

US Economy Grew At 2 Pct. Rate Over Summer; A Pickup Is Seen

BY MARTIN CRUTSINGER
AP Economics Writer

WASHINGTON — The U.S. economy grew at a slightly slower pace over the summer than the government had previously estimated. Most economists foresee a slight acceleration in the current quarter and stronger growth in the first half of 2016.

The Commerce Department said Tuesday that the economy, as measured by the gross domestic product, expanded at a 2 percent annual rate in the July-September quarter. That was a bit lower than its previous estimate of 2.1 percent, a result of less restocking by businesses than previously estimated.

Last quarter's expansion was significantly below the 3.9 percent annual GDP growth in the second quarter. The slowdown reflected a cutback in the pace of inventory restocking. Economists think growth in the final quarter will amount to around a 2.2 percent rate, helped by solid consumer spending.

The government's latest estimate showed that slower growth in business stockpiles shaved 0.7 percentage point from third quarter growth, larger than the 0.6

percentage point reduction earlier estimated. The government revises its GDP estimates as new data comes in.

The 3.9 percent annual growth in the April-June quarter followed a barely discernible 0.6 percent increase in the January-March quarter. Growth in the first quarter was depressed by an unusually severe winter and disruptions at West Coast ports.

Economists' expectation is that the economy is growing at a moderate annual rate of around 2.2 percent in the current quarter and will accelerate to a 2.3 percent rate or higher in the first half of next year.

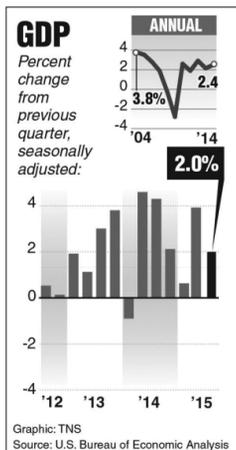
Gus Faucher, senior economist at PNC, said he expects economic growth of 2.4 percent for all of 2016.

"Consumer spending will continue to lead overall growth," Faucher said.

He predicted that the spending gains would be supported by solid hiring, faster pay growth and low energy prices, which would give consumers money to spend on other items.

Consumer spending accounts for about two-thirds of U.S. economic activity.

Last quarter, consumer spending grew at a solid 3 percent pace, unchanged



from the previous estimate. Business investment on structures fell at a 7.2 percent annual rate, slightly worse than previously thought, as cutbacks in oil and gas exploration hurt the energy sector. Business investment in equipment shot up at a 9.9 percent annual rate.

Housing construction expanded at an 8.2 percent annual pace and government spending at a 1.8 percent rate as gains in spending by state and local governments offset cuts in defense spending.

Foreign trade shaved 0.3

percentage point from third quarter growth as a small gain in exports was offset by a bigger increase in imports. Export sales have been hurt this year by the strength of the dollar, which has made U.S. products costlier and less competitive on overseas markets.

The Federal Reserve last week boosted a key interest rate for the first time in nearly a decade, raising its target for overnight bank lending up a quarter-point to a range of 0.25 percent to 0.5 percent. It had been at a record low near zero since late 2008.

Many analysts say solid economic growth and rising employment will keep the Fed on a path of gradual increases in rates over the next year. But they stress that the gains will likely be gradual because they expect inflation to remain unusually low. For more than three years, prices by the Fed's preferred measure have failed to reach the Fed's target of 2 percent.

Some think the next rate hike might not occur until June as the Fed delays a second rate hike to give it time to assess the impact of the first hike on the economy. Many economists foresee only three or four quarter-point rate hikes in 2016.

Trump Mocks Clinton With Crude Language

WASHINGTON (AP) — Republican presidential candidate Donald Trump labeled Democrat Hillary Clinton "disgusting" for using the restroom during a commercial break at the last Democratic debate and used crude language to describe her primary loss to now-President Barack Obama in 2008.

"She was favored to win and she got schlonged, she lost," he said on Monday night, using a slang word for male genitalia.

Trump, who has ramped up his criticism of Clinton in recent weeks, also mocked Clinton for returning late to Saturday's debate following a commercial break because she'd been using the bathroom.

"What happened to her? I'm watching the debate, and she disappeared. Where did she go?" Trump said at the rally at the DeltaPlex Arena in Grand Rapids, Michigan.

"I know where she went. It's disgusting, I don't want to talk about it," he added. "No, it's too disgusting. Don't say it, it's disgusting."

Weird Pattern Turns Weather Upside-Down

SEATTLE (AP) — A weather pattern partly linked with El Nino has turned winter upside-down across the U.S. during a week of heavy holiday travel, bringing spring-like warmth to the Northeast, a risk of tornadoes in the South and so much snow across the West that even skiing slopes have been overwhelmed.

In a reversal of a typical Christmas, forecasters expect New York to be in the mid-60s on the holiday — several degrees higher than Los Angeles.

The mild conditions have helped golf courses in New England do brisk business, but the pattern comes at a steep cost for ski resorts that have closed and for back-country skiers who confront avalanche risks. And many Americans complain that it just doesn't feel like the holidays without a chill in the air.

"It's been a great snow season so far from the Rockies to the higher elevations in the Cascades and the northern Sierras, and it's been the total opposite on the East Coast," said Bob Oravec, lead forecaster with the National Weather Service.

Big parts of the county are basking in above-average temperatures, especially east of the Mississippi and across the Northern Plains. Record warmth was expected on Christmas Eve along the East Coast, Oravec said.

Obama And Congress Go Their Own Ways

WASHINGTON (AP) — Five days after Paul Ryan was sworn in as House speaker, the White House promised to invite him to meet President Barack Obama for a perfunctory but traditional photo opportunity. It would be a chance for the leaders to shake hands for the cameras and exchange pledges to work together.

Ryan never got that invitation. It turns out the White House didn't want a photo marking the advent of a new Republican speaker. And despite the new leadership, neither side was eager to signal a reset in relations. Instead, both Republican and White House officials say they picked up this fall where Obama and former House Speaker John Boehner left off.

As Ryan himself put it, the House has an agenda and "it doesn't require the president."

The mutual lack of interest has taken hold with little drama.

Man Held For Rape He Denies Walks Free

DENVER (AP) — A Denver man convicted of rape after a woman says his face appeared to her in a dream walked free Tuesday following more than a quarter-century in prison for an attack he denies committing and to which another man confessed.

Clarence Moses-EL, 60, left a Denver jail after a judge overturned his 1988 conviction on rape and assault charges and found that he would likely be acquitted if his case went to trial again. Supporters posted a \$50,000 bond for his release after Moses-EL was transferred from the prison where he was housed for decades.

A statement from his lawyers said he looked forward to living with his wife in Denver, spending time with his son and meeting his 12 grandchildren for the first time.

Moses-EL has long maintained his innocence, and his case inspired legislation requiring preservation of DNA evidence in major felony cases for a defendant's lifetime after police throw out body swabs and the victim's clothing.

He was sentenced to 48 years in prison in the attack against a woman after she returned home from a night of drinking. When police initially asked who assaulted her, she named the man who later confessed to having sex with her.

Carson Looks For Right Campaign Balance

STORM LAKE, Iowa (AP) — Republican presidential hopeful Ben Carson rode his outsider image, calm demeanor and compelling life story to the top of a chaotic GOP field earlier this fall.

Since then, however, the retired neurosurgeon has fumbled on foreign policy, lashed out publicly at scrutiny of his life story and has had to referee a tug-of-war among his closest advisers — all while watching his rivals capitalize on his troubles.

But six weeks before voting begins, Carson's campaign insists that he is still poised to win in first-to-vote Iowa, where Carson plans to concentrate his campaign through to the Feb. 1 caucus.

The blitz comes amid lingering questions about his overall readiness for the job. His aides acknowledge that national front-runner Donald Trump and Texas Sen. Ted Cruz, who some polls show as the new leader in Iowa, have commandeered the spotlight in a Republican race, the focus of which has shifted to national security following mass attacks at home and abroad.

The candidate himself remains unwavering.

Bowe Bergdahl Arraigned At North Carolina Army Base

BY JONATHAN DREW
Associated Press

FORT BRAGG, N.C. — Wearing a dress blue uniform, Sgt. Bowe Bergdahl faced a military judge Tuesday for the first time since the U.S. Army decided to proceed with a military trial that could result in a life sentence for his disappearance in Afghanistan in 2009.

Bergdahl, who was held by the Taliban for five years after he walked off a base, was arraigned during a short hearing on charges of desertion and misbehavior before the enemy, a relatively rare charge that carries the severe punishment. If convicted of desertion, he could get up to five years in prison.

Bergdahl deferred entering a plea and did not decide whether he wants to face a court-martial with a jury or one with just a judge. He said little beyond answering "yes" and "no" to questions about whether he understood his rights and the court proceedings.

He appeared demure, sitting mostly still in his chair then walking deliberately with his head down as he left the courtroom. He talked quietly with his military attorney before and after the hearing.

The next pretrial hearing was scheduled for Jan. 12 before Army Judge Col. Jeffery R. Nance, who will preside over future hearings.

Bergdahl, 29, of Hailey, Idaho, walked off his post in eastern Afghani-

stan's Paktika province on June 30, 2009. He was released in late May 2014 as part of a prisoner swap, in exchange for five detainees in Guantanamo Bay. The move prompted harsh criticism, with some in Congress accusing President Barack Obama of jeopardizing the safety of the country with the exchange.

A preliminary hearing officer initially recommended a special court-martial, which is a misdemeanor-level forum. But earlier this month, the Army announced Bergdahl would face the more serious general court-martial.

While the military typically follows the recommendation from the preliminary hearing known as an Article 32, it's not unheard of for a high-ranking general to make a different decision, said Walter Huffman, a retired major general who served as the Army's top lawyer.

Huffman was surprised the more serious general court-martial was chosen, but he said the approach will allow the court to thoroughly consider the case with all punishments available.

"It's kind of: 'Let's let the system decide. Let's keep our options open,'" he said.

The charge of misbehavior before the enemy was used hundreds of times during World War II, but scholars say its use appears to have dwindled in conflicts since then. Legal databases and media accounts turn up only a few misbehavior cases since 2001, when fighting began in Afghanistan, followed

by Iraq less than two years later. In contrast, statistics show the U.S. Army prosecuted about 1,900 desertion cases between 2001 and the end of 2014.

Bergdahl hasn't talked publicly about what happened, but over the past several months, he spoke extensively with screenwriter Mark Boal, who shared about 25 hours of the recorded interviews with Sarah Koenig for her popular podcast, "Serial."

Bergdahl's attorney Eugene Fidell said politicians and others have been using Bergdahl as a talking point to push their own agendas for months. The more the public can hear Bergdahl's own words, the better, Fidell told The Associated Press earlier this month.

In the first episode of "Serial," Bergdahl said he walked off his base to cause a crisis that would catch the attention of military brass. He wanted to warn them about what he believed were serious problems with leadership in his unit. And he wanted to prove himself as a real-life action hero, like someone out of a movie.

"I was trying to prove to myself, I was trying to prove to the world, to anybody who used to know me ... I was capable of being what I appeared to be," Bergdahl said. "Doing what I did was me saying I am like Jason Bourne. I had this fantastic idea that I was going to prove to the world I was the real thing."

UN Demands Syria Allow Urgent Aid Deliveries To 13.5 Million

BY EDITH M. LEDERER
Associated Press

UNITED NATIONS — Facing a worsening humanitarian crisis in Syria, the United Nations Security Council unanimously approved a resolution Tuesday demanding that all combatants but especially the Syrian government allow the urgent delivery of desperately needed food and medicine to more than 13.5 million people.

The council expressed "outrage" at the escalating violence in Syria, grave distress at "the devastating humanitarian situation" and growing concern at the increasing impediments to the delivery of aid, especially across front lines in the conflict.

The resolution extends the authorization for cross-border aid deliveries until Jan. 10, 2017. It previously authorized deliveries through four crossings — two in Turkey, one in Iraq that has not been used, and one in Jordan.

Of the more than 13.5 million people in need of food and medical assistance inside the country, the council said 6.5 million have fled their homes, 4.5 million including Palestinian refugees are living in hard-to-reach areas, and 393,700 are trapped in besieged areas.

It expressed "grave alarm" especially for those in besieged areas where the U.N. was only able to reach 3.5 percent with health assistance and just 0.7 percent with food monthly in 2015.

The Security Council also accused the Islamic State extremist group which now controls about a third of Syria, the Al-Nusra Front and other al-Qaida associates of hindering aid deliveries including to nearly half the people in hard-to-reach areas and over half the people in besieged areas "through deliberate interference and obstruction."

U.S. Ambassador Samantha Power said after Tuesday's vote that the resolution "underscores the urgent need for assistance across conflict lines." She accused the Syrian government of delaying approval for deliveries across conflict lines, where more than half the requests made in 2015 are still pending.

"Acute malnourishment

and disease is prevalent, and yet nothing seems to create a sense of urgency in dealing with these requests by the U.N. on the part of the Syrian government," Power said.

Assistant Secretary-General for Humanitarian Affairs Kyung-Wha Kang told the council Monday that "no words can do justice to the despair and devastation that millions of Syrians experience every day."

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