Iraq Says Al-Qaida Fighters Flowing Into Syria

BEIRUT (AP) — Iraq asserted Thursday that al-Qaida insurgents are streaming out of the country to carry out attacks in Syria, an ominous development as the Syrian conflict enflames an already hostile region.

Extremists have been making inroads as the 16-month-old uprising against President Bashar Assad grinds on, bringing a dangerous new element to the forces fighting to topple the regime.

The militants are taking advantage of the chaos and the violence gripping Syria, which the head of the country's U.N. observer mission said Thursday had reached "unprecedented levels."

Iraqi Foreign Minister Hoshyar Zebari said authorities are worried that extremists could gain another foothold in Syria, posing a new threat to the stability of the entire region. "We have solid information and intelligence that members of al-

"We have solid information and intelligence that members of al-Qaida's terrorist network have gone to Syria," he told reporters in Baghdad. Zebari did not elaborate or provide details but said his main concern is "extremist, terrorist groups taking root in neighboring countries."

Experts: Yacht That Capsized Was Overcrowded

OYSTER BAY, N.Y. (AP) — A yacht that capsized with 27 friends and family aboard on an outing to watch Fourth of July fireworks was severely overcrowded and doomed to tip over, safety experts said Thursday as the skipper blamed the tragedy on a wave that came out of the dark.

Three children died after becoming trapped Wednesday night in the cabin of the 34-foot vessel off Oyster Bay, on the north shore of Long Island.

Sal Aurelino, who was at the helm of the Candi I, told TV's News12 Long Island that he saw two lightning bolts, and then a wave suddenly hit.

"It turned the boat around," he said, his voice cracking. "It just turned the boat. I didn't see it. It was dark. I didn't see it."

Aurelino's nephew David Aurelino, 12, and two girls, 11-year-old Harley Treanor and 8-year-old Victoria Gaines, died. The 24 other passengers — a combination of adults and children — were rescued from the water, mostly by fellow boaters, and were not seriously hurt.

Jobs Numbers Loom Over Obama's Bus Trip

SANDUSKY, Ohio (AP) — Campaigning by bus through swing state Ohio, President Barack Obama cast his re-election bid as a bet on the American worker Thursday, even as he braced for a Friday unemployment report that will help set battle lines for the hot summer to come.

The monthly unemployment numbers could alter or harden voters' views of Obama's core re-election argument that he pulled the U.S. back from recession while Republican Mitt Romney embraces policies that led to an economic near-collapse. A weak report could undermine Obama's position, while improvement could help the president — though concerns about jobs are sure to be a major issue through Election Day.

Obama tellingly chose to start his summer of on-the-road campaigning in two political battleground states that have a rosier economic outlook than some parts of the nation. Both Ohio and Pennsylvania had unemployment rates of 7.3 percent in May, well below the national average of 8.2 percent.

"This is how summer is supposed to feel," Obama said, wiping sweat from his face he campaigned under scorching sun for four more years in office.

His trip through northern Ohio gave him a post-July 4 splash of Americana: Main streets and U.S. flags, cornfields and fruit stands, community soccer sign-ups and American Legion halls, small children climbing on fathers' shoulders to see the president's bus go by. Obama was greeted kindly wherever he went and bounded through his day, high-fiving the kids and hugging grandmothers.

Judge Sets \$1M Bail For Zimmerman

ORLANDO, Fla. (AP) — Using words like "false testimony" and "misled," a judge granted \$1 million bail Thursday for neighborhood watch volunteer George Zimmerman, but questioned his honesty and suggested he had plotted to leave the country when he was out of jail the first time.

Circuit Judge Kenneth Lester referred to Zimmerman with words like "conceal" and "flee" more than a dozen times in an eight-page order that lets him out of jail while he awaits his seconddegree murder trial in the shooting of Trayvon Martin.

The judge's doubts could hurt a Zimmerman attempt to dismiss the case by claiming he shot Martin in self-defense, a possible motion based on Florida's "stand your ground" law, experts said. "Mr. Zimmerman is not held in any high esteem by this court," said Karin Moore, a law professor at Florida A&M University College of Law. "I think that could matter if there is a 'stand your ground' hearing ... It's a matter of credibility. There is no one else to testify to support the self-defense claim." Lester had revoked Zimmerman and his wife misled the court about how much money they had during an April bond hearing and failed to disclose he had a second passport after turning in one passport to the court.

U.S. Hiring Outlook Improves

Economy Still Far From Healthy

Press&Dakotan

CHRISTOPHER S. RUGABER AP Economics Writer

WASHINGTON — The outlook for the U.S. job market brightened a little Thursday after the government said fewer people applied for unemployment benefits last week and surveys of private companies showed hiring increased in June.

The economy is still far from healthy. U.S. service companies grew more slowly last month. Retail sales figures were disappointing. And central banks in Europe and China cut their interest rates, an indication that they expect weaker growth ahead.

But despite all the gloom, American factories and service firms kept hiring in June. Economists say that suggests many companies are less worried that the spring slump will endure.

"It is beginning to look like the labor market is not nearly as weak as feared," Joel Naroff, chief economist at Naroff Economic Advisors, said in a note to clients.

Wall Street was mixed in light of the latest economic reports. Stocks fell early but recovered much of their losses by midday. Bad news from Europe was offset by higher expectations for June job growth, which the government will report on Friday.

The economy added an average of just 73,000 jobs a month in April and May. That's much lower than the 226,000 a month that were added in the first three months of the year. And it's far too low to reduce the unemployment rate, which rose to 8.2 percent in May.

Before Thursday, most economists didn't expect much change from that pace. They forecast that employers added 90,000 jobs last month, while the unemployment rate didn't change, according to a survey by Factset.

But several sounded slightly more optimistic after seeing a slate of better data.

Weekly unemployment benefit applications dropped by 14,000 to a seasonally adjusted 374,000, the Labor Department said Thursday. That's the fewest since the week of May 19.

Payroll provider ADP said businesses added 176,000 jobs last month. That's better than the revised total of 136,000 jobs it reported for May and, if sustained, would be enough to lower the unemployment rate.

Goldman Sachs responded to the better data by raising its forecast to a gain of 125,000 jobs last month, up from its initial prediction of 75,000.

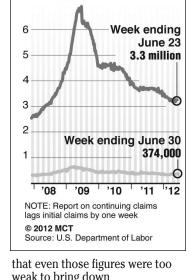
Brian Bethune, chief economist for Alpha Economic Foresights LLC, said he expects job growth of 120,000 to 140,000. But he warned

Out of work

The number of U.S. workers seeking jobless benefits fell last week by the most in two months as private employers increased hiring.

 Continuing to claim unemployment insurance

Initial claim



weak to bring down unemployment.

Economists typically say it takes at least 125,000 new jobs each month to absorb population growth.

"Looking forward, slow growth is expected," said Erik Johnson, US economist, IHS Global Insight. "But the U.S. economy should avoid recession."

A report on U.S. service companies, which employ 90 percent of workers in the economy, illustrated that point.

The Institute for Supply Management said its index of non-manufacturing sector growth fell last month to 52.1. That's down from 53.7 in May and the lowest reading since January 2010.

Still, any reading above 50 signals growth. The sector has been growing since December 2009.

The report covers a range of businesses, from retail stores and restaurants to health care companies and financial services firms. Even though growth slowed in June, those firms increased hiring. An index that measures employment rose in June to 52.3 from 50.8 in May.

Earlier in the week, a separate ISM survey of factory activity showed manufacturing shrank in June for the first time since July 2009, one month after the Great Recession ended. Yet that survey also noted that hiring at factories remained at a healthy level.

The contrast between the weak readings on overall growth and solid readings on hiring indicates companies aren't worried about a major slowdown.

The ISM reports suggest that firms may not view slower output and softer demand "as sufficient to alter hiring plans," said Michael Gapen, an economist at Barclays Capital.

PAWLENTY OF SERVICE



PHIL MASTURZO/AKRON BEACON JOURNAL/MCT Former Minnesota Republican governor Tim Pawlenty serves a Handel's Ice cone to Summer Francis, 8, of Cuyahoga Falls, Ohio on Thursday, July 5, 2012. Pawlenty and Louisiana governor Bobby Jindal rode the GOP bus campaigning for presidential candidate Mitt Romney.

Malware May Knock Thousands Off The Internet On Monday

House Unveils Its 5-Year Farm And Food Bill

BY JIM ABRAMS Associated Press

WASHINGTON — The House Agriculture Committee on Thursday unveiled its approach for a long-term farm and food bill that would reduce spending by \$3.5 billion a year, almost half of that coming from cuts in the federal food stamp program.

The legislative draft envisions reducing current food stamp spending projections by \$1.6 billion a year, four times the amount of cuts incorporated in the fiveyear, half-trillion-dollar farm bill passed by the Senate last month.

Food stamps, formally known as the Supplemental Nutrition Assistance Program, look to be the most contentious issue when the Agriculture Committee begins voting on the bill Wednesday and when the full House begins debat-

ing it in the future. Conservatives in the Republirace to reach a compromise before Sept. 30, when the current farm bill expires.

House GOP leaders have shown little enthusiasm for taking up the farm bill because of resistance from conservatives to the bill's price tag, but the Agriculture Committee's chairman, Rep. Frank Lucas, R-Okla., and top Democrat, Rep. Collin Peterson of Minnesota, stressed its importance.

Lucas said the bill, the result of two years' work, "is reformminded, fiscally responsible policy that is equitable for farmers and ranchers in all regions." Peterson said that by failing to act before the September deadline, "We jeopardize one of the economic bright spots of our nation's fragile economy."

The bills, in addition to setting commodity support and nutrition policy, also authorize conservation, trade, foreign food aid, rural

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San Diego Fireworks Display Fails In One Blast

SAN DIEGO (AP) — The Fourth of July fireworks show above San Diego Bay was over before it was supposed to start after a malfunction caused the display that was planned to last nearly 20 minutes to burn up all at once.

The Coast Ġuard says the mishap occurred minutes before the scheduled opening of the Big Bay Boom show. Guard spokesman Rich Dann tells U-T San Diego (http://bit.ly/LpWoU7) he's never seen so many fireworks go off at one time.

The San Diego Fire Department says there were no injuries. Hundreds of thousands of people witnessed the short-lived spectacle. Show producer Garden State Fireworks has apologized, saying

Show producer Garden State Fireworks has apologized, saying they're working to determine what "caused the entire show to be launched in about 15 seconds."

Video of the big, bright fizzle is glowing strong on YouTube.

Photographer Spreads Message To Pet Owners

TAOYUAN, Taiwan (AP) — The photographer gingerly places a small, mixed-breed puppy on a platform in his makeshift studio at an animal shelter in northern Taiwan. The dog looks about 2 months old, with alert, trusting eyes and a shiny black coat.

Tou Chih-kang captures expressions, personality. He creates the kind of photos that any pet owner would love to have.

This puppy has no owner and will not get one. Once its photo shoot is over, it will be taken away by vets to be put down.

Tou has been recording the last moments of canines at the Taoyuan Animal Shelter for two years. He has captured the images of some 400 dogs, most of which were pets abandoned by their owners. To him the work is distressing, but he's trying to spread a message of responsibility.

"I believe something should not be told but should be felt," says Tou, a thick-bodied 37-year-old with an air of quiet confidence. "And I hope these images will arouse the viewers to contemplate and feel for these unfortunate lives, and understand the inhumanity we the society are putting them through."



WASHINGTON (AP) — Despite repeated alerts, tens of thousands of Americans may still lose their Internet service Monday unless they do a quick check of their computers for malware that could have taken over their machines more than a year ago.

The warnings about the Internet problem have been splashed across Facebook and Google. Internet service providers have sent notices, and the FBI set up a special website.

According to the FBI, the number of computers that probably are infected is more than 277,000 worldwide, down from about 360,000 in April. Of those still infected, the FBI believes that about 64,000 are in the United States.

People whose computers are still infected Monday will lose their ability to go online, and they will have to call their service providers for help deleting the malware and reconnecting to the Internet.

The problem began when international hackers ran an online advertising scam to take control of more than 570,000 infected computers around the world. When the FBI went in to take down the hackers late last year, agents realized that if they turned off the malicious servers being used to control the computers, all the victims would lose their Internet service.

In a highly unusual move, the FBI set up a safety net. They brought in a private company to install two clean Internet servers to take over for the malicious servers so that people would not suddenly lose their Internet.

And while it was the first time they'd done something like that, FBI officials acknowledged that it may not be the last since authorities are taking on more of these types of investigations.

The temporary Internet system they set up, however, will be shut down at 12:01 a.m. EDT Monday, July 9.

July 9. Most victims don't even know their computers have been infected, although the malicious software probably has slowed their Web surfing and disabled their antivirus software, making their machines more vulnerable to other problems.

But popular social networking sites and Internet providers have gotten more involved, reaching out to computer users to warn of the problem. can-led House are certain to demand greater cuts in the food stamps program, which makes up about 80 percent of the nearly \$100 billion a year in spending under the farm bill. Senate Democrats are equally certain to resist more cuts in a program that now helps feed 46 million people, 1 out of every 7 Americans.

The House proposal, like the Senate measure that passed on a bipartisan 64-35 vote, also does away with the much-criticized direct payment system whereby farmers get federal assistance even when they don't plant a crop. Both put greater emphasis on crop insurance to help farmers get through natural disasters and falling prices.

The House bill differs, though, in giving farmers a one-time choice between a revenue loss program to cover shallow losses before insurance kicks in and a new target price program to see producers through deep, multiple-year price declines. The Senate bill contains only the revenue loss program, overriding the objections of Southern rice and peanut growers who have traditionally relied more heavily on price support programs. The two chambers are in a development, forestry and energy programs.

While the bills cover five years, the Congressional Budget Office measures their effects over 10 years, and in that time period the House bill would save taxpayers more than \$35 billion, the Senate bill \$23 billion. The House savings come from trimming about \$14 billion in the commodity support programs, \$6 billion by consolidating 23 conservation programs into 13 and \$16 billion from food stamps. Savings in the Senate bill are similar for commodities and conservation but \$12 billion less from food stamps.

