

“All the News
That’s Fit to Print”

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Late Edition

Today, sun and clouds, a strong afternoon thunderstorm, high 96. **Tonight**, a thunderstorm early, low 76. **Tomorrow**, rain or thunderstorms, high 85. Weather map, Page D8.

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Gloomy Forecast for States, Even if Economy Rebounds

Task Force Finds Problems Deep and Often Masked

By MARY WILLIAMS WALSH and MICHAEL COOPER

WASHINGTON — The fiscal crisis for states will persist long after the economy rebounds as they confront rising health care costs, underfunded pensions, ignored infrastructure needs, eroding revenues and expected federal budget cuts, according to a report issued here Tuesday by a task force of respected budget experts.

The problems facing states are often masked by lax budget laws and opaque accounting practices, according to the report, an independent analysis of six large states released by the State Budget Crisis Task Force.

It said that the financial collapse of 2008, which caused the most serious fiscal crisis for states since the Great Depression, exposed deep-set financial challenges that will worsen if no

action is taken.

“The ability of the states to meet their obligations to public employees, to creditors and most critically to the education and well-being of their citizens is threatened,” warned the chairmen of the task force, Richard Ravitch, a former lieutenant governor of New York, and Paul A. Volcker, a former chairman of the Federal Reserve.

The report added a strong dose of fiscal pessimism just as many states have seen their immediate budget pressures begin to ease. And it called into question how states will restore the services they have cut during the downturn, saying that the loss of jobs in prisons, hospitals, courts and agencies have been more severe than in any of the past nine recessions.

“This is a fundamental shift in the way governments have responded to recessions and appears to signal a willingness to ‘unbuild’ state government in a way that has not been done before,” it said, noting that court systems had cut their hours in many states, delaying actions including divorce settlements and criminal trials.

The report arrived at a delicate political moment. States are deciding whether to expand their Medicaid programs to cover the uninsured poor as part of the new health care law, with the federal government pledging to pay the full cost at first. Public-sector unions feel besieged, as states and cities from Wisconsin to San Jose, Calif., have moved to save money on pensions. And Washington’s focus on deficit reduction — with big budget cuts scheduled for after the fall election — has made cuts to state aid inevitable,

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At Fiscal Cliff, Anti-Tax Vow Gets New Look

By JONATHAN WEISMAN

WASHINGTON — Senate Democrats — holding firm against extending tax cuts for the rich — are proposing a novel way to circumvent the Republican pledge not to vote for any tax increase: Allow all the tax cuts to expire Jan. 1, then vote on a tax cut for the middle class shortly thereafter.

The proposal illustrates the lengths lawmakers are going to in an effort to include new federal revenues in a fix for the “fiscal cliff,” the reckoning in January that would come when all Bush-era tax cuts expire and automatic spending cuts to military and domestic programs kick in.

Virtually every Republican in Congress has taken the pledge, pushed by Grover Norquist’s Americans for Tax Reform, never to vote for a tax increase — a pledge both parties see as a serious impediment to a tax compromise. But if tax rates snap back to the levels of the Clinton presidency on Jan. 1, any legislation to reinstate some of those tax cuts — but not all of them — would be considered a tax cut.

“Many Republicans are starting to realize something important: On Jan. 1, if we haven’t gotten to a deal, Grover Norquist and his pledge are no longer relevant to this conversation,” Senator Patty Murray, Democrat of Washington, said this week in a speech at the Brookings Institution. “We will have a new fiscal

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Jihadists’ Fierce Justice Drives Thousands to Flee Mali



Rana Wallet Chekna is among the tens of thousands of Malians who have trickled across the border to a camp in Mauritania.

Christie’s Brashness Blunts Hopes to Join Ticket

By KATE ZERNIKE

WASHINGTON — Chris Christie asked for an audience at the Brookings Institution last week, and being one of the nation’s most popular and provocative governors, got one.

Before a capacity crowd, he contrasted his commanding executive style with an “aloof” president. With his usual blend of bombast, self-deprecation and choreographed frankness, he po-

mate for Mitt Romney. He has a record of fiscal conservatism in a moderate state. His aggressive approach to political combat has excited the Tea Party contingent, but he also has influential allies on Wall Street and in other power centers of the Republican Party. His rumpled, real-guy persona would complement Mr. Romney’s wealthy, pressed-jeans image.

Democrats in New Jersey, his home state, mocked his address at Brookings as the “Tampa Try-

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Refugees Escape Hard-Liners From North

By ADAM NOSSITER

MBERA, Mauritania — The vast desert expanse of northern Mali has become a magnet for Islamic extremists who have tightened their grip on Timbuktu and other far-flung towns, imposing a strict form of justice that is prompting tens of thousands of people to flee what some are likening to an African Afghanistan.

Rattled recent arrivals at a 92,000-person makeshift camp here at Mauritania’s remote eastern edge describe an influx of jihadists — some homegrown and others possibly from afar — intent on imposing an Islam of lash and gun on Malian Muslims who have long coexisted with Western tourists in the fabled town of Timbuktu.

The conditions here in Mbera are grim, with many of the Malians sick, hungry and bewildered. But that is better, refugees said in interviews Tuesday, than the grueling life turned upside-down that an unexpected Islamist military triumph inflicted on their lives in a vast region in the heart of West Africa.

As China Talks Of Change, Fear Rises on Risks

By MICHAEL WINES

BEIJING — A heavyweight crowd gathered last October for a banquet in Beijing’s tallest skyscraper. The son of Mao Zedong’s immediate successor was there, as was the daughter of the country’s No. 2 military official for nearly three decades, along with the half sister of China’s president-in-waiting, and many more.

“All you had to do,” said one attendee, Zhang Lifan, “was look at the number of luxury cars and the low numbers on the plates.”

Most surprising, though, was the reason for the meeting. A small coterie of children of China’s founding elites who favor deeper political and economic change had come to debate the need for a new direction under the next generation of Communist Party leaders, who are set to take power in a once-a-decade changeover set to begin this year. Many had met the previous August, and would meet again in February.

The private gatherings are a telling indicator of how even some in the elite are worried about the course the Communist

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A Former Teammate and a Reluctant Witness
George Hincapie, with Lance Armstrong in 2005, is at the center of a doping scandal. Page B10.

In Graying Priesthood, New York’s Grayest Keeps Faith in Bronx

By SHARON OTTERMAN

It was the bell that first called to him. It was a Sunday afternoon in the mid-1920s, and his family was living in the Pelham Bay section of the Bronx. When his priest rang the bell during Mass, Gerald Ryan, then about 4, thought the beautiful sound was coming from

the monsternace that held the host.

At age 7, he was hit by a car, and lost his hearing in one ear. The bell remained in his memory, as if Jesus were calling him in stereo.

Now, he is a monsignor, and he has been a priest for 67 years. He still runs a parish, St. Luke’s in Mott Haven, and he is 92, making

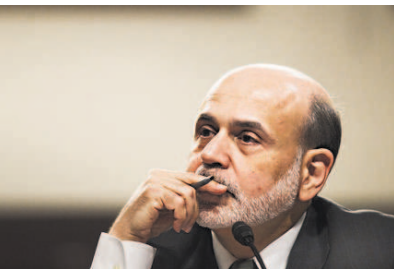
him the oldest working priest in New York City.

“Maybe in the country,” Father Ryan said recently in his broad, courtly accent that is part Bronx, part Fred Astaire. “Maybe anywhere! I’ve been here forever.”

The priesthood is graying: the average age of Roman Catholic priests in the United States rose to 63 in 2009 from 35 in 1970, ac-

cording to a recent study by the Center for Applied Research in the Apostolate at Georgetown University. And with fewer young men entering seminaries, more priests are working past 75, the formal retirement age under canon law. In the New York Archdiocese, for example, where only one man was ordained into the

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BUSINESS DAY B1-9

Few Hints of a Fed Action

The Federal Reserve chairman, Ben S. Bernanke, told the Senate Banking Committee that the central bank was seeking greater clarity about the health of the recovery, suggesting that Fed officials were not ready to approve another round of economic stimulus. **PAGE B1**

INTERNATIONAL A4-13

Israel’s Unity Coalition Splits

The broadest unity government Israel has seen in many years broke apart over differences about how to integrate ultra-Orthodox men into the military and civilian service. The split is likely to hasten elections. **PAGE A4**

NATIONAL A14-18

Academic Presses Squeezed

The University of Missouri’s plan to close its publishing house, a printer of prized academic titles, has stoked anger over the university’s priorities and fueled a national debate over the necessity of university presses and their future in the digital world. **PAGE A14**

NEW YORK A21-25

Kennedy Cites Seizure in Crash

Kerry Kennedy, the former wife of Gov. Andrew M. Cuomo, said a possible seizure, not drugs or alcohol, caused her car accident last week in Westchester County. She is accused of driving under the influence of drugs. **PAGE A21**

ARTS C1-8

A Brutal Retort to Heckling

When the comedian Daniel Tosh directed an off-the-cuff rape joke at a woman challenging him at the Laugh Factory in Los Angeles, he not only created a controversy but also exposed a gap between comics and audiences. **PAGE C1**

SPORTSWEDNESDAY B10-15

Lin Heading Toward Exit

With the deadline for a decision at hand, the Knicks seemed intent on cutting ties with Jeremy Lin, a promising but unproven guard. **PAGE B10**

DINING D1-7

The Summer Crunch

In the high season for vegetable anxiety — the fear that you’ll never find a way to use all that raw produce from the greenmarket and the garden — some advice on storing, preparing and enjoying. **PAGE D1**

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Maureen Dowd **PAGE A27**

