihadists from 50 Countries Now Fighting in Syria*, January 29, 2014.
8. Karouny, Mariam, Reuters, *After Syria, Al Qaeda Expanding in Lebanon*, January 30, 2014.
9. Solovieva, Daria, Washington Times, *Islamists spread terrorism in chaos of Egypt, target military to seize control*, February 4, 2014.
10. Wiser, Daniel, Washington Free Beacon, *Experts: Iran Exerting Troubling Influence in Latin America*, February 4, 2014.
11. Washington Free Beacon, *Attack on a California Transformer Could Have Been Dress Rehearsal for Terror Attack on Power Grid*, February 5, 2014.
12. La Jeunesse, William, and Prabucki, Laura, Fox News, *New court documents reveal final moments of border agent Brian Terry's life*, February 5, 2014.

*Custer had dead heroes.
Crazy Horse had only live
ones—Stephen Ambrose*

Economy

For the week ending January 25, the number of first time unemployment claims was 348,000 [1]. Then for the week ending February 1, the number of claims was 331,000 [2]. While reports from the Department of Labor would have us believe everything is rosy, other signs indicate otherwise. Case in point, nearly half of working Americans are living pay check to pay check and 56% now have sub-prime credit ratings [3]. Meanwhile regulators continued closing banks. On January 31, the Syringa Bank of Idaho became the third financial institution shuttered this year [4].

The US continues to export jobs at a breathtaking pace. For instance, the trade deficit for December was reported by the Commerce Department at \$38.70 billion [5]. In particular, the deficit with China was \$24.5 billion [6].

1. Smialek, Jeanna, Bloomberg, *Jobless Claims in U.S. Climbed More Than Forecast Last Week*, January 30, 2014.
2. House, Jonathan, Wall Street Journal, *U.S. Jobless Claims Fall More Than Expected*, February 6, 2014.
3. Matthews, Christopher, Time, *Nearly Half of America Lives Paycheck-to-*

Paycheck, January 30, 2014.

4. Gerdes, Michelle, Wall Street Journal, *Regulators Closed Syringa Bank of Idaho*, January 31, 2014.
5. Sparshott, Jeffrey, Wall Street Journal, *U.S. Trade Gap Widens in December*, February 6, 2014.
6. Smialek, Jeanna, Business Week, *Trade Deficit Widens More Than Forecast as Exports Decrease*, February 6, 2014.

A horse never runs so fast
as when he has other
horses to catch up and
outpace—Ovid

China Pollution

China is not the only source of air pollution. Case in point, so far this year New Delhi has experienced more particulate pollution than has Beijing [1]. China's rapid growth is effecting traditional lifestyles. For

instance, the Mongolian practice of herding livestock has been upset by China's coal and rare earth mining operations [2].

1. Harrisjan, Gardiner, New York Times, *Beijing's Bad Air Would Be Step Up for*

Smoggy Delhi, January 25, 2014.

2. BBC News, *Mongolian way of life under threat in China*, February 6, 2014.