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## China Cyber Hackers Threaten U.S. Economy

By BRIANNA EHLEY, Posted: February 11, 2013

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**W**e've had hot wars, cold wars, and now digital skirmishes with China. The U.S. economy is the target of a massive, sustained cyber-espionage campaign that economists say has cost the country as much as \$100 billion a year.

According to the National Intelligence Estimate, Chinese hackers have been hacking into computer systems of government agencies and businesses in the finance, tech, aerospace and automotive industry to access data for potential economic gain. - [Read more at The Washington Post](#)

**DIRE WARNINGS FROM D.O.D. OVER CUTS...AGAIN** Joint Chiefs Chairman Gen. Martin Dempsey continues to warn about the impact of sequestration. On Saturday, he said that the Pentagon would have to cut the size of the U.S. military forces for the second time if Congress allows the cuts to take effect. He added that the Defense Department already has to trim \$487 billion from its budget over 10 years as required by the Budget Control Act of 2011. [Read more at The Fiscal Times](#)

**BUT THE D.O.D. CAN'T EVEN BALANCE ITS BUDGET** *The Fiscal Times'* David Francis reports: "As Panetta repeatedly [sounds the alarm](#) on the spending cuts, the Pentagon's finances are in disarray. According to a recent [GAO report](#), the Pentagon's \$800 billion budget is simply incapable of being audited accurately. What's worse, the Pentagon has not been accurately audited in nearly two decades." - [Read more at The Fiscal Times](#)

**QUARREL OVER TAXES CONTINUES** On NBC's "Meet the Press," House Majority Leader Eric Cantor denounced the president's plan to raise revenue as part of a sequester solution, saying, "He just got his tax hike on the wealthy...you can't in this town every three months raise taxes. Again. Every time that's his response." True, Obama seeks a tax increase. But Democrats have basically been pushing a set of tax increases for years – and the fiscal cliff deal that raised rates was just one piece of that set. Meanwhile, House Minority Leader Nancy Pelosi told Fox News the U.S. doesn't have a spending problem and that any deal to avoid the sequester should include new revenue: "It is almost a false wrong to say we have a spending problem. We have a deficit problem that we have to address." - [Read more at Fox News](#)

**WHITE HOUSE: OUR OFFER STILL STANDS** The president's offer during the fiscal cliff fight—which included additional revenue from closing loopholes—is still an option, White House Senior Adviser Dan Pfeiffer wrote in a White House blog Sunday.

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"The president's last offer to Speaker Boehner in December remains on the table - an offer that meets the Republicans halfway on spending and on revenues, and would permanently turn off the sequester and put us on a fiscally sustainable path. We should have a debate over how to best reduce the deficit. But with only three weeks until these indiscriminate cuts hit, Congress should find a short term package to give themselves a little more time to find a solution to permanently turn off the sequester. That package should have balance and include spending cuts and revenues." - See Pfeiffer's blog post [here](#)

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