



JAIME RAZURI/AGENCE FRANCE-PRESSE — GETTY IMAGES

Put Near 500 and Rising

l in a magnitude 8 earthquake that struck Peru's southern coast on Wednesday 500 and rising, with at least 1,600 injured and 17,000 displaced. Page A6.

; a City Still at Risk

New Orleans was swamped by Hurricane Katrina; now it is awash in data, studied obsessively in homes all over town. And the simple message conveyed by that data is that while parts of the city are substantially safer, others have changed little. New Orleans remains a very risky place to live.

The entire flood system still provides much less protection than New Orleans needs, and the pre-Katrina patchwork of levees, floodwalls and gates that a Corps of Engineers investigation called "a system in name only" is still

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As Billboards, Public Phones Always Work

By JO CRAVEN MCGINTY

They stand on corners from Brighton Beach to the Bronx, all but mocking New Yorkers: Pay phones that may or may not work, which you can't even check for a dial tone without worrying about germs.

But they remain rooted in the pavement of New York, blocking pedestrian traffic, looking a bit like museum pieces in an age of cellphones, BlackBerrys and Bluetooth headsets.

There is a reason for their survival: Public telephones are one of the stranger cash cows in city finance. Not because of the coins that are fed into them, but rather because of the millions upon millions that companies are willing to pay to put ads on them.

The phone kiosks generate \$62 million annually for their owners.

With Markets Moving Wildly, Insight Suffers

A Few Late Mortgages Create a Credit Crisis

Twenty-first-century financial markets react with lightning speed to events halfway around the world. Investors in China can immediately see what happened in New York and make trades in London based on the news.

FLOYD NORRIS

HIGH & LOW FINANCE

So why is the credit panic of 2007 being played out in slow motion?

One reason is that those involved have never seen anything like this before. Information may arrive instantly, but insight takes longer.

It seemed unlikely, if not absurd, that the American economy and credit system could be shaken because a few people with poor credit fell behind on their mortgages. Why should that slow consumer spending? Why should it affect companies that made mortgage loans only to people with good credit? Why should it bring a halt to the leveraged buyout boom?

Perhaps none of those things should happen. But fears that they may take place have sent the stock market on a wild ride over the last month, culminating yesterday with the Dow Jones industrial average falling more than 300 points before gaining nearly all of them back in the final hour of trading, amid speculation that the Federal Reserve would find a way to keep troubled financial companies from failing. Not long ago — four weeks, to be exact — Larry A. Goldstone, the president of Thornburg Mortgage, a real estate investment trust, was feeling good. He had seen the subprime mortgage disaster unfold, and believed it was good for his company.

"The current credit crisis is the market environment today," he said in a conference call on July 20, as the stock rose above \$27. "The liquidity issues in the marketplace are creating a very, very nice opportunity for us. This is not a big surprise to us."

The way he saw it, the crisis was shaking out his competitors, the ones who had made those imprudent loans. With them gone,

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PADILLA IS GUILTY ON ALL CHARGES IN TERROR TRIAL

VICTORY FOR PRESIDENT

Brooklyn-Born Convert to Islam Now Facing a Life Sentence

By ABBY GOODNOUGH and SCOTT SHANE

MIAMI, Aug. 16 — In a significant victory for the Bush administration, a federal jury found Jose Padilla guilty of terrorism conspiracy charges on Thursday after little more than a day of deliberation.

Mr. Padilla, a Brooklyn-born convert to Islam who became one of the first Americans designated an "enemy combatant" in the anxious months after Sept. 11, 2001, now faces life in prison. He was released last year from a long and highly unusual military confinement to face criminal charges in Federal District Court here.

The government's chief evidence was a faded application form that prosecutors said Mr. Padilla, 36, filled out to attend a Qaeda training camp in Afghanistan in 2000.

The jurors, seven men and five women from Miami-Dade County, would not speak publicly at the courthouse and left through a side entrance. But one juror, who asked that her name not be used, said later in a telephone interview that she had all but made up her mind before deliberations began.

"We had to be sure," the juror said in Spanish. "We wanted to make sure we went through all the evidence. But the evidence was strong, and we all agreed on that."

Mr. Padilla's extraordinary legal journey began in May 2002, when he was arrested at O'Hare International Airport in Chicago, where he grew up.

Attorney General John Ashcroft announced Mr. Padilla's capture a month later, interrupting a trip to Moscow to say that an "unfolding terrorist plot to attack the United States by exploding a radioactive dirty bomb" — one that could have caused

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