

IN THE NEWS

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World News

As the US continues to make agreements with China on trade and other matters, it is worth examining how the communist giant is honoring past agreements. Case in point, although China agreed to stop cyber espionage operations against the US; the practice continues [1]. What's more, with record trade deficits, the U.S. is just now ironing a deal to allow US farmers to export rice to China [2]. So what are the ramifications of China's unfair trade practices?

Consider, China's actions in the South China Sea are causing more angst. For instance, one report indicates India may join the US in joint patrols of the contested area [3]. In the past, Chinese officials stressed the civilian nature of the Spratlys expansion; however military expansion is what is taking place [4]. In another example, there is a report China is deploying surface to air missiles to at least one of the contested islands [5]. This is supported by satellite imagery of Woody Island that depicts radar plus 2 batteries, each with surface-to-air missile launchers [6]. The HQ-9 missiles China deployed have an estimated range of 100 to 120 miles [7]. For its part, China is blaming the United States for South China Sea militarization [8]. Paradoxically, if there was no wealth transfer from the US, China would not have the resources to take over the South China Sea. So in this regard there is some truth to the Chinese assertion.

At the far extreme, some have pointed out military conflict parallels exist throughout history and warn the South China Sea could be the stage for the next World War [9]. Consider that Germany's pre-war expansion was a catalyst for World War 2. At this point, we have transferred so much wealth and technology into China; they are rapidly expanding their military. So the real cost in decades of unfair trade may culminate in future armed conflict.

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Security

The race to fix security vulnerabilities continues. Microsoft's patch Tuesday fixed 36 vulnerabilities [1]. Then Adobe released patches to fix 32 vulnerabilities [2]. We also learned of vulnerabilities impacting the Internet of Things. For instance, Trane smart thermostats were patched to address vulnerabilities with the devices [3]. In another example, Cisco issued a patch to fix a Internet Key Exchange vulnerability in

the ASA firewall product [4]. Then Mozilla issued patches to fix vulnerabilities in the Firefox browser [5].

Elsewhere, ransomware is in the news. For example, the Hollywood Presbyterian Medical Center in Los Angeles paid a \$17,000 ransom to get their files decrypted after malware rendered the files useless [6].

1. Olenick, Doug, SC Magazine, *Microsoft's February Patch Tuesday:*

13 bulletins addressing 36 vulnerabilities, February 9, 2016.

2. Barth, Bradley, SC Magazine, *Adobe issues 32 fixes for February's Patch Tuesday*, February 9, 2016
3. Bradley, Barth, SC Magazine, *Vulnerabilities in Trane thermostats heat up IoT safety concerns*, February 9, 2016.

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Special points of interest:

- Carrier moves 1,400 jobs to Mexico

Security

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6. Blake, Andrew, Washing-

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*Skepticism is a virtue in
history as well as in
philosophy—Napoleon
Bonaparte*

World News

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2. Newman, Jesse, Wall Street Journal, *U.S. Reaches Deal on Rice Exports to China, Trade Group Says*, January 22, 2016.
3. Miglani, Sanjeev, Reuters, *Exclusive: U.S. and India consider joint patrols in South China Sea - U.S. official*, February 10, 2016. .
4. Torode, Greg, and Rajagopalan, Megha, Reu-

ters, *Paracels build-up a pointer to China's broader South China Sea ambitions*, February 21, 2016.

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6. Tomlinson, Lucas, and Friling, Yonat, Fox News, *Exclusive: China sends surface-to-air missiles to contested island in provocative move*, February 16, 2016.
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sile deployment ups the ante for the U.S. and allies, February 17, 2016.

8. Gertz, Bill, Washington Free Beacon, *Chinese Foreign Minister to Visit Washington Amid Tensions Over Missile Deployment*, February 19, 2016.
9. Popham, Peter, The Independent (UK), *The next world war will be in the South China Sea. Ask Thucydides...*, February 19, 2016.

Terrorism

Terrorism continues to exact a toll. For instance, in Nigeria, two girls blew themselves up killing at least 58 people [1]. Elsewhere, Turkey finds itself in deep waters. For instance, a car bomb explosion in Ankara killed at least 28 people [2].

Libya is becoming the latest front on the war against the Islamic State (IS) [3]. Case in point, US warplanes are reported to have bombed a suspected IS base in Libya [4]. By one estimate at least 40 people were killed in the attack [5].

Meanwhile, the war in Syria continues with terrorist attacks. For instance, twin car bombs killed at least 25 people were killed [6].

1. Sadiq, Usam, et. al., New York Times, *Young Bomb-*

ers Kill 58 at Nigerian Camp for Those Fleeing Boko Haram, February 10, 2016.

2. Hanna, Jason, and Alkhshali, Hamdi, CNN, *Explosion strikes Turkey's capital; 28 dead*, February 17, 2016.
3. Musa, Rami, and Keath, Lee, AP, *Libya becoming new front in fight against Islamic State*, February 21, 2016.
4. Raghavan, Sudarsan, et. al., Washington Post, *U.S. airstrikes target suspected Islamic State base in Libya*, February 19, 2016.
5. Schmitt, Eric, et. al., New York Times, *U.S. Air strikes on ISIS Camp in Libya Kill More Than 40*, February 19, 2016.

6. Basil, Yousuf, and Hume, Tim, CNN, *Syria: 25 killed as car bombs explode near bus stop in Homs, regime says*, February 21, 2016.

Russia and China are very natural partners. We are neighbors with an immense common border.—Vladimir Putin

Economy

The disastrous trade imbalance with China is credited with helping shape the political victories in New Hampshire [1]. For instance, the 2015 US trade deficit with China reached a new record high of \$365.7 Billion [2]. This works out to over a billion dollars per day on average.

According to the Labor Department, the number of first time unemployment claims for the week ending February 6 was 269,000 [3]. Then for the following week, the number reported was 262,000 [4]. Meanwhile the thrust to ex-

port US jobs continues unabated. Case in point, Carrier announced plan to lay off 1,400 American working in Indianapolis and move the manufacturing to Mexico [5].

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Low U.S. jobless claims underscore labor market strength, February 11, 2016.

4. Stilwell, Victoria, Bloomberg, *Jobless Claims in U.S. Decline to Lowest Level Since November*, February 18, 2016.
5. Francis, Enjoli, ABC News, *1,400 Workers 'Devastated' by Carrier's Plan to Move Indianapolis Facility to Mexico*, February 16, 2016.

*To be prepared for war is
one of the most effective
means of preserving peace—
George Washington*
