

# IN THE NEWS

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## World News

Following last month's missile test to destroy satellites, China is turning space into the next battle ground [1]. Meanwhile, China continues to increase the number of nuclear and conventional warheads in its missile force [2]. Additionally, China conducted a second test of a new hypersonic glide missile that will expose the US to nuclear attack [3]. While China continues to build its military, the communist giant is also encroaching on its neighbors. Case in point, two Chinese survey ships were seen in the oil rich waters off the Philippines [4]. What's more, at least one Chinese fighter jet challenged a US military submarine watching aircraft [5]. Afterwards, China complained that US short-range reconnaissance missions jeopardized the safety of both countries [6].

Russia and the Ukraine crossed another threshold in the ongoing hostilities. Reports indicate that a Russian military column that entered Ukraine was destroyed by the Ukrainian military [7]. Following this, it appears the Russian rebels shot down a Ukrainian fighter jet [8]. Then reports indicate Russia is firing artillery from inside the Ukrainian border [9]. At the same time, NATO is detecting large concentrations of Russian forces along the border with the Ukraine [10].

In Iraq, US airstrikes helped Kurdish fighters attempting to retake a dam recently captured by the Islamic State (IS) [11]. Indications are the largest dam located in Iraq has been retaken by Kurds from IS terrorists [12]. However the terrorist situation in Iraq is far from over. Case in point, even Pope Francis is backing the use of military action to protect Iraq minorities [13]. Separately, reports indicate the US may be planning to start bombing IS targets within Syria [14]. This is far different from the past threat of US action against the Syrian government for chemical weapons use against rebels [15].

1. Gertz, Bill, Washington Free Beacon, *Stratcom: China Continuing to Weaponize Space with Latest Anti-Satellite Missile Shot*, August 13, 2014.
2. South China Morning Post, *China 'increasing number of missile warheads'*, August 8, 2014.
3. Gertz, Bill, Washington Free Beacon, *China Secretly Conducts Second Flight Test Of New Ultra High-Speed Missile*, August 19, 2014.
4. Mogato, Manuel, Reuters, *Aquino says Chinese survey ships seen in Philippine waters*, August 18, 2014.
5. Gertz, Bill, Washington Free Beacon, *Chinese Jet Threatened U.S.*

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### Special points of interest:

- Over 1,000 businesses impacted by POS Malware
- US considers bombing IS targets in Syria
- Chinese military fighter threatens US reconnaissance aircraft

## Security

Once again, the size of security patches releases indicates the complexity of protecting commercial software. Case in point, the August Microsoft Patch Tuesday included 9 patches to correct 37 bugs [1].

Chinese hackers have been active during this news

period. This time a breach impacted an estimated 4.5 million members of a hospital network [2].

Finally, point of sale hacking is in the news. One report indicates over 1,000 businesses have been impacted by the "Backoff" malicious software (Malware) program that

attacks devices such as cash registers [3].

1. Walker, Daniella, SC Magazine, *On Patch Tuesday, Microsoft releases nine patches for 37 bugs*, August 12, 2014.
2. Washington Free Beacon, *Chinese Hackers Steal Personal Info of 4.5*

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*Million Hospital Patients*,  
August 18, 2014.

3. Prior, Anna, Wall Street Journal, *More Than 1,000 Businesses Affected by 'Backoff' Malware*, August 22, 2014.

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*Nothing strengthens  
authority so much as  
silence.—Leonardo da  
Vinci*

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- Intelligence Aircraft*, August 21, 2014.
6. Harney, Alexandra, Reuters, *China rejects U.S. criticism over jet encounter*, August 23, 2014.
7. Troianovski, Anton, and Ostroukh, Andrey, Wall Street Journal, *Ukraine Plays Down Significance of Destruction of Russian Military Convoy*, August 16, 2014.
8. AP, *Ukraine says pro-Russian separatists shoot down fighter jet*, August 17, 2014.
9. Demirjian, Karoun, and Birnbaum, Michael,

Washington Post, *Russia escalates tensions with aid convoy, reported firing of artillery inside Ukraine*, August 22, 2014.

10. Santa, Martin, and Fioretti, Julia, Reuters, *NATO sees alarming build-up of Russian forces near Ukraine: Rasmussen*, August 22, 2014.
11. Fox News, *Iraq Kurdish forces launch ground offensive to retake key dam, as US airstrikes continue*, August 17, 2014.
12. Cooper, Helene, et. al., New York Times, *Troops in Iraq Rout Sunni Militants From a Key Dam*, August 18, 2014.

13. Gomez, Alan, USA Today, *Pope backs military force to protect Iraq minorities*, August 18, 2014.
14. Boyer, Dave, Washington Times, *Obama considering airstrikes in Syria against Islamic State*, August 22, 2014.
15. Ball, James, Washington Post, *Obama issues Syria a 'red line' warning on chemical weapons*, August 20, 2012.

## Terrorism

The acts of terrorism from the Islamic State (IS) continue. For example, one report indicates in one minority Yazidi village, the IS executed 80 men and carried away hundreds of women [1].

Meanwhile, UK Prime Minister David Cameron is warning the IS could be a serious threat to the UK [2]. But perhaps the best indicator of the terrorism from IS comes directly from that organization. Case in point, they broadcast a tape showing the beheading of an American photo journalist [3].

One fear is the IS terrorist organization could hit targets in the US. According to Senator Inhofe, the IS terrorist organization is developing a capability to destroy an American city [4]. Concurrently, one piece suggests that Chicago is a prime target [5]. Another piece suggest Las Vegas is a top IS target [6].

Meanwhile, as open warfare continues between IS and other fractions, the random acts of terrorism continue throughout Iraq. Case in point, multiple bombs killed dozens of people in areas that are not in the war zone [7].

The Hamas group appears to be involved with new terrorist attacks directed against Palestinians in the Gaza Strip. For instance, 18 Palestinians were executed by Hamas operatives for allegedly collaborating with Israel [8].

1. Sly, Liz, Washington Post, *Islamic State fighters kill dozens of Yazidi villagers*, August 16, 2014.
2. Brant, Robin, BBC News, *Iraq crisis: Cameron warns of IS threat to UK*, August 17, 2014.
3. Mullen, Jethro, CNN, *Beheading of American journalist James Foley recalls past horrors*, August 20, 2014.
4. Cross, Phil, Fox News, *Senator Inhofe warns of potential terrorist attacks on U.S. soil*, August 20, 2014.
5. Dodge, John, CBS, *Chicago A Top Terror Target; Ominous Tweet Connects ISIS Threat In City*, August 22, 2014.
6. Fox News, *Police: Las Vegas mentioned as al-Qaida terror target*, August 22, 2014.
7. Bengali, Shashank, Los

Angeles Times, *Deadly Iraq bombings may be retaliation for massacre at a Sunni mosque*, August 23, 2014.

8. al-Mughrabi, Nidal, and Fisher-Ilan, Allyn, Reuters, *Gunmen execute 18 alleged collaborators in Gaza; Israel launches air strikes*, August 22, 2014.

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*Terrorism takes us back to  
ages we thought were long  
gone if we allow it a free  
hand to corrupt democratic  
societies and destroy the  
basic rules of international  
life.—Jacques Chirac*

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## Economy

According to the Federal Reserve's No. 2 official, Stanley Fischer; reduced demand for American exports, reduced government spending, and an anemic housing market resulted in holding back a recovery [1]. It seems to us that these three items have a common root. Consider, as the US exports more jobs to China, fewer Americans can purchase a house. In turn, with fewer people employed, the tax base for Government spending is reduced. Moreover, China does not practice fair trade with other nations. Case in point, China fined Japanese auto parts companies for alleged price fixing [2]. This comes as the price of Chinese goods is increasing [3].

For the week ending August 9, the number of first time unemployment claims reported by the Labor Department was 311,000 [4]. Then for the

following week, the number reported was 298,000 [5]. What's more, Federal Reserve Chair Janet Yellen warned the unemployment numbers overstate the health of the economy [6].

In a sign that high tech industry is still struggling; Cisco announced plans to lay off 6,000 workers [7]. This news comes after other tech leaders, including HP and Microsoft, announced planned layoffs [8].

1. Schwartz, Nelson D., New York Times, *Fed Official Warns 'Disappointing' Growth Could Foretell Future*, August 11, 2014.
2. Bradsher, Keith, New York Times, *China Fines Japanese Auto Parts and Bearings Makers in Price Rigging*, August 20, 2014.
3. Wee, Heesun, CNBC, *Why the 'Made in China' model is weakening*, August 20, 2014.
4. Jamrisko, Michelle, Bloomberg, *Jobless Claims in U.S. Rise to Highest Level in Six Weeks*, August 14, 2014.
5. Hawver, Mark, Tech Times, *Tough choices for Cisco, 6,000 layoffs ahead*, August 14, 2014.
6. Davidson, Paul, USA Today, *Fed's Yellen: Labor market "has yet to fully recover"*, August 22, 2014.
7. Chandra, Shobhana, Bloomberg News, *Jobless claims decline more than forecast last week*, August 21, 2014.
8. Krause, Reinhardt, Investors Business Daily, *Microsoft, HP Boost Tech Layoffs As Economy Adds Jobs*, July 28, 2014.

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*It is folly for a man to pray  
to the gods for that which  
he has the power to obtain  
by himself.—Epicurus*

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## China Pollution

It looks like China's pollution problem will remain in place for some time before it improves. Case in point, compared to July of last year, air pollution in 74 cities increased [1]. However, China is on track to expand nuclear energy [2]. We expect this will eventually contain much of China's pollution problem.

However, as China looks for

ways to reduce pollution, consequences should be considered. For instance, in the US, solar and winds renewable energy devices resulted in the death of tens of thousands of birds [3].

1. Reklef, Stian, Reuters, *China's air pollution worsens in July, highest in north*, August 19, 2014.
2. Njini, Felix, Bloomberg, *China General Nuclear Plans Acid Plant at Namibian Uranium Mine*, August 20, 2014.
3. Washington Free Beacon, *Solar Plants are Scorching, Killing Birds in Mid-Air*, August 18, 2014.