

## NATION/WORLD DIGEST

## Contractor Charged With Leaking Intel

WASHINGTON (AP) — The Obama administration is accusing an analyst who worked at the State Department of leaking top secret information about North Korea to a reporter. It's the latest move in an aggressive campaign to crack down on leaks, even as the administration supports proposed legislation that would shield reporters from having to identify their sources.

Steven Kim, who worked at State as a federal contractor, is named in a federal indictment unsealed Friday.

The Justice Department says he passed information about U.S. intelligence about a foreign country to a Fox News reporter. The country is believed to be North Korea. He is pleading innocent.

The administration recently arrested an Army official for leaking documents to a website and charged a former intelligence official with leaking information about NSA mismanagement.

## U.S. Captive In Korea Reunites With Family

BOSTON (AP) — An American held captive for seven months in North Korea stepped off a plane in his hometown Friday, looking thin but joyful as he hugged the former president who had helped win his release and family and friends surrounded him in a group embrace.

Aijalon Gomes was accompanied by former President Jimmy Carter, who had flown to Pyongyang to negotiate his freedom. Gomes, who had been teaching English in South Korea, was imprisoned and sentenced to eight years' hard labor for crossing into the North from China on Jan. 25 for unknown reasons.

North Korea's state-run news agency reported last month that Gomes had attempted suicide, leading his family to ask for his release on humanitarian grounds. North Korea said this week it would release Gomes to Carter if the former president went to get him.

Gomes hugged Carter and then his mother before his loved ones encircled him, praying and waving their hands skyward. One man gripped a small American flag, and others held a banner behind them that read: "Welcome home! Disciple of the Lord Aijalon Mahli Gomes. Salvation is ours."

The banner also pictured a Christian cross and contained biblical references to Acts, Psalms, and Job, an Old Testament book about a man who survived great tribulation.

## Cars Explode In Mexican State; 72 Killed

REYNOSA, Mexico (AP) — Two cars exploded early Friday in a northern state where officials are investigating the killing of 72 Central and South American migrants, and a prosecutor investigating the massacre has disappeared.

The prosecutor, Roberto Jaime Suarez, vanished Wednesday in the town of San Fernando, where the bodies of the migrants were found, the Tamaulipas state attorney general's office said in a statement. A transit police officer in the town was also missing.

President Felipe Calderon, speaking during a forum on security, said Suarez, a Tamaulipas state prosecutor, was involved in the initial investigation into the massacre, which authorities have blamed on the Zetas drug gang. The federal attorney general's office has since taken the lead in the case.

The two car explosions occurred less than 45 minutes apart in Ciudad Victoria, the Tamaulipas state capital, the attorney general's office said. The first exploded in front of the offices of the Televisa network and the second in front of transit police offices.

There were no injuries, though both blasts caused some damage to buildings and knocked out the signal of the Televisa network for several hours. The explosion outside Televisa was felt for several blocks.

## Cuba OKs Foreign Leases Of Gov't Land

HAVANA (AP) — Cuba has issued a pair of surprising free-market decrees, allowing foreign investors to lease government land for up to 99 years — potentially touching off a golf-course building boom — and loosening state controls on commerce to let islanders grow and sell their own fruit and vegetables.

The moves, published into law in the Official Gazette on Thursday and Friday and effective immediately, are significant steps as President Raul Castro promises to scale back the communist state's control of the economy while attempting to generate new revenue for a government short on cash.

"These are part of the opening that the government wants to make given the country's situation," said Oscar Espinosa Chepe, a state-trained economist who is now an anti-Adenunist dissident.

Cuba said it was modifying its property laws "with the aim of amplifying and facilitating" foreign investment in tourism, and that doing so would provide "better security and guarantees to the foreign investor."

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## Government: Economy Edges Closer To Stalling

BY CHRISTOPHER S. RUGABER  
AP Economics Writer

WASHINGTON — As weak as it was, the economy turns out to have been even worse — closer than the government first thought to stalling out completely or even falling back into recession.

New figures issued Friday paint a darker picture of the economy's performance this spring, growing at a meager 1.6 percent annual pace. The initial estimate was 2.4 percent, and even that was anemic. Analysts say the summer should be disappointing, too.

Shortly after the government's revision, Federal Reserve chief Ben Bernanke said the Fed was ready to take additional steps to prevent a second recession, if the economy deteriorates further. But he stopped short of promising any action.

The Fed "will do all that it can to ensure continuation of the economic recovery," he said.

Several economists said they expected the economy to keep growing slowly for the rest of the year. That would almost certainly not be enough to bring down the jobless rate, already at 9.5 percent, and unemployment could actually increase.

The performance is "very disappointing," said Ethan Harris, an economist at Bank of America-Merrill Lynch. "Usually you get a bigger bounceback."

In the first quarter of the year, the economy grew much faster, at a 3.7 percent pace. Since then, though, the housing

market has slumped after the expiration of a homebuyer tax credit, and business spending and manufacturing activity are both cooling off.

Bernanke, speaking to a Fed conference in Jackson Hole, Wyo., acknowledged the economy has slowed more than policymakers had anticipated and said it is "vulnerable to unexpected developments."

He did say he expects growth will pick up next year. The central bank chairman also sought to reassure the financial markets that he has the tools needed to bolster the economy and will use them if business activity slows further.

Bernanke outlined several options, including having the Fed buy more securities, most likely government debt or mortgage investments, as a way to drive down interest rates on all sorts of debt and spur more spending that might get the economy going.

Bernanke made clear "he is willing to act to ensure that the recovery remains on the right path," said Zach Pandl, an economist at Nomura Securities.

That reassured the financial markets, which rose sharply after the Fed chairman's speech. The Dow Jones industrial average finished 164 points higher and back over 10,000, and broader market markers registered solid gains.

Wall Street looked past a disappointing statement from computer chip maker Intel, which said it was cutting its sales forecast for the quarter after sensing

weaker demand from customers in the U.S. and Europe. A little more than a month ago, Intel reported its biggest quarterly profit in a decade.

How much the government could help at this point is an open question. The Fed has already lowered its key short-term interest rate to nearly zero, but that has yet to rejuvenate the economy. The benefits of federal stimulus programs are fading, and Congress has declined to pass any major new aid.

Bernanke said the prospect of high unemployment for a long period is a central concern for the Fed. He also made clear that he is determined to prevent the United States from slipping into a deflationary spiral — a prolonged drop in wages and prices.

The Fed chief said the foundation is being laid for stronger growth in 2011: Households are saving more and healthier banks are more willing to lend. That should boost consumer spending, which makes up 70 percent of U.S. economic activity.

Corporate profits and personal incomes also rose in the second quarter, noted Rebecca Blank, undersecretary for economic affairs at the Commerce Department.

"There is some good news here," she said. "Those are the things that will fuel a longer-term recovery."

Still, the report for April to June showed that economic growth was reduced by a surge of imports in June and a smaller buildup in business inventories than previously estimated.

Without the trade deficit, the economy would have grown at a healthy 5 percent pace. Instead, the gap essentially subtracted 3.4 percentage points, the biggest hit from a trade imbalance since 1947.

Business investment in new machinery, computers and software rose nearly 25 percent, driving much of the growth last quarter. But much of that spending was on goods from other countries — a 32 percent increase in imports, the most since 1984.

Bernanke and many private economists seem to think that was mostly an aberration. As businesses pare back their spending on inventories and reduce investment in new equipment, imports should decline and come more into alignment with exports, they say.

Americans personally spent a bit more in the second quarter than previously calculated. Their spending rose at a 2 percent annual rate, above the 1.6 percent estimated last month.

The government's report measures the gross domestic product, which covers goods and services from autos to haircuts. Friday's report is the second of three estimates the government makes each quarter.

## NEWS AROUND THE CLOCK

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## Somali Man Pleads Guilty In Piracy Case

WASHINGTON (AP) — A Somali man pleaded guilty Friday to piracy-related charges for attacking a U.S. Navy ship in what the defendant said was a case of mistaken identity. Jama Idris Ibrahim told authorities he intended to attack a merchant vessel to hold it for ransom and discovered that he was attacking a Navy ship instead.

Ibrahim entered the plea in federal court in Norfolk, Va.

"Today marks the first conviction in Norfolk for acts of piracy in more than 150 years," U.S. Attorney Neil MacBride said in a statement. "Modern-day pirates must be held accountable."

Ibrahim and five other Somalis chased a ship they believed was a merchant vessel and started firing at the ship and the people on board before they were captured, according to court papers in the case.

The piracy-related acts to which Ibrahim pleaded guilty were attacking to plunder a vessel, engaging in an act of violence

against people on a vessel and using a firearm during a crime of violence, all in connection with an attack against the USS Ashland on April 10.

Earlier this month, a judge dismissed piracy charges against the six Somalis. A conviction on the charge of piracy itself carries a mandatory life term.

The piracy-related charges carry a range of sentences from 10 years to life in prison.

The plea agreement said both parties agreed a sentence of 30 years in prison is appropriate. Sentencing is scheduled for Nov. 29.

Separately, Ibrahim was charged Friday in Washington, D.C., with an alleged act of piracy in the Gulf of Aden against a merchant vessel, the M/V CEC Future. In a document called a criminal information, Ibrahim was accused of conspiracy to commit piracy under the law of nations and conspiracy to use a firearm during a crime of violence.

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