

The New York Times

Late Edition

Today, sun and some clouds, rather hot, high 90. Tonight, partly cloudy, low 72. Tomorrow, clouds and sun, spotty thunderstorm, high 88. Weather map appears on Page A15.

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\$2.50

In Latest Data, Economists See Signs of Pickup

Growth Is Not Robust, but It's Firming Up

By ANNIE LOWREY

WASHINGTON — Despite the recent run of disappointing economic data, a broad range of experts and forecasters expect the economy to improve slightly in coming months, thanks to lower oil prices and new signs of life from sectors like automobiles and housing.

Call it a firming up, if not quite a comeback. Economists at many of the most-watched forecasting organizations, both public and private, expect growth to pick up through the summer and into the fall, although only to a pace broadly considered sluggish, if not dismal.

This week, Macroeconomic Advisers, an economic consultancy often cited by policy makers, estimated the annual rate of growth in the second quarter at just 1.2 percent — well below the pace needed to reduce the unemployment rate. But the firm also projected growth to accelerate to around 2.4 percent in the third quarter.

“The pace of economic growth is picking up, but not to a rate that is very robust,” said Joel Prakken, the chairman of Macroeconomic Advisers. “It certainly is no great shakes.”

Forecasters, including those at the Federal Reserve, have been overly optimistic at several points during the slump of the last few years, of course. But the recent fall in oil prices and the

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Lines Are Drawn Over Opting Out of Medicaid Plan

FLORIDA BATTLEGROUND

Opposition to Expansion Is Election Issue After Court Ruling

By ABBY GOODNOUGH

MIAMI — In the weeks since the Supreme Court ruled that states could opt out of a plan to vastly expand Medicaid under President Obama's health care law, several Republican governors have vowed to do just that, attacking the expansion as a budget-busting federal power grab.

But it may not be so easy. A battle is brewing here in Florida, where Gov. Rick Scott took to national television soon after the ruling to announce that he would reject the expansion. Advocates for the poor and some players in the health care industry — especially hospitals — intend to push back.

Hospital associations around the country have already signed off on cuts to reimbursement rates under the health care law on the assumption that the new paying customers they would gain, partly through the Medicaid expansion, would more than cover their losses.

“If we're going to walk away from that coverage, we'll simply see those dollars we contributed through cuts in hospital payments go to covering people in other states,” said Bruce Rueben, president of the Florida Hospital Association. “It's a bad deal for people in Florida if it plays out that way.”

Given Florida's size — it is the fourth most populous state in the nation, and more than 20 percent of its 19 million residents lack health insurance — the implications for Mr. Obama's goal of insuring most Americans are significant. And Florida's importance as one of the biggest battleground states in the presidential race adds potency to Mr. Scott's clash with the Obama ad-

Continued on Page A3

Abuse Scandal Inquiry Damns Paterno and Penn State

An investigation faulted top Penn State University officials for having failed to take steps to protect the children victimized by Jerry Sandusky. Below are excerpts from the report about the officials.

Joe Paterno
Head football coach
1966-2011



“Anything new in this department? Coach is anxious to know where it stands.”

The investigation's report quotes an e-mail from Tim Curley, the athletic director, indicating that Mr. Paterno actively followed the 1998 allegations against Mr. Sandusky, which Mr. Paterno maintained he knew nothing about.

Graham B. Spanier
University president
1995-2011



“The only downside for us is if the message isn't 'heard' and acted upon, and we then become vulnerable for not having reported it.”

After first deciding to pass on to state authorities a graduate assistant's report of Mr. Sandusky's sexual encounter with a young boy in 2001, the report quotes Mr. Spanier agreeing with Mr. Curley and Mr. Paterno to try to get Mr. Sandusky to stop bringing “guests” to the university locker room and to keep the charges quiet.

Tim Curley
Athletic director
1993-2011



“After giving it more thought and talking it over with Joe yesterday — I am uncomfortable with what we agreed were the next steps. I am uncomfortable with going to everyone, but the person involved.”

Mr. Curley argues successfully in an e-mail dated Feb. 27, 2001, to Mr. Schultz and Mr. Spanier to tell Mr. Sandusky about the graduate student's charges, and urge him to get professional help, instead of reporting it to authorities. He later tells Mr. Sandusky he doesn't want to know the identity of the victim.

Gary Schultz
University vice president
1995-2009, 2011



“Behavior — at best inappropriate @ worst sexual improprieties.” “Is this opening of Pandora's box? Other children?”

Mr. Schultz's notes from a 1998 briefing on claims from a mother that her son was assaulted by Mr. Sandusky in the showers at Penn State.

Thomas Harmon
University police chief
Retired 2005



“We're going to hold off on making any crime log entry. At this point in time I can justify that decision because of the lack of clear evidence of a crime.”

In the course of investigating a mother's complaint that Sandusky showered with her son, Mr. Harmon tells university officials he has yet to see evidence of a crime.

Fear of Publicity Cited in Effort to Conceal

By KEN BELSON

In 1998, officials at Penn State, including its president and its legendary football coach, were aware Jerry Sandusky was being investigated by the university's police department for possibly molesting two young boys in the football building's showers. They followed the investigation closely, updating one another along the way.

One of those officials, Gary Schultz, articulated in dire terms what the incidents might suggest:

“Is this opening of Pandora's box?” Mr. Schultz wrote in notes that he would keep secret for years. “Other children?”

The officials did nothing. No one so much as spoke to Mr. Sandusky.

Last month, Mr. Sandusky, for three decades one of Joe Paterno's top coaching lieutenants, was convicted of sexually attacking 10 young boys, nine of them after the 1998 investigation, and several of them in the same football building showers.

Louis J. Freeh, the former federal judge and director of the F.B.I. who spent the last seven months examining the Sandusky scandal at Penn State, issued a damning conclusion Thursday:

The most senior officials at Penn State had shown a “total and consistent disregard” for the welfare of children, had worked together to actively conceal Mr. Sandusky's assaults, and had done so for one central reason: fear of bad publicity. That publicity, Mr. Freeh said Thursday, would have hurt the nationally ranked football program, Mr. Paterno's reputation as a coach of high principles, the Penn State “brand” and the university's ability to raise money as one of the

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CAMPAIGN MEMO

Candidates Racing for Future, Gaze Fixed Firmly on the Past

By PETER BAKER

WASHINGTON — President Obama's re-election slogan is “Forward.” But the campaigns he and Mitt Romney are waging these days might be more accurately described as “Backward.”

At a time when the country faces an uncertain future economically and internationally, the conversation in the capital and on the campaign trail has dwelled largely on the past as the two contenders for the White House and their allies spend their time and energy relitigating old fights rather than focusing on new ideas for the next four years.

Mr. Obama's campaign on Thursday hammered Mr. Romney over business deals from the turn of the century, just days after the president summoned sup-

porters to the East Room for the latest salvo over tax cuts enacted by his predecessor a decade ago. Mr. Romney's Republican supporters in Congress countered by voting in the House to repeal Mr. Obama's two-year-old health care program and by trying to force a Senate vote on President George W. Bush's tax cuts.

“It's just rearguing and rearguing and rearguing,” said Mickey Edwards, a former Republican congressman from Oklahoma and author of a book to be published next month about what he sees as the current dysfunction in American politics and governance. “In most elections, especially for president, what you get is: Here is my vision, here's

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Service to Israel Tugs at Identity of Arab Citizens

By JODI RUDOREN

NAZARETH, Israel — Three young Palestinian women sat on the floor at a summer camp this week surrounded by Legos and 3-year-olds. As the toddlers played, the women taught them the color of each block, repeating the words in Arabic, *azrak* for blue or *akhdar* for green.

But the seemingly simple scene here in the Galilee was actually caught up in some of the most contentious issues confronting Israeli society: How do Arabs reconcile their identity as citizens of a Jewish state? What is the appropriate role for a growing Arab minority in a state determined to be democratic and Jewish?

The young women are volun-

teers in Israel's national service program, an alternative to the military that comes with the same financial benefits and similar advantages for future education and employment. That program is now the focus of a searing national debate over plans to draw up a law that will no longer exempt categories of citizens. Some Arab-Israeli leaders see the young women's service as a betrayal of their national struggle, and call them traitors.

“I will not deny or forget my identity,” said one of the counselors, Nagham Ma'abuk, 19, who grew up in Nazareth, a northern city known as the Arab capital of Israel. “But this can help me in the future. We need to live together in coexistence. You can't determine equality according to what's convenient for you.”

With a looming Aug. 1 deadline to rewrite a law invalidated by the Supreme Court that exempted thousands of yeshiva students from the draft, Israel's government and populace have been in turmoil for weeks over how to integrate the country's minority populations into the military and civilian service programs.

While most of the attention has been focused on how many ultra-Orthodox men should be drafted,

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WILLIE DAVIS FOR THE NEW YORK TIMES

It's Hot, Brazilian and Makes You Dance

This is the summer of forró, a folksy, accordion-driven music that can be heard from Lincoln Center to Battery Park. Page C1.

BUSINESS DAY B1-9

Geithner's Barclays Concerns

Timothy Geithner, as head of the New York Fed in 2008, alerted British authorities that Barclays was understating a key interest rate, to no avail. PAGE B1

Keeping an Apple Snow White

A genetically altered apple that does not turn brown when sliced is causing an industry to fret about harming the healthy image of apples. PAGE B1



NATIONAL A10-15

New Face for Outsider Party

Jill Stein, the likely Green Party choice for president, tries to make up for a lack of name recognition with organization and social media outreach. PAGE A10

G.O.P. Divided on Farm Bill

An overhaul of the nutrition and farm program is in jeopardy because House Republicans are split on cuts. PAGE A13

INTERNATIONAL A4-9

Olympics Safety Plan Adjusted

The British government said it would deploy additional troops for security at the Games after a private firm said it could not train enough guards. PAGE A8

French Officials Tighten Belts

President François Hollande and his prime minister have ordered downgrades in official luxury, exhibiting a down-to-earth style. PAGE A4

NEW YORK A16-20

Jewelers' Illegal Trade in Ivory

The owners of two Manhattan stores pleaded guilty to dealing in what prosecutors said was more than \$2 million in banned ivory. PAGE A18



WEEKEND C1-30

All the Colors of the Jewel Box

Tiny boxes for snuff, larger ones for bonbons, all fashioned from and encrusted with treasure, are at the Frick in “Gold, Jasper and Carnelian,” reviewed by Roberta Smith. PAGE C21

SPORTSFRIDAY B11-16

Call for Drug Bans in Racing

People in the racing industry told a Senate committee that trainers should be barred for life if they give performance-enhancing drugs to horses. PAGE B11

Anatomy of a Dead Heat

Controversy, confusion and some hurt feelings linger over the close finish of the women's 100 meters at the U.S. Olympic Trials. PAGE B11

EDITORIAL, OP-ED A22-23

David Brooks

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The New York Times

Late Edition

Today, sunshine and cloudy, humid, high 82. Tonight, partly cloudy, humid, low 71. Tomorrow, clouds and sun, an afternoon thunderstorm, high 83. Weather map, Page D12.

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STEPHEN CROWLEY/THE NEW YORK TIMES

Mitt Romney visited the Western Wall in Jerusalem on Sunday. "We respect the right of a nation to defend itself," he said.

Romney Backs Israeli Position On Facing Iran

Nuclear Goal Is Focus Of Jerusalem Speech

By JODI RUDOREN and ASHLEY PARKER

JERUSALEM — Mitt Romney said Sunday that preventing Iran from obtaining nuclear capability should be America's "highest national security priority," stressing that "no option should be excluded" in the effort.

"We have a solemn duty and a moral imperative to deny Iran's leaders the means to follow through on their malevolent intentions," Mr. Romney, the presumptive Republican presidential nominee, told an audience of about 300, including a large contingent of American donors who flew here to accompany him. "We must not delude ourselves into thinking that containment is an option."

The speech, delivered at dusk overlooking the Old City, was short on policy prescriptions, as Mr. Romney tried to adhere to an unwritten code suggesting that candidates not criticize each other on foreign soil. But there were subtle differences between what he said — and how he said it — and the positions of his opponent.

While the Obama administration typically talks about stopping Iran from obtaining a nuclear weapon, Mr. Romney adopted the language of Israel's leaders, who say Tehran must be prevented from even having the capability to develop one.

And while President Obama and his aides always acknowledge Israel's right to defend itself, they put an emphasis on sanctions and diplomacy; Dan Senor, Mr. Romney's senior foreign policy aide, went further on

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Panetta on Israel's Plans

The defense secretary said he did not think Israel had yet decided to attack Iran. Page A7.

JIHADISTS TAKING A GROWING ROLE IN SYRIAN REVOLT

RADICAL FORCES IN FRAY

Fighters Adopt Islamist Agenda That Attracts Foreign Financing

By NEIL MacFARQUHAR and HWAIDA SAAD

BEIRUT, Lebanon — As the uprising against President Bashar al-Assad's government grinds on with no resolution in sight, Syrians involved in the armed struggle say it is becoming more radicalized: homegrown Muslim jihadists, as well as small groups of fighters from Al Qaeda, are taking a more prominent role and demanding a say in running the resistance.

The past few months have witnessed the emergence of larger, more organized and better armed Syrian militant organizations pushing an agenda based on jihad, the concept that they have a divine mandate to fight. Even less-zealous resistance groups are adopting a pronounced Islamic aura because it attracts more financing.

Idlib Province, the northern Syrian region where resistance fighters control the most territory, is the prime example. In one case there, after jihadists fighting under the black banner of the Prophet Muhammad staged significant attacks against Syrian government targets, the commander of one local rebel military council recently invited them to join. "They are everywhere in Idlib," said a lean and sunburned commander with the Free Syrian Army council in Saraqib, a strategic town on the main highway southwest from Aleppo. "They are becoming stronger, so we didn't want any hostility or tension in our area."

Tension came anyway. The groups demanded to raise the

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A Day Job Waiting for a Kill Shot a World Away

By ELISABETH BUMILLER

HANCOCK FIELD AIR NATIONAL GUARD BASE, N.Y. — From his computer console here in the Syracuse suburbs, Col. D. Scott Brenton remotely flies a Reaper drone that beams back hundreds of hours of live video of insurgents, his intended targets, going about their daily lives 7,000 miles away in Afghanistan. Sometimes he and his team watch the same family compound for weeks.

"I see mothers with children, I

see fathers with children, I see fathers with mothers, I see kids playing soccer," Colonel Brenton said.

When the call comes for him to fire a missile and kill a militant — and only, Colonel Brenton said, when the women and children are not around — the hair on the back of his neck stands up, just as it did when he used to line up targets in his F-16 fighter jet.

Afterward, just like the old days, he compartmentalizes. "I feel no emotional attachment to the enemy," he said. "I have a duty, and I execute the duty."

Drones are not only revolutionizing American warfare but are also changing in profound ways the lives of the people who fly them.

Colonel Brenton acknowledges the peculiar new disconnect of fighting a telewar with a joystick and a throttle from his padded seat in American suburbia.

When he was deployed in Iraq, "you land and there's no more weapons on your F-16, people have an idea of what you were just involved with." Now he steps out of a dark room of video

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South America Sees Drug Path To Legalization

By DAMIEN CAVE

MONTEVIDEO, Uruguay — The agricultural output of this country includes rice, soybeans and wheat. Soon, though, the government may get its hands dirty with a far more complicated crop — marijuana — as part of a rising movement in this region to create alternatives to the United States-led war on drugs.

Uruguay's famously rebellious president first called for "regulated and controlled legalization of marijuana" in a security plan unveiled last month. And now all anyone here can talk about are the potential impacts of a formal market for what Ronald Reagan once described as "probably the most dangerous drug in America."

"It's a profound change in approach," said Sebastián Sabini, one of the lawmakers working on the contentious proposal unveiled by President José Mujica on June 20. "We want to separate the market: users from traffickers, marijuana from other drugs like heroin."

Across Latin America, leaders appalled by the spread of drug-related violence are mulling policies that would have once been inconceivable.

Decriminalizing everything from heroin and cocaine to marijuana? The Brazilian and Argentine legislatures think that could be the best way to allow the police to focus on traffickers instead of addicts.

Legalizing and regulating not just drug use, but also drug transport — perhaps with large cus-

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For More Pianos, Last Note Is Thud in the Dump

By DANIEL J. WAKIN

SOUTHAMPTON, Pa. — The Knabe baby grand did a cartwheel and landed on its back, legs poking into the air. A Lester upright thudded onto its side with a final groan of strings, a death-rattling chord. After 10 pianos were dumped, a small yellow loader with a claw in front scuttled in like a vicious beetle, crushing keyboards, soundboards and cases into a pile.

The site, a trash-transfer station in this town 20 miles north of Philadelphia, is just one place where pianos go to die. This kind of scene has become increasingly common.

The value of used pianos, especially uprights, has plummeted in recent years. So instead of selling them to a neighbor, donating them to a church or just passing them along to a relative, owners are far more likely to discard them, technicians, movers and dealers say. Piano movers are making regular runs to the dump,

becoming adept at dismantling instruments, selling parts to artists, even burning them for firewood.

"We bust them up with a sledgehammer," said Jeffrey Harrington, the owner of Harrington Moving & Storage in Maplewood, N.J.



Pianos consist of hundreds of pounds of metal, wood and intricate machinery able to channel Bach, Mozart and Beethoven, along with honky-tonk, "Happy Birthday" and holiday tunes. It is strange to think of them as disposable as tissues. Yet economic

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Bryan O'Mara tossing out a piano in Southampton, Pa.

To Earn Classroom Certification, More Teaching and Less Testing

By AL BAKER

New York and up to 25 other states are moving toward changing the way they grant licenses to teachers, de-emphasizing tests and written essays in favor of a more demanding approach that requires aspiring teachers to prove themselves through lesson plans, homework assignments

and videotaped instruction sessions.

The change is an attempt to ensure that those who become teachers not only know education theories, but also can show the ability to lead classrooms and handle students of differing abilities and needs, often amid limited resources.

It is also a reaction to a criticism of some teachers' colleges,

which have been accused of minting diplomas but failing to prepare teachers for the kind of real-world experience where creativity and flexibility can be the keys to success.

The new licensing standards will be required next year in Washington State and have been committed to in Minnesota. New York will impose the new standards starting in 2014 with the esti-

mated 62,000 students expected to graduate with teaching degrees.

Illinois, Ohio and Tennessee are also moving toward mandating the new assessment in the coming years, and about 20 other states are testing it through pilot programs to determine if they will ultimately use it.

"We don't want to know if you

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CHANG W. LEE/THE NEW YORK TIMES



A FAVORITE FALLS Jordyn Wieber missed the all-around cut on a strong day for the U.S. women. PAGE D1

2008 IT ISN'T France held off the United States swim team, which included Ryan Lochte and Michael Phelps, in the 4x100 freestyle relay, avenging an upset loss to the U.S. in the 2008 Beijing Games. PAGE D1

INTERNATIONAL A4-8

Afghan Rebuilding Is Faulted

Work on projects financed by the Afghanistan Infrastructure Fund is unlikely to be completed until after NATO's mission ends, a report says. PAGE A4

NATIONAL A9-13

Another Obama Ancestor

Genealogists suggest that President Obama is a descendant of one of the first documented African slaves in America, an ancestor of his mother. PAGE A9

BUSINESS DAY B1-8

A Challenge for Europe

The president of the European Central Bank faces the difficult task of delivering on his promise to do "whatever it takes to preserve the euro." PAGE B1

ARTS C1-8

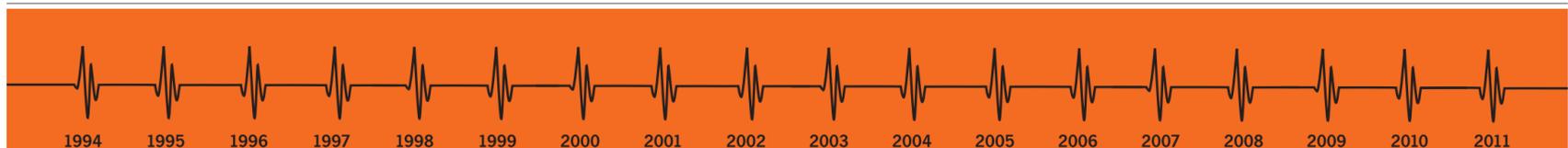
Tales From Russia's Rust Belt

Vassily Sigarev, whose play "Black Milk" is now showing in New York, tells violent and disturbing stories of life in post-Soviet Russia. PAGE C1

EDITORIAL, OP-ED A18-19

Paul Krugman

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U.S. News & World Report, 2012.

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Today, showers, a heavy thunderstorm, high 82. Tonight, showers, heavy thunderstorms, low 72. Tomorrow, showers, thunderstorms, high 82. Weather map, Page B8.

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FAST-PACED TRIAL IN CHINA MURDER LEAVES SHADOWS

SIGNS OF INTERFERENCE

Court Cites Confession by Wife of an Ousted Party Leader

By ANDREW JACOBS

HEFEI, China — Worried that a longtime friend and business associate might harm her only child, Gu Kailai lured him to a rented villa in southwest China, plied him with alcohol until he could take no more and then, when he began to vomit and requested a drink of water, poured a poisonous concoction into his mouth.

That, at least, is the prosecution's version of what happened in a scandal that has riveted many in China and outside the country for months, presented in a neatly packaged capstone after a murder trial on Thursday that lasted, with a break for lunch, less than seven hours. Ms. Gu, the wife of the ousted party leader Bo Xilai, was said to have confessed to the murder of the British businessman, Neil Heywood. Her state-appointed defense lawyers asked for leniency.

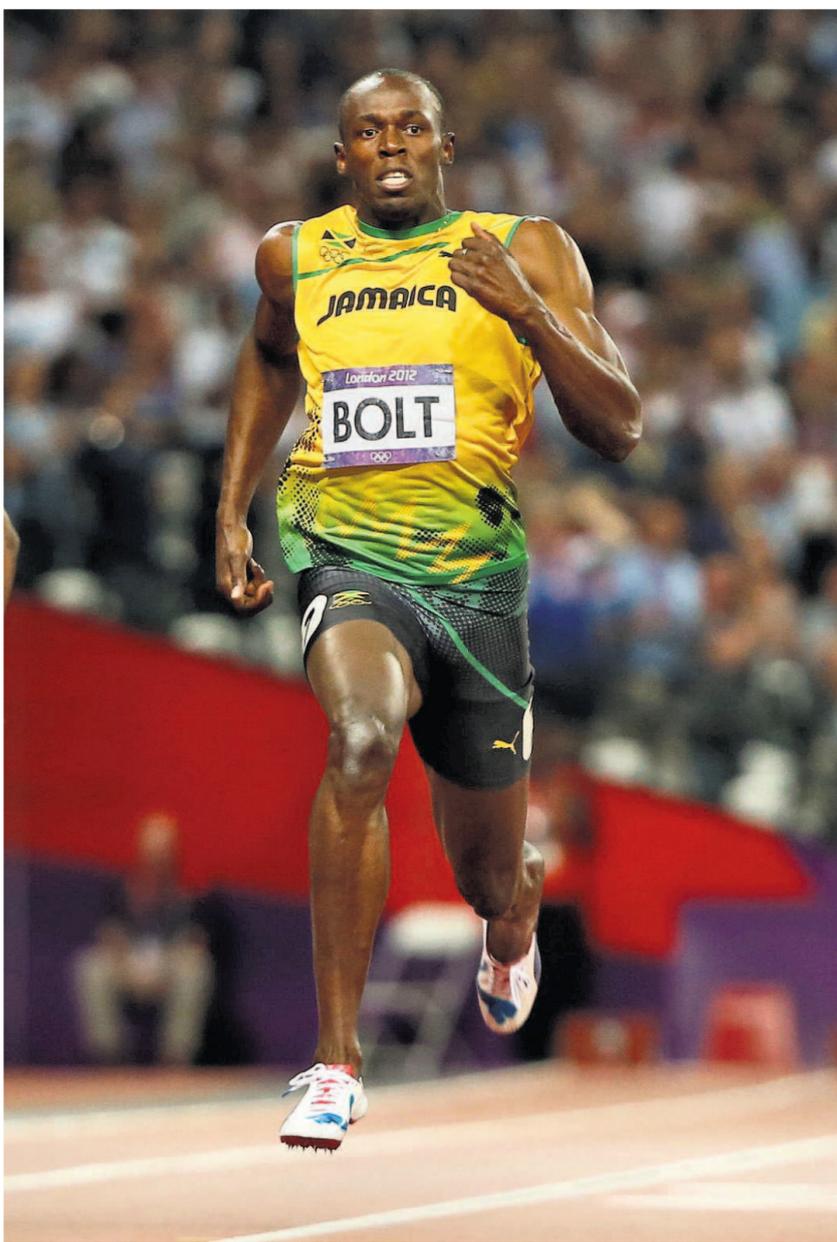
"The criminal facts are clear; the evidence is solid," a court official said after the trial here in the provincial capital of Anhui Province, more than 800 miles from the scene of the crime in Chongqing. The formal guilty verdict will be announced at a later date.

Communist Party leaders clearly hoped the proceedings, which were closed to the foreign news media and shown on television only in carefully packaged snippets, would provide the Chinese public with a captivating spectacle that would distract attention from the political scandal surrounding Ms. Gu's husband, a populist leader who left a trail of corruption and abuse of power that deeply unnerved many of his fellow Politburo members. But if they hoped the trial would also showcase a more transparent, by-the-books legal system, they

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Gu Kailai's murder trial lasted less than seven hours.



JED JACOBSOHN FOR THE NEW YORK TIMES

Usain Bolt became the first sprinter to win the 100 and 200 meters in consecutive Olympics.

Faster, Higher, Stronger: Day of Golden Drama

By JERÉ LONGMAN

LONDON — The world's fastest man and the world's greatest half-miler ran past the finish line and into the history books. Wembley, the iconic stadium, bulged with 80,203 fans for women's soccer as the United States found redemption against Japan. Ireland won its first gold medal in 16 years as women's boxing crowned its inaugural Olympic champions. And a friendly debate ensued about exactly who was the world's greatest athlete.



Every day at the London Games has offered riveting moments, but perhaps no single day was more crowded with drama and record achievement than Thursday.

With just three more days of competition remaining, the Summer Games might have reached their peak — in the form of Usain Bolt of Jamaica holding his finger to his lips to silence anyone who

had doubted his ability to become the first sprinter to win the 100 and 200 meters in consecutive Olympics. He had just crossed the finish line to win the 200 meters in 19.32 seconds.

Appearing relaxed and confident, Bolt chatted with volunteers and gave a royal wave before the race, then did five push-ups afterward, suggesting that he had so much speed and endurance in his 6-foot-5 frame that he may never be caught.

"It's what I came here to do," Bolt said, possessing the familiar boldness of being the world's best sprinter. "I'm now a legend. I'm also the greatest athlete to live. I've got nothing left to prove. I've showed the world I'm the best."

Ashton Eaton of the United States later won the decathlon, which comes with the mythic title of world's greatest athlete. Asked whether Eaton or Bolt deserved that designation, Trey Hardee of the United States, who finished second to Eaton, said, "Ashton is the best athlete to ever walk the planet, hands down."

Hardee added, "Just because you're fast doesn't make you an athlete."

Eaton, the world-record holder, demurred. "There's no fight," he said. "Usain is clearly awesome. He's an icon in his own right. Ti-

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Crime Wave Engulfs Syria As Its Cities Reel From War

Theft and Kidnapping Become Rampant, Mimicking Chaos of Iraq Conflict

This article is by an employee of The New York Times in Syria and Damien Cave.

ALEPPO, Syria — The consequences of the war here have become familiar: neighborhoods shelled, civilians killed and refugees departed. But in the background, many Syrians describe something else that has them covering with fear: a wave of lawlessness not unlike the crime wave Iraq experienced during the conflict there.

From Dara'a, near the Jordanian border, to Homs, Damascus and here in Syria's commercial capital — the fighting has essentially collapsed much of the civilian state. Even in neighborhoods where skirmishes are rare, residents say thieves prey on the weak, and police stations no longer function because the officers have fled.

Kidnapping, rare before, is now rampant, as a man named Hur discovered here last month. He simply wanted to drive home.

The Battle for Aleppo

The rebels began withdrawing from the most contested area of the city as Syrian government forces fired on them. Page A6.

The man shoving a pistol into his back had other plans. "Keep walking," the gunman told Hur, 40, a successful businessman, as they approached his car. "Get in." Hur said he initially thought he was being arrested by government agents. But then, after blindfolding him, his three captors made a phone call that revealed baser motives.

"They asked my family to ransom me with 15 million Syrian pounds," Hur said of the abductors' demand for about \$200,000. "They were criminals, not a political group. They told me they knew me and they knew my family could pay."

Rebel leaders have been trying to fill the void. "We are running patrols to protect our areas from thieves and criminals," said Abu Mohammad, 30, a rebel fighter in eastern Aleppo.

But as bloody ground battles rage throughout the city, rebel control is limited. Syrians in Aleppo and elsewhere now say they bury their jewelry and other valuables inside their furniture. Some people no longer keep money in their pockets when they venture outside; residents and business owners across the country are padlocking their

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Male Couples Face Pressure To Fill Cradles

By RACHEL L. SWARNS

WASHINGTON — When the jubilant couple were wed in June, they exchanged personalized vows and titanium rings, cheered the heartfelt toasts and danced themselves breathless. Then, as the evening was winding down, unexpected questions started popping up.

One after another, their guests began asking: Are you going to have kids? When are you going to have kids?

Tom Lotito and Matt Hay, both 26, could not help but feel moved. They never imagined as teenagers that they would ever get married, much less that friends and family members would pester them about having children.

"It's another way that I feel like what we have is valid in the eyes of other people," said Mr. Hay, who married Mr. Lotito in June before 133 guests.

As lawmakers and courts expand the legal definition of the American family, same-sex couples are beginning to feel the same what-about-children pressure that heterosexual twosomes have long felt.

For some couples, it is another welcome sign of their increasing inclusion in the American mainstream. But for others, who hear the persistent questions at the office, dinner parties and family get-togethers, the matter can be far more complicated.

Many gay men had resigned themselves to the idea that they would never be accepted by society as loving parents and assumed they would never have

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Shopper Alert: Price May Drop For You Alone



KEVIN MOLONEY FOR THE NEW YORK TIMES

A Safeway worker signing up a shopper for custom offers.

By STEPHANIE CLIFFORD

It used to be that with dedication and a good pair of scissors, one grocery shopper could get the same coupons — and cheap prices — as another.

Now going to the grocery store is becoming a lot less egalitarian. At a Safeway in Denver, a 24-pack of Refreshe bottled water costs \$2.71 for Jennie Sanford, a project manager. For Emily Vanek, a blogger, the price is \$3.69.

The difference? The vast shopping data Safeway maintains on both women through its loyalty card program. Ms. Sanford has a history of buying Refreshe brand products, but not its bottled water, while Ms. Vanek, a Smartwater partisan, said she was unlikely to try Refreshe.

So Ms. Sanford gets the nudge to put another Refreshe product into her grocery cart, with the hope that she will keep buying it, and increase the company's sales of bottled water. A Safeway Web site shows her the lower price, which is applied when she swipes her loyalty card at checkout.

Safeway added the personal- Continued on Page B6

On Romney's Ledger, a Couple's Happy Ending

By MIKE McINTIRE

MISSOURI CITY, Tex. — Look closely and it is there, sandwiched between Goldman Sachs Hedge Fund Partners II and D3 Family Bulldog Fund: the mortgage on Timothy and Betty Stamps's modest home on Gentle Bend Drive here.

Nearly lost among the blizzard of hedge funds, thoroughbred horses and other gold-plated investments in Mitt Romney's personal financial disclosures, the interest from the \$50,500 mort-

PUSHING FOR RYAN ON TICKET

Conservatives are pressuring Mitt Romney to choose Paul D. Ryan as his running mate. Page A8.

gage is loose change to Mr. Romney, whose net worth has been estimated at close to a quarter-billion dollars.

Yet for the Stampses, who have been writing \$600 monthly checks to "Willard M. Romney" for 15 years, the money they borrowed from him to buy their home in 1997 was life-changing.

The mortgage is the last vestige of a troubled, and previously unreported, investment by Mr. Romney in Texas real estate in 1982, before he struck it rich as the wunderkind of Bain Capital. And while the Stampses' happy ending is a counterpoint to the image, seized upon by political opponents, of Mr. Romney as a cold, calculating financier, the episode also offers an early illustration of his appetite for deals promising low risk and high return.

Lured by the prospect of buy- Continued on Page A11

INTERNATIONAL A4-7

New Cyberattack in Mideast

A security firm said it had found what it called the fourth state-sponsored computer virus to surface in the Middle East in three years, written in the same language as the Flame virus and aimed at computers in Lebanon. PAGE A4

Agent Orange Cleanup

After repeatedly rebuffing Hanoi's requests for help, the United States has begun an effort to clean up Agent Orange from the Vietnam War that is blamed for many illnesses. PAGE A4

NEW YORK A13-16

Guilty Plea in Killing of Boy, 8

A former store clerk admitted he kidnapped, killed and dismembered Leiby Kletzky last year in an insular Hasidic community in Brooklyn. PAGE A13

OBITUARIES A16-17

A New York Kingmaker Dies

Raymond B. Harding, 77, once led the state's Liberal Party but was brought down in a corruption scandal. PAGE A16



WEEKEND C1-30

An Alternative Universe

An exhibition at the Museum of Modern Art peers closely into the strange world created by the experimental animators known as the Quay Brothers. PAGE C23

NATIONAL A8-12

Charlotte Girds for Gathering

With both protesters and politicians coming to town for the Democratic convention, Charlotte, N.C., faces a crowd-management challenge. PAGE A12

Harnessing the Tides

A project to catch the energy of the rushing water off the Maine coast may start generating power soon. PAGE A8

BUSINESS DAY B1-7

An Ambitious State Regulator

Before Benjamin Lawsky, New York's top banking enforcer, accused a British bank of money laundering, he warned other regulators that he would not wait for them to take similar actions. PAGE B1

High-Tech Theft Case Revived

A Goldman programmer was accused in state court of stealing code for trading even though the case had been dismissed by a U.S. appeals court. PAGE B1

SPORTSFRIDAY B9-18

Daly in Hunt at P.G.A.

John Daly, still a fan favorite at age 46 despite his up-and-down career, is two strokes off the lead after the first round of the P.G.A. Championship. PAGE B17

EDITORIAL, OP-ED A18-19

Mark Bittman

PAGE A19



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The New York Times

Late Edition

Today, plenty of sunshine, low humidity, high 80. Tonight, mostly clear, low 64. Tomorrow, sunny for the most part, a warm afternoon, high 80. Weather map, Page B12.

VOL. CLXI . . No. 55,893

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NEW YORK, THURSDAY, SEPTEMBER 13, 2012

\$2.50

Obama Grows More Reliant On Big-Money Contributors

Change in Emphasis From '08 Grass-Roots Effort

By NICHOLAS CONFESSORE

Kirk Wagar, a Florida lawyer who has raised more than \$1 million for President Obama's re-election bid, had his choice of rooms for the Democratic convention at Charlotte's Ritz-Carlton or Westin hotels and nightly access to hospitality suites off the convention floor.

Jay Snyder, a New York financier who has raised at least \$560,000 for Mr. Obama, was entitled to get his picture taken on the podium at the Time Warner Cable Arena.

And Azita Raji, a retired investment banker who has raised over \$3 million for Mr. Obama — more than almost anyone else during the last two years — could get pretty much anything that she wanted last week in Charlotte: briefings with senior Obama officials, invitations to post-speech parties, along with “priority booking” at the city's finest

hotels.

In the race for cash, Mr. Obama often praises his millions of grass-roots donors, those die-hards whose \$3 or \$10 or \$75 contributions are as much a symbol of the president's political identity as they are a source of ready cash. But his campaign's big-dollar fund-raising has become more dependent than it was four years ago on a smaller number of large-dollar donors and fund-raisers.

All told, Mr. Obama's top “bundlers” — people who gather checks from friends and business associates — raised or gave at least \$200 million for Mr. Obama's re-election bid and the Democratic National Committee through the end of May, close to half of the total up to that point, according to internal campaign documents obtained by The New York Times.

Continued on Page A19

ATTACK ON U.S. SITE IN LIBYA KILLS ENVOY; A FLASH POINT FOR OBAMA AND ROMNEY



PAUL J. RICHARDS/AGENCE FRANCE-PRESSE — GETTY IMAGES

President Obama and Secretary of State Hillary Rodham Clinton in the courtyard of the State Department on Wednesday.

23 Years After Soccer Tragedy, An Apology and a Shift in Blame

By JOHN F. BURNS

LONDON — Nearly a quarter of a century after 96 Liverpool soccer fans were crushed to death in one of the worst stadium disasters in history, Prime Minister David Cameron formally apologized on Wednesday to the victims' families, saying their “appalling deaths” were compounded by an attempt by the police, investigators and the news media to depict the victims as hooligans and to blame them for the disaster.

Before a hushed House of Commons, Mr. Cameron said the families had suffered “a double injustice” in the failures of the police, fire officials and other authorities to anticipate the disaster or to contain its scale once it occurred, and in the efforts that followed to

cover up police failings by altering witness statements, and to pin responsibility on the victims for their own deaths.

The prime minister's apology, and the findings of a new inquiry panel on which it was based, marked a stunning reversal in a saga that has been an open wound in Britain since April 15, 1989, when 3,000 Liverpool supporters sought to crowd into standing-room terraces approved for barely half that many at Hillsborough Stadium in Sheffield, 150 miles north of London. All but one of the victims perished that day, many of them within minutes. The last victim remained in a coma until he died in 1993.

It has become known simply as the Hillsborough disaster. Continued on Page A3

A Challenger's Criticism Is Furiously Returned

By PETER BAKER and ASHLEY PARKER

WASHINGTON — The deadly attack on an American diplomatic post in Libya propelled foreign policy to the forefront of an otherwise inward-looking presidential campaign and presented an unexpected test not only to the incumbent, who must manage an international crisis, but also to the challenger, whose response quickly came under fire.

While President Obama dealt with the killings of an ambassador and three other Americans and deflected questions about his handling of the Arab world, Mitt Romney, the Republican seeking his job, wasted little time going on the attack, accusing the president of apologizing for American values and appeasing Islamic extremists.

“They clearly sent mixed messages to the world,” Mr. Romney told reporters during a campaign swing through Florida.

But Mr. Romney came under withering criticism for distorting

A BIGGER CONCERN THAN LIBYA

Egypt, where unrest continued, may pose a long-term problem for the White House. Page A14.

the chain of events overseas and appearing to seek political advantage from an attack that claimed American lives. A statement he personally approved characterized an appeal for religious tolerance issued by the American Embassy in Cairo as sympathy for the attackers even though the violence did not occur until hours after the embassy statement. Mr. Romney on Wednesday said the embassy statement, which was disavowed by the administration, was “akin to apology, and I think was a severe miscalculation.”

Mr. Obama fired back later in the day, saying the statement was “a severe miscalculation.”

Continued on Page A13

A Wave of Unrest Shows a Region Still Volatile

By DAVID D. KIRKPATRICK and STEVEN LEE MYERS

CAIRO — Islamist militants armed with antiaircraft weapons and rocket-propelled grenades stormed a lightly defended United States diplomatic mission in Benghazi, Libya, late Tuesday, killing the American ambassador and three members of his staff and raising questions about the radicalization of countries swept up in the Arab Spring.

The ambassador, J. Christopher Stevens, was missing almost immediately after the start of an intense, four-hour firefight for control of the mission, and his body was not located until Wednesday morning at dawn, when he was found dead at a Benghazi hospital, American and Libyan officials said. It was the first time since 1979 that an American ambassador had died in a violent assault.

American and European officials said that while many details about the attack remained unclear, the assailants seemed organized, well trained and heavily armed, and they appeared to have at least some level of advance planning. But the officials cautioned that it was too soon to tell whether the attack was related to the anniversary of the Sept. 11 attacks.

Fighters involved in the assault, which was spearheaded by an Islamist brigade formed during last year's uprising against Col. Muammar el-Qaddafi, said in interviews during the battle that they were moved to attack the mission by anger over a 14-

Continued on Page A12

Decades Later, a Vision Survives



ROBERT WRIGHT FOR THE NEW YORK TIMES

Louis Kahn's design comes to fruition at Four Freedoms Park.

The park — a memorial to Franklin Delano Roosevelt — was conceived four decades ago. The visionary architect who designed it died in 1974. The site, a

landfill along one of the more dramatic stretches of waterfront in New York City, remained a rubble heap while the project was left for dead.

But in a city proud of its own impatience, perseverance sometimes pays off. Next month, on that triangular plot on the southern end of Roosevelt Island, the four-acre Franklin D. Roosevelt

Four Freedoms Park will open, a belated and monumental triumph for New York and for everyone who cares about architecture and public space.

Louis Kahn is the architect. He completed drawings for the park just before he died suddenly, in Pennsylvania Station, at 73. That Kahn's plan survived periodic calls to privatize the government-owned property and build a hotel and fancy town houses, among other commercial proposals, proves the benefit of resisting short-term financial imperatives. In the end the value of the project

Continued on Page A4



ESAM OMRAN AL-FETORI/REUTERS

The American diplomatic mission in Benghazi, Libya, after an attack by Islamists using antiaircraft weapons and grenades.

Video That Stoked Violence Has Murky History

By ADAM NAGOURNEY

LOS ANGELES — The film that set off violence across North Africa was made in obscurity somewhere in the sprawl of Southern California, and promoted by a network of right-wing Christians with a history of animosity directed toward Muslims. When a 14-minute trailer of it — all that may actually exist — was posted on YouTube in June, it was barely noticed.

But when the video, with its al-

most comically amateurish production values, was translated into Arabic and reposted twice on YouTube in the days before Sept. 11, and promoted by leaders of the Coptic diaspora in the United States, it drew nearly one million views and set off bloody demonstrations.

The history of the film — who financed it; how it was made; and perhaps most important, how it was translated into Arabic and posted on YouTube to Muslim viewers — was shrouded

Wednesday in tales of a secret Hollywood screening; a director who may or may not exist, and used a false name if he did; and actors who appeared, thanks to computer technology, to be traipsing through Middle Eastern cities. One of its main producers, Steve Klein, a Vietnam veteran whose son was severely wounded in Iraq, is notorious across California for his involvement with anti-Muslim actions, from the courts to schoolyards to

Continued on Page A14

INTERNATIONAL A6-17

Bailout Upheld in Germany

In a victory for Chancellor Angela Merkel, the Federal Constitutional Court allowed Germany to contribute to a bailout fund for euro countries. PAGE A6

NEW YORK A24-29

Regulating Circumcision Ritual

A city proposal would require parents to acknowledge the risks of an ancient part of a circumcision method common in some Jewish communities. PAGE A24

BUSINESS DAY B1-11

Finally, the New iPhone

After weeks of anticipation, Apple introduced the iPhone 5, which is lighter, thinner and faster than its predecessor and provides a bigger screen. PAGE B1

ONLINE

Calling All Baby Boomers

Starting today, Booming, a new blog, offers news and commentary about the way baby boomers live now. nytimes.com/booming

EDITORIAL, OP-ED A30-31

Gail Collins

PAGE A31



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The New York Times

Late Edition

Today, clouds and fog, showers, thunderstorms, high 77. Tonight, clearing skies, low 64. Tomorrow, mostly sunny, warm, less humid, high 80. Weather map, Page A32.

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\$2.50

TURKEY STRIKES SYRIAN TARGETS AFTER SHELLING

NATO MEETING IS CALLED

More Attacks Possible, Risking Escalation of the Conflict

By TIM ARANGO and ANNE BARNARD

ISTANBUL — Turkey said Wednesday that it shelled targets within Syria as retaliation for a mortar that landed across the Turkish border and killed five civilians, a move that increases the risk of escalating the bloody civil war into a regional conflict and ratchets up pressure for further international involvement.

The North Atlantic Treaty Organization, of which Turkey is a member and whose charter calls in some cases for collective action when one of its members is targeted militarily, called an emergency meeting on Wednesday evening to discuss the crisis, as Turkey's civilian and military leaders said Parliament would consider a motion on Thursday to permit further military action within Syria.

"This atrocious attack was immediately responded to adequately by our armed forces in the border region, in accordance with rules of engagement," said a statement from the office of the prime minister, Recep Tayyip Erdogan, carried by the semi-official Anatolian News Agency. "Targets were shelled in locations identified by radar."

And while suicide bombers killed dozens on Wednesday as violence surged in Syria's largest city, Aleppo, it was the cross-border strike that raised the stakes in a civil war that has left tens of thousands dead and forced more than a million people from their homes. The war has defied exhaustive diplomatic efforts by the global community. The events may increase pressure for the West to take military action, something Turkey has

Continued on Page A14

Forcing Defections in Syria

As defections to Syrian rebels slow, some rebel commanders are trying to force members of the army to defect. Page A14.

Obama and Romney, in First Debate, Spar Over Fixing the Economy



DOUG MILLS/THE NEW YORK TIMES

JUST THE FACTS? Mitt Romney and President Obama challenged each other on many issues. A closer look at the claims, Page A20.

Feel of Seminar as Accusations Fly From Rivals

By JEFF ZELENY and JIM RUTENBERG

DENVER — Mitt Romney on Wednesday accused President Obama of failing to lead the country out of the deepest economic downturn since the Great Depression, using the first presidential debate to invigorate his candidacy by presenting himself as an equal who can solve problems Mr. Obama has been unable to.

The president implored Americans to be patient and argued that his policies needed more time to work, warning that changing course would wipe away the economic progress the country is steadily making. The two quarreled aggressively over tax policy, the budget deficit and the role of government, with each man accusing the other of being evasive and misleading voters.

But for all of the anticipation, and with less than five weeks remaining until Election Day, the 90-minute debate unfolded much like a seminar by a business consultant and a college professor. Both men argued that their policies would improve the lives of the middle class, but their discussion often dipped deep into the weeds, and they talked over each other without connecting their ideas to voters.

If Mr. Romney's goal was to show that he could project equal stature to the president, he succeeded, perhaps offering his campaign the lift that Republicans have been seeking. Mr. Obama often stopped short of challenging his rival's specific policies and chose not to invoke some of the same arguments that his campaign has been making against Mr. Romney for months.

At one point, Mr. Romney offered an admonishment, saying, "Mr. President, you're entitled to your own airplane and your own house, but not your own facts." He forcefully engaged Mr. Obama throughout the night, while the president often looked down at his lectern and took notes.

A boisterous campaign, which has played out through dueling rallies and an endless stream of television commercials, took a sober turn as the candidates stood at facing lecterns for the first

Continued on Page A18

Rapid Analysis of Infants' DNA Aids Diagnosis of Rare Diseases

By GINA KOLATA

From the day she was born, the girl had seizure after seizure. Doctors at Children's Mercy Hospital in Kansas City, Mo., frantically tried to keep her alive. Weeks passed and every medication failed. Finally, her family decided to let their baby go, and the medical devices were withdrawn. She was 5 weeks old.

Her doctors suspected a genetic disorder, and as it happened the hospital had just begun a study of a new technique for quickly analyzing the DNA of newborns, zeroing in on mutations that can cause disease.

This new method, published on Wednesday in the magazine Science Translational Medicine, is a proof of concept — a demonstration in four babies that it is possible to quickly scan a baby's entire DNA and pinpoint a disease-causing mutation in a couple of days instead of the more typical

weeks or months. The study's investigators said the test could be one of the first practical fruits of the revolution in sequencing an individual's entire DNA.

For the baby with seizures, her doctors provided a sample of her blood. The analysis took only 50 hours and provided an answer. The baby had a mortal gene mutation so rare that it had been reported just once before.

If only, said Dr. Joshua E. Petrikin, one of the baby's doctors, the test could have been done within days of the baby's birth.

"There was no treatment, there was not anything that could have changed the outcome," Dr. Petrikin said. "But we could have more appropriately counseled the family and bypassed what had to have been intense suffering."

The baby, he explained, was

Continued on Page A3

NEWS ANALYSIS

A Clash of Philosophies

One Side Sees Essential Government Role; The Other Wants It to Get Out of the Way

By PETER BAKER

DENVER — Somewhere in the wonky blizzard of facts, statistics and studies thrown out on stage here on Wednesday night was a fundamental philosophical choice about the future of America, quite possibly the starkest in nearly three decades.

As President Obama and Mitt Romney faced off for the first time, their largely zinger-free styles may have disguised a fierce clash of views not only over taxes, spending and health care, but over the very role of government in American society in a time of wrenching problems.

On one side was an incumbent who, while recognizing that government is not the solution to all problems, argued that it plays an essential part in promoting eco-

nomie growth and ensuring fairness for various segments of the population. On the other was a challenger who, while recognizing the basic value of government, argued that its greatest goal was to get out of the way of a free people and unleash the American entrepreneurial spirit.

"Governor Romney has a perspective that says if we cut taxes skewed towards the wealthy and roll back regulations, that we'll be better off," Mr. Obama said. He asked: "Are we going to double down on the top-down economic policies that helped to get us into this mess or do we embrace a new economic patriotism that says America does best when the middle class does

Continued on Page A18

Drama on Baseball's Final Day As a Star Completes a Crown

By JOHN ELIGON

KANSAS CITY, Mo. — Miguel Cabrera burst on the baseball scene as a 20-year-old slugging prodigy. He hit a home run in his first major league game and, while still a rookie, helped lead the Florida Marlins to a World Series title in 2003.

Over the years, Cabrera struggled with alcohol and his weight; fought to find an established position in the field; and was traded, at age 24, from the Marlins to the Detroit Tigers. But Cabrera never lost what everyone agreed he possessed like few others: a discriminating eye at the plate and a sweet, timely and fluidly powerful swing.

On Wednesday night, Cabrera, whose father was a professional baseball player in Venezuela and whose mother was the star shortstop for that country's national

softball team, found his way into the history books of America's national pastime as the first player in nearly half a century to win the triple crown, leading the American League in home runs (44), batting average (.330) and runs batted in (139).

Ruth never did it. Neither did DiMaggio, Aaron, Musial, Clemente or Mays. Ted Williams did it twice, and Mickey Mantle once. The last player to accomplish the feat was Carl Yastrzemski of the Boston Red Sox in 1967, when Lyndon Johnson was president, free agency was a pipe dream and the Boston left fielder known as Yaz chain smoked cigarettes in the dugout.

Cabrera had been pulled from the game and was in the Tigers' clubhouse by the time the sixth

Continued on Page A4



BARTON SILVERMAN/THE NEW YORK TIMES

YANKS CLINCH IN FINALE Robinson Cano hit two homers in a 14-2 win that gave New York the home-field playoff edge. Page B11.

Undocumented Life Is a Hurdle As Immigrants Seek a Reprieve

By KIRK SEMPLE

Chul Soo, a 27-year-old illegal immigrant from South Korea, has lived on the fringes of society in recent years, working off the books at a video game store and a beauty supplies wholesaler in New York City, carrying neither a driver's license nor credit cards, and having little contact with the government.

Now he is applying for a new program that offers illegal immigrants who came to the United States as children a reprieve from deportation if they can demonstrate that they have been in the country since 2007, among other requirements. Yet Chul Soo, who said he arrived in 1995, is finding that he has little in the way of proof of his whereabouts for the last five years.

"It's frustrating," he said, referring to his effort to piece together a mosaic of records. "I

really need this right now." Since President Obama announced the program in June, illegal immigrants across the country have been scrambling to collect evidence to qualify.

Their challenge is this: How do you document an undocumented life?

Applicants must prove that they were brought to the United States before they turned 16; that they have lived here continuously for the past five years; and that they were in the country and were under age 31 on June 15. They must show that they are enrolled in school or have graduated from high school or received an equivalent G.E.D. certificate, or have been honorably discharged from the military. An immigrant who poses a threat to na-

Continued on Page A30

INTERNATIONAL A6-15

Turmoil Shakes Iran's Capital

The riot police cracked down on money changers and citizens marched to demand relief, a show of rage that reflected deepening economic woes. PAGE A6

NATIONAL A24-26

More Deaths From Meningitis

The death toll from a rare type of meningitis, linked to spinal injections for back pain, has grown to four with at least 30 other people sickened. PAGE A24

BUSINESS DAY B1-10

Settlement Over Web Privacy

An operator of pop star Web sites will pay \$1 million to settle charges of violating a law that guards the privacy of children's personal information. PAGE B1

ARTS C1-8

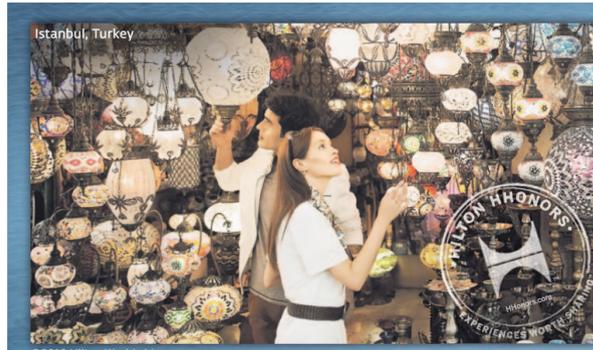
Undiluted Comedy

Routines on late-night television have become more pointed, replete with political content and outrage that are delivered straight up. PAGE C1

EDITORIAL, OP-ED A34-35

Gail Collins

PAGE A35



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The New York Times

Late Edition

Today, partly sunny, seasonable, high 65. Tonight, partly cloudy, not as cool, low 55. Tomorrow, partly sunny, becoming breezy, high 68. Weather map appears on Page B12.

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\$2.50

CITIGROUP'S CHIEF RESIGNS HIS POST IN SURPRISE STEP

LED IN TURBULENT ERA

Disgruntled Board Said to Have Prepared for a Transition

By JESSICA SILVER-GREENBERG and SUSANNE CRAIG

Weeks before Vikram S. Pandit's surprise resignation on Tuesday as chief executive of Citigroup, the banking giant's powerful chairman, Michael E. O'Neill, was privately huddling with other board members to plan how to replace him, according to several people briefed on the talks.

The frustrations of the board members had been building. This year the bank was publicly embarrassed when the Federal Reserve indicated Citi was not healthy enough to start paying more money back to shareholders.

Then in September, some board members felt that Citigroup had left billions on the table when it sold a stake in its wealth management unit to Morgan Stanley.

On Monday, after the stock market's close, Mr. O'Neill met with Mr. Pandit at the bank's New York headquarters and after their talk, Mr. Pandit, 55, offered his resignation.

In an interview, Mr. Pandit said that the decision to resign was entirely his own, adding that it was "something that I had been thinking about for a while" and that Monday "it occurred to me to go see Mike."

For weeks, though, Mr. O'Neill and other board members had been mapping out the transfer of power during meetings that occurred, in part, while Mr. Pandit was in Japan last week attending a gathering of the International Monetary Fund and the World Bank, said the people briefed on the matter, who declined to be named because the meetings were private.

Mr. Pandit, who navigated the

Continued on Page B6

Obama and Romney Mount Biting Attacks in Debate Rematch



Mitt Romney and President Obama during the debate, their second, Tuesday night at Hofstra University in Hempstead, N.Y.

Tense Encounters as Rivals Woo Undecided

By JIM RUTENBERG and JEFF ZELENY

President Obama and Mitt Romney engaged Tuesday in one of the most intensive clashes in a televised presidential debate, with tensions between them spilling out in interruptions, personal rebukes and accusations of lying as they parried over the last four years under Mr. Obama and what the next four would look like under a President Romney.

Competing for a shrinking sliver of undecided voters, many of them women, their engagements at times bordered on physical as they circled each other or bounded out of their seats while the other was speaking, at times more intent to argue than to address the questions over jobs, taxes, energy, immigration and a range of other issues.

Mr. Obama, criticized by his own party for a lackluster debate performance two weeks ago, this time pressed an attack that allowed him to often dictate the terms of the debate. But an unbowed Mr. Romney was there to meet him every time, and seemed to relish the opportunity to challenge a sitting president.

Mr. Obama's assertive posture may well have stopped the clamor of concern from supporters that had been weighing on his campaign with three weeks and one more debate to go before the election.

The president's broadsides started with a critique of Mr. Romney for his opposition to his administration's automobile bailout in his first answer — "Governor Romney said we should let Detroit go bankrupt" — and ended more than 90 minutes later with an attack on Mr. Romney's secretly taped comments about the "47 percent" of Americans who he said did not take responsibility for their own lives.

"When he said behind closed doors that 47 percent of the country considers themselves victims who refuse personal responsibility — think about who he was talking about," the president said

Continued on Page A12

Easing Path Out of Country, Cuba Is Dropping Exit Visas

By DAMIEN CAVE

MEXICO CITY — In a country of limits, it is the restriction that many Cubans hate the most: the exit visa that the government requires for travel abroad, discouraging all but the favored or fortunate from leaving the island.

Now that bureaucratic barrier is on its way out. The Cuban government announced on Tuesday that it would terminate the exit visa requirement by Jan. 14, possibly letting many more Cubans depart for vacations, or forever, with only a passport and a visa from the country where they plan to go.

The new policy — promised by President Raúl Castro last year, and finally announced in the Communist Party newspaper —

represents the latest significant step by the Cuban government to answer demands for change from Cubans, without relinquishing control.

Like some recent economic openings in Cuba, it allows the government to carefully calibrate the flow of change.

Even Cubans with passports will need to have them renewed, and the law says that applicants can be prevented from leaving for several reasons, including "national security"; enough, experts say, to keep dissidents from traveling.

Cuba's doctors, scientists and other professionals, who have long faced tight restrictions on

Continued on Page A3

NEWS ANALYSIS

Punch, Punch, Punch

By PETER BAKER

He waited all of 45 seconds to make clear he came not just ready for a fight but ready to pick one.

President Obama, who concluded that he was "too polite" in his first debate with Mitt Romney, made sure no one would say that after their second. He interrupted, he scolded, he filibustered, he shook his head.

He tried to talk right over Mr. Romney, who tried to talk over him back. The president who waited patiently for his turn last time around forced his way into Mr. Romney's time this time. At one point, he squared off with Mr. Romney face to face, almost chest to chest, in the middle of the stage, as if they were roosters

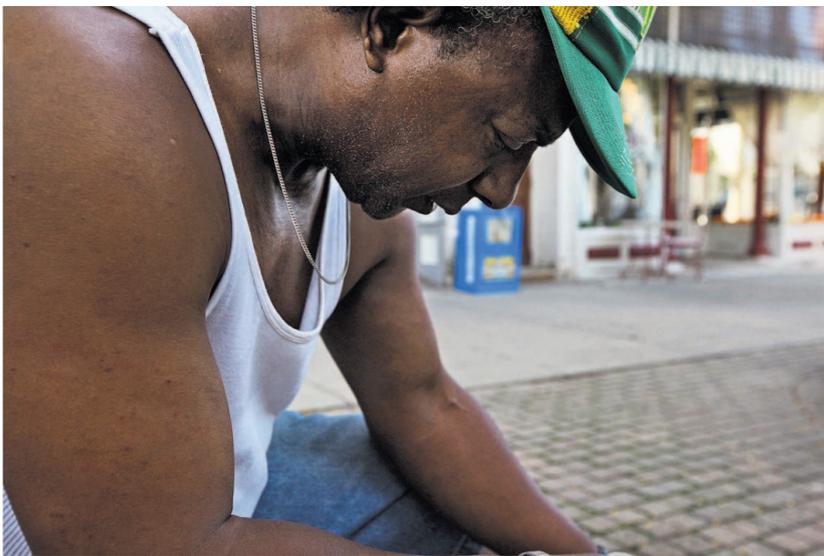
in a ring. "What Governor Romney said just isn't true." "Not true, Governor Romney, not true."

"What you're saying is just not true."

For a president teetering on the edge of a single term, making a more forceful case at Hofstra University on Long Island on Tuesday night could hardly have been more imperative. Thirteen days after he took presidential decorum to a Xanax extreme, he tucked away a dinner of steak and potatoes and then went out on stage with plenty of red meat for anxious supporters.

Whether it will decisively re-

Continued on Page A14



Ike Maxwell, who once electrified Elyria, Ohio, as an athlete, sitting outside Donna's Diner.

In the Hard Fall of a Favorite Son, A Reminder of a City's Scars

ELYRIA, Ohio

He walks the city streets with that block of a body angled headfirst, as if determined to break through life's defensive line. Often he is shouting with urgent intent, trying to tell the people of Elyria — something. But what?

He shouts about the father, the son and the Golden Helmet. About the time they killed his brother. About the baseball bat. About Les Miles, the Louisiana State University football coach, and a roster of other prominent Elyrians. His words tumble out like bits of broken thoughts.

But what is this man trying to say? As he weaves with purpose through City Hall, around Ely Square, in the front of Donna's Diner and out the back. As he talks so loudly that the owner, Donna Dove, has to tell him, *Ike, Ike, use your inside voice or leave*, which is like trying to lower the volume on a damaged radio.

Some people in Elyria try to help out; Ike

DONNA'S DINER

Fourth of five articles.

Maxwell is one of their own. Judge James M. Burge and a lawyer, Michael J. Duff, give him money on a regular schedule, and a couple of Donna's patrons, from that front-table group called the Breakfast Club, occasionally hand him a few bucks. One day, he'll use the money to buy a meal; another day, a can of malt liquor.

But at 59, what is Ike trying to say? The truth is, some people know. Donna knows. So does Forrest Bullocks, a former city councilman who comes to her diner on Fridays for the perch special. Others know, too, that he is speaking in Elyrian about glory, regret and maybe even the one subject that vexes through boom and bust: race.

"Do you understand?" asks Ike, a black

Continued on Page A20

INTERNATIONAL A3-10

Ex-Bosnia Leader's Defense

After prosecutors called him an architect of war, Radovan Karadzic began his defense at his genocide tribunal by telling judges that instead of standing accused, he should be "rewarded for all the good things I have done." PAGE A8

Exit Pay for Murdoch Aide

Rebekah Brooks, the executive who stepped down from News International during the phone hacking scandal, reportedly received more than \$11 million in severance. PAGE A6

Earthlike in at Least One Way

Scientists have found a planet with the same mass as Earth's in Alpha Centauri, a triple-star system that is the Sun's closest neighbor. PAGE A3

NATIONAL A17-23

A Setback for Tribunals

A court threw out the conviction of Osama bin Laden's former driver, ruling that providing material support for terrorism was not a recognized war crime at the time of his actions. PAGE A22

BUSINESS DAY B1-12

A Privacy Warning to Google

European privacy regulators warned Google that it must provide consumers with more control over the personal data it is gathering about them or risk fines and other penalties. PAGE B1

NEW YORK A24-28

A Stage Dream Betrayed

A producer of "Rebecca" said it was easy to believe in the man who ended up charged with fraud in connection with financing the musical. PAGE A27

SPORTSWEDNESDAY B13-18

Yanks on Brink of Elimination

The Yankees were shut down by Tigers starter Justin Verlander in a 2-1 loss that put them in a 3-0 hole in the American League Championship Series. At left, Mark Teixeira after fouling out in the fourth inning. PAGE B13



DINING D1-8

The Snail Rancher

When they want to cook with snails, chefs turn to a rancher in California who spent a couple of decades learning how to cultivate them. PAGE D1

ARTS C1-8

Dutch Museum Plundered

Thieves made off with seven paintings from a museum in Rotterdam, including works by Picasso, Monet, Gauguin, Matisse and Lucian Freud. PAGE C2

SPECIAL TODAY

Wealth

These are not normal times, which is why experts recommend investing broadly for the long term. SECTION F

EDITORIAL, OP-ED A30-31

Thomas L. Friedman PAGE A31



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LOUIS VUITTON

Tambour In Black automatic chronograph LV 277

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The New York Times

Late Edition

Today, morning fog and clouds, partial clearing, high 68. Tonight, mostly cloudy, mild, low 56. Tomorrow, periodic clouds and sunshine, high 66. Weather map is on Page B12.

VOL. CLXII . . No. 55,936

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NEW YORK, FRIDAY, OCTOBER 26, 2012

\$2.50

POLITICAL MEMO

Obama Campaign Endgame: Grunt Work and Cold Math

By JIM RUTENBERG

CHICAGO — This is what “grinding it out” looks like at President Obama’s election headquarters: scores of young staff members intently clicking away at computer keyboards as they crunch gigabytes of data about which way undecided voters are leaning, where they can be reached, and when; strategists standing at whiteboards busily writing and erasing early voting numbers and turnout possibilities; a lonely Ping-Pong table.

The wave of passion and excitement that coursed through Mr. Obama’s headquarters here in 2008 has been replaced with a methodical and workmanlike approach to manufacturing the winning coalition that came together more organically and enthusiastically for him the last time, a more arduous task with no guarantee of success.

As Washington and the cable news commentariat breathlessly discuss whether Mitt Romney’s

post-debate movement in the polls has peaked, Mr. Obama’s campaign technicians — and that’s what many of them are — are putting as much faith in the multimillion-dollar machine they built for just such a close race as in the president himself.

“We are exactly where I thought we would be, in a very close election with 12 days left with two things to do and two things only: persuade the undecided and turn our voters out,” said Jim Messina, 43, the president’s technocratic campaign manager, slightly paler and more hunched than he was when the campaign began. Pointing to the rows of personnel outside his office on Thursday, he added, “Everything in that room has been focused on that.”

Four years ago, Mr. Obama’s political team here was preparing one of its trademark showstoppers: a half-hour prime-time pro-

Continued on Page A23



DAMON WINTER/THE NEW YORK TIMES

President Obama cast his early ballot Thursday in Chicago.

Bad Luck and Missteps Make G.O.P.’s Senate Climb Steeper

By JONATHAN WEISMAN

WASHINGTON — The Indiana Senate candidate Richard E. Mourdock’s reintroduction of rape and abortion into the political dialogue this week is the latest in a series of political missteps that have made the Republican quest to seize control of the Senate a steeper climb.

Once viewed as likely to win the Senate, Republicans are now in jeopardy of losing seats in Massachusetts and Maine. If they do, they will need to win at least five seats held by Democrats and hold three other Republican seats at risk to net the three needed to take the Senate if Mitt Romney wins the presidency.

If President Obama prevails, Republicans will have to win at least one additional seat in a state where they are seen as slightly behind — in Connecticut, Florida, Ohio or Pennsylvania.

“Republicans can do it,” said

Jennifer Duffy, a Senate political analyst at the nonpartisan Cook Political Report. “It’s just getting a lot harder.”

Rob Jesmer, the executive director of the National Republican Senatorial Committee, said Thursday that Republican candidates were within reach of victory in 10 to 12 competitive races, with Mr. Romney’s improvement in the polls lifting candidates in states that were out of play six weeks ago.

But time is dwindling. The implications for the next two years cannot be overstated. If Mr. Obama wins a second term, his hand would be much strengthened by a Democratic-led Senate, even a narrowly divided one, as opposed to unified Republican majorities in the House and the Senate.

At the moment, Democrats are given little chance of winning the

Continued on Page A22

ELECTION 2012

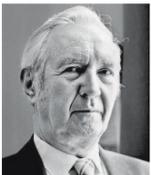
\$2 BILLION CAMPAIGN President Obama and Mitt Romney are each on pace to raise more than \$1 billion with their parties by Election Day. BY NICHOLAS CONFESSORE AND JO CRAVEN MCGINTY, PAGE A18

CLIMATE CHANGE Both presidential candidates agree that the world is warming and that humans are at least partly to blame, but neither campaign is talking about solutions. BY JOHN M. BRODER, PAGE A18

OBITUARIES A30-31

Jacques Barzun, Historian

A wide-ranging scholar, essayist and educator, he was crucial to the creation of the discipline of cultural history and an exponent of the theory that the West was in decline, having cultivated the seeds of its own undoing.



PAGE A30

INTERNATIONAL A4-15

Iran Said to Take Nuclear Step

Intelligence officials say Iran has virtually completed an underground nuclear enrichment plant, racing ahead despite international pressure and heavy economic sanctions.

PAGE A6

British Abuse Case Worsens

Scotland Yard called Jimmy Savile, one of Britain’s most popular TV hosts, “undoubtedly” one of the most prolific sex offenders in the nation’s recent history, as the number of people who said they were assaulted by him rose.

PAGE A12

BUSINESS DAY B1-8

Publishers Plan to Merge

Random House and Penguin, two of the world’s largest book publishers, are engaged in talks to combine their businesses.

PAGE B1

New Light on a Money Debate

A transcript from the 1944 Bretton Woods conference, which laid the foundation for the world’s monetary system, was found in Washington.

PAGE B1

NATIONAL A21-22

A Nudge for a Deficit Deal

As Republicans and Democrats spar over deficit reduction, some business leaders are increasing pressure on Washington to reach a deal, even if it raises their own tax bills.

PAGE A22

NEW YORK A26-30

A Death Spurs Medical Efforts

The death of a 12-year-old boy from septic shock has prompted nationwide efforts by medical personnel to head off problems that may have contributed to his death. About New York.

PAGE A26

SPORTSFRIDAY B9-15

Giants Win Tigt Game

A punt was the most memorable play as the Giants beat the Tigers, 2-0, to take a two-games-to-none lead in the World Series.

PAGE B9

WEEKEND C1-28

Teddy Roosevelt, a New View

The Museum of Natural History’s refreshed memorial to the 26th president opens (with a somewhat different context), as does the newly renovated Hall of Mammals. A review.

PAGE C21

EDITORIAL, OP-ED A32-33

Paul Krugman

PAGE A33



0 354 613 9

2 CHILDREN SLAIN AT HOME IN CITY; NANNY ARRESTED

BOY AND GIRL STABBED Mother Found Them — Suspect Cut Her Own Throat, Police Say

By WENDY RUDERMAN and MARC SANTORA

A mother returned home to her luxury Upper West Side apartment on Thursday evening to find two of her children, a 2-year-old boy and a 6-year-old girl, fatally stabbed in a bathtub by the family’s nanny, the authorities said. The nanny herself lay on the floor, near a bloody knife, with an apparently self-inflicted slash to her own throat.

Police Commissioner Raymond W. Kelly said the mother, Marina Krim, had left her apartment a block from Central Park at 57 West 75th Street to take one of her children, a 3-year-old girl, to a swimming lesson. The two other children were left with the nanny, Yoselyn Ortega, 50.

When Ms. Krim returned around 5:30 p.m., the commissioner said, she found a dark apartment. She went back down to the lobby to ask the doorman if he had seen the nanny and her children. When told that they had not left the building, she returned to the apartment. She looked around in the quiet rooms. Finally, she turned the lights on in the bathroom — and discovered her two children in the bathtub and the nanny unconscious on the floor.

“There were bloodcurdling screams from a woman,” said Rima Starr, who lives down the hall from the victims’ second-floor apartment. Ms. Starr also recognized a man’s screaming voice as that of the building superintendent. The screams prompted neighbors to call 911. Ms. Ortega was arrested as soon as the police arrived. She was taken to NewYork-Presbyterian Hospital/Weill Cornell Medical Center, where she was in critical but stable condition.

According to the police, Ms. Krim and her husband, Kevin, had three children — Nessie, the 3-year-old who lived, and Lucia and Leo. Ms. Krim wrote a blog where she documented “life with

Continued on Page A3

Billions Amassed in the Shadows By the Family of China’s Premier

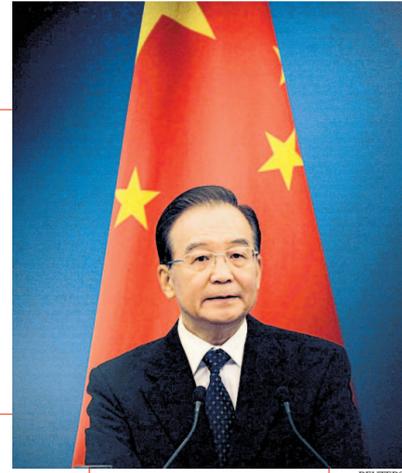
Many relatives of Wen Jiabao, including his son, daughter, younger brother and brother-in-law, have become extraordinarily wealthy during his leadership.



MOTHER YANG ZHIYUN Had investments in her name in Ping An Insurance once worth \$120 million.



BROTHER WEN JIAHONG Controls \$200 million in assets, including waste treatment plants and recycling businesses.



REUTERS



SON WEN YUNSONG Co-founded a major private equity firm called New Horizon Capital.



DAUGHTER WEN RUCHUN Holds shares of a Chinese diamond company.



WIFE ZHANG BELDI Is an expert in gems and a force in the nation’s diamond trade.



WIFE’S BROTHER ZHANG JIANMING Invested in diamond companies with his sister’s colleagues.

THE NEW YORK TIMES

By DAVID BARBOZA

BEIJING — The mother of China’s prime minister was a schoolteacher in northern China. His father was ordered to tend pigs in one of Mao’s political campaigns. And during childhood, “my family was extremely poor,” the prime minister, Wen Jiabao, said in a speech last year.

But now 90, the prime minister’s mother, Yang Zhiyun, not only left poverty behind — she became outright rich, at least on paper, according to corporate and regulatory records. Just one investment in her name, in a large Chinese financial services company, had a value of \$120 million five years ago, the records show.

The details of how Ms. Yang, a widow, accumulated such wealth are not known, or even if she was aware of the holdings in her name. But it happened after her son was elevated to China’s ruling elite, first in 1998 as vice prime minister and then five

TIMES WEB SITES ARE BLOCKED

China blocked access to an article on wealth accumulated by the prime minister’s family. Page A12.

years later as prime minister.

Many relatives of Wen Jiabao, including his son, daughter, younger brother and brother-in-law, have become extraordinarily wealthy during his leadership, an investigation by The New York Times shows. A review of corporate and regulatory records indicates that the prime minister’s relatives, some of whom have a knack for aggressive deal-making, including his wife, have controlled assets worth at least \$2.7 billion.

In many cases, the names of the relatives have been hidden behind layers of partnerships and investment vehicles involving friends, work colleagues and business partners. Untangling their financial holdings provides an unusually detailed look at how

politically connected people have profited from being at the intersection of government and business as state influence and private wealth converge in China’s fast-growing economy.

Unlike most new businesses in China, the family’s ventures sometimes received financial backing from state-owned companies, including China Mobile, one of the country’s biggest phone operators, the documents show. At other times, the ventures won support from some of Asia’s richest tycoons. The Times found that Mr. Wen’s relatives accumulated shares in banks, jewelers, tourist resorts, telecommunications companies and infrastructure projects, sometimes by using offshore entities.

The holdings include a villa development project in Beijing; a tire factory in northern China; a company that helped build some of Beijing’s Olympic stadiums, including the well-known “Bird’s

Continued on Page A14

Citi Chairman Is Said to Have Planned Chief’s Exit Over Months

By JESSICA SILVER-GREENBERG and SUSANNE CRAIG

Vikram Pandit’s last day at Citigroup swung from celebratory to devastating in a matter of minutes. Having fielded congratulatory e-mails about the earnings report in the morning that suggested the bank was finally on more solid ground, Mr. Pandit strode into the office of the chairman at day’s end on Oct. 15 for what he considered just another of their frequent meetings on his calendar.

Instead, Mr. Pandit, the chief executive of Citigroup, was told three news releases were ready. One stated that Mr. Pandit had resigned, effective immediately. Another that he would resign, effective at the end of the year. The

third release stated Mr. Pandit had been fired without cause. The choice was his.

The abrupt encounter, described by three people briefed on the conversation, included a terse comment by the chairman, Michael E. O’Neill: “The board has lost confidence in you.”

A stunned Mr. Pandit chose to resign immediately. Even though Mr. Pandit and the board have publicly characterized his exit as his decision, interviews with people close to the board describe how the chairman maneuvered behind the scenes for months ahead of that day to force Mr. Pandit out and replace him with Michael L. Corbat, the board’s chosen successor.

Once he became chairman this year, Mr. O’Neill, 66, meticulously built a case for the chief execu-



CARLOS OSORIO/ASSOCIATED PRESS

Vikram S. Pandit

tive’s ouster, they say, first meeting privately with less-satisfied board members and then drawing in others until Mr. Pandit had virtually no allies left.

As Mr. Pandit was reeling from his encounter, three board members confronted John Havens, the bank’s chief operating officer and

a longtime lieutenant.

“Vikram has offered his resignation, and we would like to give you the opportunity to offer yours,” a board member said, following a script prepared by the board’s lawyers, according to several people with knowledge of the meeting.

Startled, Mr. Havens briefly challenged the directors, pointing to the solid performance of the institutional clients group, and then relented, saying his resignation would be on Mr. Pandit’s desk within five minutes.

The dramatic boardroom coup at the bank’s Park Avenue headquarters has rankled some people at Citi, especially senior executives who feel that the action was needlessly ruthless and who spoke only on the condition that

Continued on Page B7

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The New York Times

Late Edition

Today, additional wind and rain from the storm, high 61. Tonight, windy, some rain, low 51. Tomorrow, cloudy, breezy, showers, high 56. Weather map is on Page D8.

"All the News That's Fit to Print"

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NEW YORK, TUESDAY, OCTOBER 30, 2012

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STORM PICKS UP SPEED AND DISRUPTS MILLIONS OF LIVES

G.O.P. TURNS FIRE ON OBAMA PILLAR, THE AUTO BAILOUT

Seeking Votes in Ohio, Romney Plays Down Accomplishment

By JIM RUTENBERG and JEREMY W. PETERS

TOLEDO, Ohio — The ad from Mitt Romney showed up on televisions here early Saturday morning without the usual public announcement that both campaigns typically use to herald their latest commercials: Chrysler, a bailout recipient, is going to begin producing Jeeps in China, an announcer says, leaving the misleading impression that the move would come at the expense of jobs here.

And so began the latest, and perhaps most important, attempt by Mitt Romney to wrest Ohio into his column. His effort to do so is now intently focused, at times including statements that stretch or ignore the facts, on knocking down what is perhaps the most important component of President Obama's appeal to blue-collar voters in Ohio and across the industrial Midwest: the success of the president's 2009 auto bailout.

Mr. Obama's relatively strong standing in most polls in Ohio so far has been attributed by members of both parties to the recovery of the auto industry, which has helped the economy here outperform the national economy. At the same time, the industry's performance and the president's

Continued on Page A12

Libya Warnings Were Plentiful, But Unspecific

This article is by Michael R. Gordon, Eric Schmitt and Michael S. Schmidt.

WASHINGTON — In the months leading up to the Sept. 11 attacks on the American diplomatic mission in Benghazi, the Obama administration received intelligence reports that Islamic extremist groups were operating training camps in the mountains near the Libyan city and that some of the fighters were "Al Qaeda-leaning," according to American and European officials.

The warning about the camps was part of a stream of diplomatic and intelligence reports that indicated that the security situation throughout the country, and particularly in eastern Libya, had deteriorated sharply since the United States reopened its embassy in Tripoli after the fall of Col. Muammar el-Qaddafi's government in September 2011.

By June, Benghazi had experienced a string of assassinations as well as attacks on the Red Cross and a British envoy's motorcade. Ambassador J. Christopher Stevens, who was killed in the September attack, e-mailed his superiors in Washington in August alerting them to "a secu-

Continued on Page A3



MILFORD, CONN. Waves crashed over homes on the shore. Most residents moved to higher ground.



MANHATTAN Water breached the sea wall at Battery Park; the tide was to rise with a full moon.



BRONX A sailboat that was moored in Long Island Sound crashed onto the rocks on City Island.



ATLANTIC CITY A man found a dry patch as the storm moved up the coast, pushing water inland.

Power Lines and Trees Downed in Flooded Ghost Towns

By JAMES BARRON

Hurricane Sandy battered the mid-Atlantic region on Monday, its powerful gusts and storm surges causing once-in-a-generation flooding in coastal communities, knocking down trees and power lines and leaving more than 100,000 people in the rain-soaked dark.

The enormous and merciless storm unexpectedly picked up speed as it roared over the Atlantic Ocean on a slate-gray day and went on to paralyze life for millions of people in more than a half-dozen states, with extensive evacuations that turned shore-front neighborhoods into ghost towns. Even the superintendent of the Statue of Liberty left to ride out the storm at his mother's house in New Jersey; he said the statue itself was "high and dry," but his house in the shadow of the torch was not.

The wind-driven rain lashed sea walls and protective barriers in places like Atlantic City, where the Boardwalk was damaged as water forced its way inland. Foam was spitting, and the sand gave in to the waves along the beach at Sandy Hook, N.J., at the entrance to New York Harbor. Water was thigh-high on the streets in Sea Bright, N.J., a three-mile sand-sliver of a town where the ocean joined the Shrewsbury River.

"It's the worst I've seen," said David Arnold, watching the storm from his longtime home in Long Branch, N.J. "The ocean is in the road, there are trees down everywhere. I've never seen it this bad."

In Queens, shortly after 7 p.m., a tree fell on a house, killing a 30-year-old man, the police said. In Manhattan, where the National Weather Service measured gusts of 54 miles per hour at 2 p.m., a construction crane atop one of the tallest buildings in the city came loose and dangled 80 stories over West 57th Street, across the street from Carnegie Hall.

Water topped the sea wall in the financial district, sending cars floating in the rushing water. "We could be fishing out our windows tomorrow," said Garnett

Continued on Page A22



WEST 57TH STREET A broken crane at a construction site.

Empty of Gamblers and Full Of Water, Atlantic City Reels

By THOMAS KAPLAN and N. R. KLEINFELD

ATLANTIC CITY — The weather chased them in all its steadfast fury, as if mocking them at every haven they tried. The four of them — a mother, two children and a cousin — thought they could wait the monster out, ride the luck that Atlantic City promises.

But when water rose near their home on Monday, they retreated to a relative's place. It flooded. They sped to a school converted into a shelter, but they could not stay with their dog, a puppy named Brooklyn. So they were shuttled to the Sheraton Atlantic City Hotel, not far from the famed Boardwalk, where last-minute evacuees were being put up.

Outside, the wind screamed and ankle-deep water lapped at the sides of the hotel. The power was out and the hotel was running a backup generator. The four of them were beyond drenched.

"We've never experienced anything like this," said Cristal Millan, 21, the cousin. "Hopefully the house is still there. To be in

the middle of this is scary." Hurricane Sandy captured Atlantic City and refused to let go. As the rainwater and surging waters of the ocean that hugged its beaches invaded its streets and wrenched apart pieces of the Boardwalk, the city was left an anxious and isolated island. Inside the casinos, no dice rolled, no cards were dealt and no slots beeped.

"The city is under siege," said Thomas Foley, the city's chief of emergency management. "Sandy

Continued on Page A21



A street between casinos along the Boardwalk flooded.

THE PATH Hurricanes and tropical storms generally lose strength once they move over land, and Sandy is not expected to be an exception. PAGE A21

LEAVING THE TRAIL The presidential candidates withdrew abruptly from campaigning on Monday after advisers concluded they should not continue in the face of devastation to millions of people. PAGE A11

HANGING PRECARIOUSLY A crane on a 90-story tower under construction in Midtown Manhattan snapped, leaving tons of metal dangling over 1,000 feet above the ground with no clear way to secure it. PAGE A21

ONLINE Video reports, photographs, interactive graphics and state-by-state updates on the storm's impact from reporters, editors and photographers at nytimes.com

INTERNATIONAL A4-9

Clinton Seeks Algeria Backing

Secretary of State Hillary Rodham Clinton met with the president of Algeria in Algiers, seeking his support for an emerging international effort to push Islamic militants out of northern Mali, which has become a sanctuary for terrorists. PAGE A4



NATIONAL A13, A16

Order Rejected in Martin Case

Judge rejected a prosecution request to bar lawyers for George Zimmerman from using social and traditional news media to comment on the case. PAGE A16

ELECTION 2012 A10-12

Trying to Change the Rhythm

Republicans are stepping up efforts to narrow what has been a Democratic advantage in early voting in key battleground states. PAGE A10

BUSINESS DAY B1-7

Book Publishers Cement Deal

The merger of Random House and Penguin narrows the book business to a handful of big publishers, and could push the industry to adapt to the digital marketplace. PAGE B1

Shake-Up at Apple

Two top executives at Apple, one deeply involved in iPad and iPhone products and the other the head of retail operations, are leaving. PAGE B1

NEW YORK A17-24

Long Island, Minus Hockey

Long Islanders say the New York Islanders' planned move to Brooklyn in 2015 carries a special sting, despite the team's chronic losses. PAGE A17

ARTS C1-7

Turkey's Double-Edged Sword

Nostalgia for the Ottoman era is rising everywhere from the movies to military re-enactments and commercial art motifs, but the uncritical enthusiasm raises concerns about revisionism. PAGE C1

SPORTSTUESDAY B8-13

N.B.A. Preview

Lebron James and the Miami Heat look formidable, but there are many teams eager to take their crown. A look at the season ahead. PAGE B9

SCIENCE D1-7

A Matter of Security

Peter G. Neumann, an 80-year-old computer scientist at SRI International, is leading an effort to redesign computers and software from a "clean slate" to make them more secure. PAGE D1



EDITORIAL, OP-ED A26-27

Joe Nocera

PAGE A27



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“All the News
That’s Fit to Print”

The New York Times

Late Edition

Today, variably cloudy, showers, breezy and cool, high 54. Tonight, partly cloudy, breezy, low 46. Tomorrow, variably cloudy, a shower, high 55. Weather map, Page B16.

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NEW YORK, WEDNESDAY, OCTOBER 31, 2012

\$2.50

AFTER THE DEVASTATION, A DAUNTING RECOVERY



CLOCKWISE, FROM TOP: KIRSTEN LUCE FOR THE NEW YORK TIMES; METROPOLITAN TRANSPORTATION AUTHORITY, VIA ASSOCIATED PRESS; MICHAEL KIRBY SMITH FOR THE NEW YORK TIMES; MARIO TAMA/GETTY IMAGES; DAMON WINTER/THE NEW YORK TIMES

The storm’s fury was evident on Tuesday. At top, the scene in the Breezy Point section of Queens, where more than 100 homes burned down. Above from left: a Lower Manhattan parking garage; the Atlantic City Boardwalk; the rescue of a 3-year-old on Staten Island; and a boat on train tracks in Ossining, N.Y.

Subway Flooded — Millions in the Dark

By JAMES BARRON

The New York region began the daunting process on Tuesday of rebuilding after a storm that remade the landscape and re-wrote the record books as it left behind a tableau of damage, destruction and grief.

The toll — in lives disrupted or lost and communities washed out — was staggering. A rampaging fire reduced more than 100 houses to ash in Breezy Point, Queens. Explosions and downed power lines left the lower half of Manhattan and 90 percent of Long Island in the dark. The New York City subway system — a lifeline for millions — was paralyzed by flooded tunnels and was expected to remain silent for days.

Accidents claimed more than 40 lives in the United States and Canada, including 18 in the city. Two boys — an 11-year-old Little League star and a 13-year-old friend — were killed when a 90-foot-tall tree smashed into the family room of a house in North Salem, N.Y. An off-duty police officer who led seven relatives, including a 15-month-old boy, to safety in the storm drowned when he went to check on the basement.

On Tuesday, the storm slogged toward the Midwest, vastly weaker than it was when it made landfall in New Jersey on Monday night. It delivered rain and high winds all the way to the Great Lakes, where freighters were at a standstill in waves two stories tall. It left snow in Appalachia, power failures in Maine and untreated sewage pouring into the Patuxent River in Maryland after a treatment plant lost power.

President Obama approved disaster declarations for New York and New Jersey, making them eligible for federal assistance for rebuilding. “All of us

Ohio Working Class May Offer Key to Second Term for Obama

By JEFF ZELENY and DALIA SUSSMAN

COLUMBUS, Ohio — As President Obama and Mitt Romney enter the closing week of the presidential race, where the 18 electoral votes of Ohio are seen by both sides as critical to victory, Mr. Obama’s ability to prevent erosion among working-class voters may be his best path to re-election.

In Ohio, according to the latest poll of likely voters by Quinnipiac University/New York Times/CBS News, Mr. Obama runs nearly even with Mr. Romney among white voters who do not have college degrees.

That helps explain why he appears slightly better positioned there in the closing week of the campaign than in Florida and Virginia, where the polls found that Mr. Romney holds an advantage of about 30 percentage points among those voters.

The presidential contest has become an intense state-by-state fight, with the climate in Ohio shaped by months of efforts by the Obama campaign to portray Mr. Romney as a job killer who opposed the president’s decision

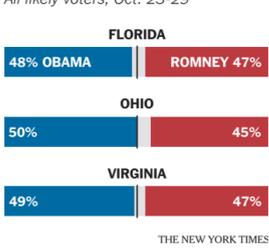
to bail out the auto industry. Mr. Obama, who has a 50 percent to 45 percent edge here, also appears to be benefiting from an economic recovery in Ohio that is running ahead of the national recovery.

The poll found that nearly half of all white voters without college degrees here say the economy is improving, and most give Mr. Obama some credit. Only about a quarter of those voters in Virginia and Florida say their economy is getting better.

The polls, along with interviews with strategists and supporters in the three battleground states, illustrate the dynamic facing both campaigns in the final days of the race. The race is essentially tied in Florida and Vir-

Continued on Page A12

If the election for President were being held today, for whom would you vote?
All likely voters, Oct. 23-29



In Storm Deaths, Mystery, Fate and Bad Timing

By N. R. KLEINFELD and MICHAEL POWELL

They stepped in the wrong puddle. They walked the dog at the wrong moment. Or they did exactly what all the emergency experts instructed them to do — they huddled inside and waited for its anger to go away.

The storm found them all. Hurricane Sandy, in the wily and savage way of natural disasters, expressed its full assortment of lethal methods as it hit the East Coast on Monday night. In its howling sweep, the authorities said the storm claimed at least 40 lives in eight states.

They were infants and adoles-

cents, people embarking on careers and those looking back on them — the ones who paid the price of this most destructive of storms. In Franklin Township, Pa., an 8-year-old boy was crushed by a tree when he ran outside to check on his family’s calves. A woman died in Somerset County, Pa., when her car slid off a snowy road.

There were 18 deaths reported in New York City, where the toll was heaviest, and 5 more fatalities elsewhere in the state.

Most of all, it was the trees. Uprooted or cracked by the furious winds, they became weapons that flattened cars, houses and pedestrians.

But also, a woman was killed

by a severed power line. A man was swept by flooding waters out of his house and through the glass of a store. The power blinked off for a 75-year-old woman on a respirator, and a heart attack killed her. Three people, aged 50, 57 and 72, were found drowned in separate basements in the Rockaways.

And the storm left its share of mysteries.

A parking lot attendant was found dead in a subterranean parking garage in TriBeCa, the precise cause unclear. The body of an unidentified woman washed up on Georgia Beach in East Hampton, on Long Island.

Some people died and no one

Continued on Page A21

For Years, Warnings That It Could Happen Here

By DAVID W. CHEN and MIREYA NAVARRO

The warnings came, again and again.

For nearly a decade, scientists have told city and state officials that New York faces certain peril: rising sea levels, more frequent flooding and extreme weather patterns. The alarm bells grew louder after Tropical Storm Irene last year, when the city shut down its subway system and water rushed into the Rock-

aways and Lower Manhattan.

On Tuesday, as New Yorkers woke up to submerged neighborhoods and water-soaked electrical equipment, officials took their first tentative steps toward considering major infrastructure changes that could protect the city’s fragile shores and eight million residents from repeated disastrous damage.

Gov. Andrew M. Cuomo said the state should consider a levee system or storm surge barriers and face up to the inadequacy of the existing protections.

“The construction of this city did not anticipate these kinds of

situations. We are only a few feet above sea level,” Mr. Cuomo said during a radio interview. “As soon as you breach the sides of Manhattan, you now have a whole infrastructure under the city that fills — the subway system, the foundations for buildings,” and the World Trade Center site.

The Cuomo administration plans talks with city and federal officials about how to proceed. The task could be daunting, given fiscal realities: storm surge barriers, the huge sea gates that

Continued on Page A18

INTERNATIONAL A4-8

Bahrain Bans All Protests

The government described its vow to take legal action against anyone trying to organize a demonstration as a temporary response to recent violence. The move drew swift condemnation from human rights groups. PAGE A4

Clinton Visits Balkans

Secretary of State Hillary Rodham Clinton urged Bosnian leaders to work together and said their country would lag if reforms were not made. PAGE A6

ELECTION 2012 A10-13

Utah Mayor’s Bigger Goal

Mia Love, right, will be the first black female Republican in the House if she defeats Utah’s lone Democratic congressman next week, but she says the only history she wants to make is “getting our country on track.” PAGE A10



NATIONAL A14-15

A Push for Same-Sex Marriage

There are four state ballot measures on same-sex marriage, and gay rights groups see a good chance of winning at least one or two. PAGE A14

BUSINESS DAY B1-10

Disney to Acquire Lucasfilm

Disney will take a commanding position in the world of fantasy movies with the acquisition of the film company founded by George Lucas. PAGE B1

OBITUARIES B15

Letitia Baldrige Dies

The etiquette adviser and business executive became a household name as Jacqueline Kennedy’s White House chief of staff. She was 86. PAGE B15

SPORTSWEDNESDAY B11-14

Drug Ban Cuts Breeders’ Field

A ban on furosemide, a diuretic sold as Lasix or Salix, has been criticized by some trainers and will lead to smaller fields in Breeders’ Cup races. PAGE B11

DINING D1-7

The Once and Future Spago

Wolfgang Puck, a celebrity chef with an empire built on cookware, knives, frozen food and 101 restaurants worldwide, has reinvented the Los Angeles spot that started it all, Spago. PAGE D1

ARTS C1-7

A Company’s Pop Gold Mine

The book “360 Sound: The Columbia Records Story” by Sean Wilentz, celebrating the music company’s 125 years, is due out this week. Columbia’s artists have included Frank Sinatra, left, Janis Joplin and Aretha Franklin. PAGE C1

EDITORIAL, OP-ED A22-23

Maureen Dowd

PAGE A23



LOUIS VUITTON

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The New York Times

Late Edition

Today, rising wind, rain and wet snow, high 40. Tonight, windy, rain, snow, potential coastal flooding, low 34. Tomorrow, a shower, high 44. Weather map is on Page A24.

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OBAMA'S NIGHT

TOPS ROMNEY FOR 2ND TERM IN BRUISING RUN; DEMOCRATS TURN BACK G.O.P. BID FOR SENATE

Joining Indiana, Massachusetts Lifts Party

By JONATHAN WEISMAN

Democrats snatched Republican Senate seats in Indiana and Massachusetts on Tuesday, averted what was once considered a likely defeat in Missouri and held control of the Senate, handing Republicans a string of stinging defeats for the second campaign season in a row.

The final balance of power depended on the results of tight races in Montana, Nevada and North Dakota, but it was clear that Democrats would maintain a majority and could even add to the 53 seats that they and their independent allies control. Senate leaders declared that their strong showing must be a signal to Republicans to come to the table to deal with the nation's intractable problems, including the "fiscal cliff" facing Congress in January.

"Now that the election is over, it's time to put politics aside and work together to find solutions," said Senator Harry Reid of Nevada, the majority leader. "The strategy of obstruction, gridlock and delay was soundly rejected by the American people. Now they are looking to us for solutions."

In Indiana, Representative Joe Donnelly did what had seemed impossible by taking a Senate seat for the Democrats in a heavily Republican state, just weeks after his opponent, State Treasurer Richard Mourdock, said conception by rape was God's will.

In Wisconsin, Representative Tammy Baldwin became the first openly gay candidate to secure a Senate seat with her defeat of former Gov. Tommy Thompson, a Republican.

Senator Claire McCaskill of Missouri, a Democrat once considered the Senate's most endangered incumbent, beat Representative Todd Akin, who seemingly sank his campaign when he said women who are victims of "legitimate rape" would not get pregnant.

In Massachusetts, Elizabeth
Continued on Page P10



DAMON WINTER/THE NEW YORK TIMES

President Obama, with his family, took the stage at McCormick Place in Chicago early Wednesday to speak at his victory party. He overcame a bad economy, partisan resistance and a torrent of advertising to win re-election.

'We Have Fought Our Way Back,' He Tells Nation

By JEFF ZELENY and JIM RUTENBERG

Barack Hussein Obama was re-elected president of the United States on Tuesday, overcoming powerful economic headwinds, a lock-step resistance to his agenda by Republicans in Congress and an unprecedented torrent of advertising as a divided nation voted to give him more time.

In defeating Mitt Romney, the president carried Colorado, Iowa, Ohio, New Hampshire, Virginia and Wisconsin, a near sweep of the battleground states, and was holding a narrow advantage in Florida. The path to victory for Mr. Romney narrowed as the night wore along, with Mr. Obama winning at least 303 electoral votes.

A cheer of jubilation sounded at the Obama campaign headquarters in Chicago when the television networks began projecting him as the winner at 11:20 p.m., even as the ballots were still being counted in many states where voters had waited in line well into the night. The victory was narrower than his historic election four years ago, but it was no less dramatic.

"Tonight in this election, you, the American people, reminded us that while our road has been hard, while our journey has been long, we have picked ourselves up, we have fought our way back," Mr. Obama told his supporters early Wednesday. "We know in our hearts that for the United States of America, the best is yet to come."

Mr. Obama's re-election extended his place in history, carrying the tenure of the nation's first black president into a second term. His path followed a pattern that has been an arc to his political career: faltering when he seemed to be at his strongest — the period before his first debate with Mr. Romney — before he redoubled his efforts to lift himself and his supporters to victory.

The evening was not without the drama that has come to mark so many recent elections: For more than 90 minutes after the networks projected



The first time.



Republicans Face Struggle Over Party's Direction

By CARL HULSE

Mitt Romney's loss to a Democratic president wounded by a weak economy is certain to spur an internecine struggle over the future of the Republican Party, but the strength of the party's conservatives in Congress and the rightward tilt of the next generation of party leaders could limit any course correction.

With their party on the verge of losing the popular presidential vote for the fifth time in six elec-

tions, Republicans across the political spectrum anticipate a prolonged and probably divisive period of self-examination.

The coming debate will be centered on whether the party should keep pursuing the anti-government focus that grew out of resistance to the health care law and won them the House in 2010, or whether it should focus on a strategy that recognizes the demographic tide running strongly against it.

"There will be some kind of

war," predicted Mike Murphy, a longtime Republican Party consultant, suggesting it would pit "mathematicians" like him, who argue that the party cannot keep surrendering the votes of Hispanics, blacks, younger voters and college-educated women, against the party purists, or "priests," as he puts it, who believe that basic conservative principles can ultimately triumph without much deviation.

"We are in a situation where
Continued on Page P6

NEWS ANALYSIS

Question for the Victor: How Far Do You Push?

By PETER BAKER

For President Obama, now comes a second chance. An electorate that considers the country to be on the wrong track nonetheless agreed to renew his contract in hopes that the next four years will be better than the last.

A weary but triumphant president took the stage in Chicago early Wednesday morning before

a jubilant crowd, clearly relieved to have survived a challenge that threatened to end his storybook political career. While he was speaking of America, he could have been talking about himself when he told the audience: "We have picked ourselves up. We have fought our way back."

Mr. Obama emerges from a scalding campaign and a four-year education in the realities of Washington a far different figure

from the man sent to the White House in 2008. What faces him in this next stage of his journey are not overinflated expectations of partisan, racial and global healing, but granular negotiations over spending cuts and tax increases plus a looming showdown with Iran.

Few if any expect him to seriously change Washington any-

Continued on Page P5

ELECTION HIGHLIGHTS

THE HOUSE

G.O.P. Holds Its Grip

Deep disapproval of Congress and dissatisfaction with partisan division proved no match for incumbency. Republicans and Speaker John A. Boehner, left, kept a firm hold on the House of Representatives, assuring that divided government would continue for at least two years. PAGE P12

THE PRESIDENT

Hope and History

Becoming the first African-American president has never been enough for Barack Obama. He has long aimed to be counted among the greatest presidents, a transformative figure who would heal the country's divisions. PAGE P1

THE CHALLENGER

A Bittersweet Ending

For Mitt Romney, it was a time to relish what he could: a race that had evolved into a genuine embrace of his candidacy, even from former opponents. It was a

day of family, politicking and ritual. But the bad news kept flashing across the two giant screens at his election night party in Boston. PAGE P7

THE TV WATCH

Partisan, but on the Mark

Fox News was the channel to watch on this election night, Alessandra Stanley writes. Despite its reputation for Republican advocacy, in the end it called the election for Mr. Obama at the same time as CNN. PAGE P13

THE NEW YORK REGION

3 Senate Seats for Democrats

Two Democratic incumbents won easy victories: Robert Menendez of New Jersey was re-elected to a second term, and Kirsten E. Gillibrand, left, held the

Senate seat to which she was appointed after Hillary Rodham Clinton became secretary of state. And in Connecticut, Representative Christopher S. Murphy won the United States Senate seat long held by Joseph I. Lieberman.

ON THE BALLOT

Victory for Gay Marriage

After more than 30 defeats in referendums around the nation in recent years, same-sex marriage was approved by voters in Maine. Jubilant gay-rights advocates called it a historic turning point and a sign that public sentiment was shifting. PAGE P14

Online: Results and Reaction

STATE BY STATE An interactive map of results across the nation.

THE DECIDERS Portraits of voters in battleground states.

WORDS OF A NATION Optimistic. Worried. Tired. The Election Day mood, as seen in words submitted by readers.

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"All the News
That's Fit to Print"

The New York Times

Late Edition

Today, sun mixed with some clouds, high 47. Tonight, thickening clouds, spotty rain late, low 39. Tomorrow, cloudy, some rain and drizzle, high 48. Weather map is on Page A20.

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GUNMAN MASSACRES 20 CHILDREN AT SCHOOL IN CONNECTICUT; 28 DEAD, INCLUDING KILLER



SHANNON HICKS/NEWTOWN BEE

State Police personnel led children from an elementary school in Newtown, Conn., on Friday, scene of the second-deadliest school shooting in the United States.

A PRINCIPAL DIES

Pupils Ages 5 to 10 — Hearts Are Broken, President Says

By JAMES BARRON

A 20-year-old man wearing combat gear and armed with semiautomatic pistols and a semiautomatic rifle killed 26 people — 20 of them children — in an attack in an elementary school in central Connecticut on Friday. Witnesses and officials described a horrific scene as the gunman, with brutal efficiency, chose his victims in two classrooms while other students dove under desks and hid in closets.

Hundreds of terrified parents arrived as their sobbing children were led out of the Sandy Hook Elementary School in a wooded corner of Newtown, Conn. By then, all of the victims had been shot and most were dead, and the gunman, identified as Adam Lanza, had committed suicide. The children who were killed were said to be between 5 and 10 years old.

A 28th person, found dead in a house in the town, was also believed to have been shot by Mr. Lanza. That victim, one law enforcement official said, was Mr. Lanza's mother, Nancy Lanza, a teacher at the school. She apparently owned the guns he used.

The school principal had buzzed Mr. Lanza in because she recognized him as the son of a colleague. Moments later, she was shot dead when she went to investigate the sound of gunshots. The school psychologist was also among those who died.

The rampage, coming less than two weeks before Christmas, was the nation's second-deadliest school shooting, exceeded only by the 2007 Virginia Tech massacre, in which a gunman killed 32 people and then himself.

Law enforcement officials said Mr. Lanza had grown up in Newtown, and he was remembered by high school classmates as smart, introverted and nervous. They said he had gone out of his way to not attract attention when he was younger.

The gunman was chillingly accurate. A spokesman for the State Police said that only one person had been injured at the school. All the others hit by the

Continued on Page A16

Blending In, but Not Fitting

Adam Lanza, identified as the school gunman, kept a low profile in his youth and later left few electronic footprints. Page A18.

'Who Would Do This to Our Poor Little Babies'

By PETER APPLEBOME and MICHAEL WILSON

Gradually, the group of frantic parents shrank and was gently ushered to wait in a back room in the old brick firehouse around the corner from Sandy Hook Elementary School.

The sounds of cartoons playing for other people's children came from another room, but this room was hushed. A police officer entered and put the parents' worst fears into words: their children were gone. The wails that followed could be heard from outside.

The wails sounded the end of a horrifying shooting that took the lives of 20 children and 6 adults in the school.

It was about 9:30 a.m., when the school locks its doors to the outside world, demanding identification from visitors. What happened next sounded different depending on where you were in the school when a normal school day exploded.

Pops. Bangs. Thundering, pounding booms that echoed, and kept coming and coming. Screams and the cries of children ebbed, until there was only the gunfire.



ADREES LATIF/REUTERS

Families of victims gathered in a nearby firehouse and were given the news. Their wails could be heard from outside.

Countless safety drills learned over generations kicked in. Teachers sprang to their doors and turned the locks tight. Children and adults huddled in closets, crawled under desks and crouched in classroom corners.

Laura Feinstein, a reading support teacher, reached for her telephone. "I called the office and said, 'Barb, is everything O.K.?' and she said, 'There is a shooter

in the building.'"

"I heard gunshots going on and on and on," Ms. Feinstein said.

Even in the gym, the loudest room in any school on a given day, something sounded very wrong. "Really loud bangs," said Brendan Murray, 9, who was there with his fourth-grade class. "We thought that someone was knocking something over. And

Continued on Page A17

Obama's Cautious Call for Action Sets the Stage for a Gun Debate

By MARK LANDLER and ERICA GOODE

In the emotional statement on the Newtown shootings that President Obama delivered from the White House on Friday, it was a single line, spoken as much in anger as in grief, that stood out. The words were cautious and were immediately criticized for being too timid. But they may have signaled that the long-dormant debate over the nation's gun laws is about to be re-engaged.

"We're going to have to come together and take meaningful action to prevent more tragedies like this, regardless of the politics," Mr. Obama said, listing the devastation wrought by other gun violence, from a recent attack in an Oregon shopping mall to the shootings in a movie theater in Aurora, Colo., in July.

But Mayor Michael R. Bloomberg of New York spoke for many gun-control advocates, who have been frustrated and disappointed by Mr. Obama's failure to embrace the issue, when he said he wanted to hear much more.

"Calling for 'meaningful action' is not enough. We need im-

mediate action," said Mr. Bloomberg, who is a leader of a group of mayors against illegal gun ownership.

"We have heard all the rhetoric before," Mr. Bloomberg added. "What we have not seen is leadership — not from the White House and not from Congress. That must end today."

White House officials professed not to know what Mr. Obama

Continued on Page A19



LUKE SHARRETT FOR THE NEW YORK TIMES

President Obama in Washington after the shootings.

A Political Brawler, Now Battling for Microsoft

By NICK WINGFIELD and CLAIRE CAIN MILLER

SEATTLE — Mark Penn made a name for himself in Washington by bulldozing enemies of the Clintons. Now he spends his days trying to do the same to Google, on behalf of its archrival Microsoft.

Since Mr. Penn was put in charge of "strategic and special projects" at Microsoft in August, much of his job has involved efforts to trip up Google, which Microsoft has failed to dislodge from its perch atop the lucrative Internet search market.

Drawing on his background in polling, data crunching and campaigning, Mr. Penn created a holiday commercial that has been running during Monday Night Football and other shows, in which Microsoft criticizes Google for polluting the quality of its shopping search results with advertisements. "Don't get scroogled," it warns. His other projects include a blind taste test, Coke-



Mark Penn

versus-Pepsi style, of search results from Google and Microsoft's Bing.

The campaigns by Mr. Penn, 58, a longtime political operative known for his brusque personality and scorched-earth tactics, are part of a broader effort at Microsoft to give its marketing the nimbleness of a political campaign, where a candidate can turn an opponent's gaffe into a damaging commercial within hours. They are also a sign of the company's mounting frustration with Google after losing billions of dollars a year on its search ef-

Continued on Page B2

Opposition to Labor Camps Widens in China

By ANDREW JACOBS

BEIJING — It is hard to say exactly which "subversive" sentiments drew the police to Ren Jianyu, who posted them on his microblog last year, although "down with dictatorship" and "long live democracy" stand out.

In the end, Mr. Ren, 25, a college graduate from Chongqing, the southwestern metropolis, was sent without trial to a work camp based on the T-shirt that investigators found in his closet: "Freedom or death," it said. Last year Mr. Ren was among

tens of thousands of Chinese who were dumped into the nation's vast "re-education through labor" system, a Stalinist-inspired constellation of penal colonies where pickpockets, petitioners, underground Christian church members and other perceived social irritants toil in dismal conditions for up to four years, all without trial. With as many as 190,000 inmates at any one time, it is one of the world's largest systems of forced labor.

But now the labor system, known by its shorthand, "laojiao," is facing a groundswell of opposition from both inside and

outside the Communist Party. Critics say the once-in-a-decade leadership transition last month, which included the demotion of the chief of the nation's vast internal security apparatus, has created a potential opening for judicial and legal reform.

"It's high time we demolish this unconstitutional and abusive system that violates basic human rights, fuels instability and smears the government's image," said Hu Xingdou, a professor at the Beijing Institute of Technology who frequently rails against the system that Mao Zedong cre-

Continued on Page A9

INTERNATIONAL A3-9

Egypt Charter Vote Poses Test

The vote on a draft constitution is seen as a test for President Mohamed Morsi, as President Obama walks a fine line trying to build ties with him. PAGE A3

NATIONAL A10-13

The Power of a Map

In many states, voters leaned Democratic yet sent more Republicans to Washington because of how Congressional districts were redrawn. PAGE A10

BUSINESS DAY B1-7

Debt Limit Showdown, Again

Serious consequences of hitting the borrowing limit turn it into a political football for the nation's leaders to extract concessions from their foes. PAGE B1

ARTS C1-8

Virgil, the Musical

The Metropolitan Opera has revived its striking version of "Les Troyens," Berlioz's retelling of "The Aeneid." Anthony Tommasini reviews. PAGE C1

EDITORIAL, OP-ED A22-23

Gail Collins

PAGE A23



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Elegance is an attitude

Kate Winslet

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The New York Times

Late Edition

Today, occasional rain and drizzle, high 48. Tonight, mostly cloudy, brief showers, fog, mild, low 44. Tomorrow, rain, especially later, high 52. Weather map, Page 32.

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\$6 beyond the greater New York metropolitan area.

\$5.00

EGYPT ISLAMISTS EXPECT APPROVAL OF CONSTITUTION

INITIAL VOTING PEACEFUL

Despite Divisions, Hope for Stability Is Seen in Referendum

By DAVID D. KIRKPATRICK and KAREEM FAHIM

CAIRO — Egyptians voted peacefully and in large numbers on Saturday in a referendum on an Islamist-backed draft constitution, hoping that the results would end three weeks of violence, division and distrust between the Islamists and their opponents over the ground rules of Egypt's promised democracy.

The Muslim Brotherhood, the main Islamist group aligned with President Mohamed Morsi, predicted a big win for ratification. In the districts that voted Saturday, including the opposition strongholds of Cairo and Alexandria, about 57 percent approved the new constitution, according to an unofficial count by the Brotherhood on Sunday morning.

Half of the country will vote next Saturday, but in predominantly rural areas that are expected to heavily favor the charter. The Brotherhood's count, while not official, was based on tallies posted at each voting station.

A spokesman for the main coalition opposing the charter said that it had found widespread irregularities and that its leaders would speak later on Sunday. In Cairo, the biggest city, about 52 percent voted no, according to the preliminary results.

Regardless of the results, the unexpectedly heavy turnout and

Continued on Page 10



LYNSEY ADDARIO FOR THE NEW YORK TIMES
Voting in Cairo on Saturday got off to an orderly start.

Quiet Doctor, Lavish Insider: A Parallel Life

A Trading Case Figure's Late-Career Shift

By NATHANIEL POPPER and BILL VLASIC

Speaking in front of a packed convention hall in Chicago, a top Alzheimer's researcher, Sidney Gilman, presented the results of a drug trial that had the potential to change the fate of elderly patients everywhere.

But as he worked through the slides, it became clear to the audience on that day in July 2008 that the drug was not delivering and that its makers, Elan and Wyeth, could lose out on blockbuster profits. Along with other Wall Street analysts in the front rows, David Moskowitz zapped messages to clients to dump shares of the companies. "I can remember gasping" at the results, Mr. Moskowitz said.

Little did anyone in the room know that 12 days earlier, Dr. Gilman had e-mailed a draft of the presentation to a trader at an affiliate of one of the nation's most prominent hedge funds, according to prosecutors, allowing the fund, SAC Capital, and its affiliate to sell over \$700 million of Elan and Wyeth stock before Dr. Gilman's public talk.

Last month, the trader was arrested on insider trading charges after Dr. Gilman agreed to cooperate with prosecutors to avoid charges.

While he appeared a grandfatherly academic, Dr. Gilman, 80, was living a parallel life, one in which he regularly advised a wide network of Wall Street traders through a professional matchmaking system. Those relationships afforded him payments of \$100,000 or more a year — on top of his \$258,000 pay from the University of Michigan — and travels with limousines, luxury hotels and private jets.

The riddle for Dr. Gilman's longtime friends and colleagues is why a nationally respected neurologist was pulled into the high-rolling life of a consultant to financiers and how he, by his own admission, crossed the line into criminal behavior.

"My first reaction was, 'That can't possibly be right,'" said Dawn Kleindorfer, a former student of Dr. Gilman's at Michigan.

What is clear is that Dr. Gilman made a sharp shift in his late 60s, from a life dedicated to academic research to one in which he accumulated a growing list of financial firms willing to pay him \$1,000 an hour for his medical ex-

Continued on Page 18

PUPILS WERE ALL SHOT MULTIPLE TIMES WITH A SEMIAUTOMATIC, OFFICIALS SAY

VICTIMS OF THE NEWTOWN SHOOTINGS

- | | |
|---|--|
| Charlotte Bacon, 6 | James Mattioli, 6 |
| Daniel Barden, 7 | Grace McDonnell, 7 |
| Olivia Engel, 6 | Emilie Parker, 6 |
| Josephine Gay, 7 | Jack Pinto, 6 |
| Ana Marquez-Greene, 6 | Noah Pozner, 6 |
| Dylan Hockley, 6 | Caroline Previdi, 6 |
| Madeleine Hsu, 6 | Jessica Rekos, 6 |
| Catherine Hubbard, 6 | Avielle Richman, 6 |
| Chase Kowalski, 7 | Benjamin Wheeler, 6 |
| Jesse Lewis, 6 | Allison Wyatt, 6 |
| | |
| Rachel Davino, 29
TEACHER | Lauren Rousseau, 30
TEACHER |
| Dawn Hochsprung, 47
SCHOOL PRINCIPAL | Mary Sherlach, 56
SCHOOL PSYCHOLOGIST |
| Nancy Lanza, 52
MOTHER OF GUNMAN | Victoria Soto, 27
TEACHER |
| Anne Marie Murphy, 52
TEACHER | |

A Mother, a Gun Enthusiast and the First Victim

By MATT FLEGENHEIMER and RAVI SOMAIYA

NEWTOWN, Conn. — Nancy Lanza loved guns, and often took her sons to one of the shooting ranges here in the suburbs northeast of New York City, where there is an active community of gun enthusiasts, her friends said. At a local bar, she sometimes talked about her gun collection.

It was one of her guns that was apparently used to take her life on Friday. Her killer was her son Adam Lanza, 20, who then drove to Sandy Hook Elementary School, where he killed 26 more people, 20 of them small children, before shooting himself, the authorities said.

Ms. Lanza's fascination with guns became an important focus of attention on Saturday as investigators tried to determine what caused Mr. Lanza to carry out one of the worst massacres in the nation's history.

Investigators have linked Ms. Lanza to five weapons: two powerful handguns, two traditional

hunting rifles and a semiautomatic rifle that is similar to weapons used by troops in Afghanistan. Her son took the two handguns and the semiautomatic rifle to the school. Law enforcement officials said they believed the guns were acquired legally and were registered.

Ms. Lanza, 52, had gone through a divorce in 2008 and was described by friends as so-

cial and generous to strangers, but also high-strung, as if she were holding herself together. She lived in a large Colonial home here with Adam Lanza, and had struggled to help him cope with a developmental disorder that often left him reserved and withdrawn, according to relatives, friends and former classmates.

At some point, he had dropped out of the Newtown school system. An older son, Ryan, did not live with Ms. Lanza.

In a statement on Saturday night, her ex-husband, Peter Lanza, an executive at General Electric, said he was cooperating with investigators. "We are in a state of disbelief and trying to find whatever answers we can," he said. "We, too, are asking why."

He added: "Like so many of you, we are saddened but struggling to make sense of what has transpired."

Ms. Lanza's brother James Champion, a former police officer who lives in Kingston, N.H., said on Saturday that agents from the Federal Bureau of Investigation

Continued on Page 28



NBC NEWS
Adam Lanza, 20, is said to have used his mother's guns.

Soured History Hampers Talks Between Obama and Boehner

By JACKIE CALMES and JONATHAN WEISMAN

WASHINGTON — At a closed-door Capitol meeting on Wednesday, Representative Peter Roskam of Illinois was regaling other Republicans with his imitation of Speaker John A. Boehner, imagining him in the current budget negotiations with President Obama. He pretended to drag on a cigarette like the chain-smoking speaker, and blew away smoke and Mr. Obama's tax demands in one raspy retort: "Ain't gonna happen."

Then the actual speaker stepped to the podium to poke fun at the president. "He's chewing Nicorette," Mr. Boehner said to the laughter of the Republicans.

A day later, an Obama adviser was recalling the failed budget talks between the president and Mr. Boehner last year and joked about one tactic for dealing with the speaker, who favors merlot:

"Give him a glass of wine, and he'll be better to deal with."

These episodes, while lighthearted, capture the personal gulf between the 51-year-old president and the 63-year-old speaker as they try once again, alone and in private, to negotiate an elusive "grand bargain." The goal is to raise tax revenue and shrink spending to stabilize the national debt and, more immediately, prevent a fiscal crisis come January, when more than \$500 billion in tax increases and across-the-board spending cuts are to take effect absent a deal.

But it is a negotiation between two men who have little regard for the other's bargaining skills, with a relationship soured by the mutual recriminations after their failure 18 months ago, people on both sides say.

An Oval Office meeting last

Continued on Page 4

Justice Dept. Shelved Ideas to Improve Gun Background Checks

By CHARLIE SAVAGE

WASHINGTON — After the shooting of Representative Gabrielle Giffords of Arizona and others at a supermarket in Tucson in early 2011, the Justice Department drew up a detailed list of steps the government could take to expand the background-check system in order to reduce the risk of guns falling into the hands of mentally ill people and

criminals.

Most of the proposals, though, were shelved at the department a year ago as the election campaign heated up and as Congress conducted a politically charged investigation into the Operation Fast and Furious gun trafficking case, according to people familiar with the internal deliberations. It is not clear which, if any, of the conclusions were relayed to the White House.

It is far from clear whether any

of the proposals — which centered on improving the background check system, and did not call for banning weapons — could have prevented the massacre at a Connecticut elementary school on Friday. But the recommendations could provide a blueprint if the Obama administration chooses to take more aggressive steps to curb gun violence.

President Obama, in his weekly address on Saturday, said he wanted to take "meaningful ac-

tion to prevent more tragedies like this; regardless of the politics." He did not, however, give any details. The Justice Department's list included several measures that, even if Congress did not act, Mr. Obama could enact by executive order.

It is far from certain, however, that the White House would be willing to wage a fight against the powerful gun-rights lobby or take attention from competing con-

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NATIONAL 15-30

A Chaplain's Time to Heal

For more than seven years since two major blasts in Iraq, Richard Brunk, who retired this summer as a lieutenant colonel and Army chaplain, has faced chronic pain and memory loss, one of thousands of veterans struggling with traumatic brain injury. PAGE 18

INTERNATIONAL 6-14

Clinton Suffered Concussion

Hillary Rodham Clinton suffered a concussion after fainting and striking her head, and was recovering at home, the State Department disclosed, days after the accident occurred. PAGE 11

INTERNATIONAL

Afghan Gold Flight a Worry

As gold is flown with greater regularity out of Afghanistan, officials fear money launderers have found a new way to spirit funds from the country. Most of it goes on flights to Dubai. PAGE 5

Syria Denounces Sanctions

Syria's foreign minister blamed international sanctions for "the suffering of the Syrian people." PAGE 17

SUNDAY BUSINESS

Feeling Gamers' Wrath

Activision Blizzard may sell must-have video games like those in the Call of Duty series, but players often lash out at its chief executive. PAGE 1

Taking On the Pay Gap

When negotiating for better pay, women often hesitate, studies show. But new programs aim to change that. PAGE 1

ARTS & LEISURE

2012: A Cultural Odyssey

Headlines and trends of an intriguing year in music, theater, dance, film, television and the visual arts. PAGE 1

BOOK REVIEW

Triple Feature

Three new books take a look at Hollywood history. In "The Entertainer," Margaret Talbot focuses on her father, the actor Lyle Talbot, in the 1930s, while "The Noir Forties," by Richard Lingeman, follows the era after World War II. "The Big Screen" is the film critic David Thomson's examination of the full arc of American cinema. PAGE 1



SPORTSSUNDAY

A Player With Range

A 7-foot-3 tuba player sharpened his basketball skills and is now contributing to L.S.U.'s team. PAGE 1

Tradition Versus Player Safety

The N.F.L. has been confronted by an idea, the elimination of kickoffs, that could drastically alter the game. PAGE 1

SUNDAY REVIEW

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