

"All the News That's Fit to Print"

The New York Times

Late Edition

New York: Today: Cloudy. Showers and thunderstorms, high 79. Tonight, showery, low 74. Tomorrow, more showers, high 82. Yesterday, high 85, low 74. Weather map is on Page D10.

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NEW YORK, TUESDAY, AUGUST 30, 2005

ONE DOLLAR



Emergency personnel rescued people in the Lower Ninth Ward in New Orleans yesterday after the hurricane passed. Much of the city was flooded. Marko Georgiev for The New York Times

HURRICANE SLAMS INTO GULF COAST; DOZENS ARE DEAD

New Orleans Escapes a Direct Hit — One Million Lose Power

By JOSEPH B. TREASTER and KATE ZERNIKE

NEW ORLEANS, Aug. 29 — Hurricane Katrina pounded the Gulf Coast with devastating force at daybreak on Monday, sparing New Orleans the catastrophic hit that had been feared but inundating parts of the city and heaping damage on neighboring Mississippi, where it killed dozens, ripped away roofs and left coastal roads impassable.

Officials said that according to preliminary reports, there were at least 55 deaths, with 50 alone in Harrison County, Miss., which includes Gulfport and Biloxi. Emergency workers feared that they would find more dead among people who had been trapped in their homes and in collapsed buildings.

Jim Pollard, a spokesman for the Harrison County emergency operations center, said many of the dead were found in an apartment complex in Biloxi. Seven others were found in the Industrial Seaway.

Packing 145-mile-an-hour winds as it made landfall, the storm left more than a million people in three states without power and submerged highways even hundreds of miles from its center.

The storm was potent enough to rank as one of the most punishing hurricanes ever to hit the United States. Insurance experts said that damage could exceed \$9 billion, which would make it one of the costliest storms on record.

In New Orleans, most of the levees held, but one was damaged. Floodwaters rose to rooftops in one neighborhood, and in many areas emergency workers pulled residents from roofs. The hurricane's howling winds stripped 15-foot sections off the roof of the Superdome, where as many as 10,000 evacuees took shelter.

Some of the worst damage reports came from east of New Orleans with an estimated 40,000 homes reported flooded in St. Bernard Parish. In Gulfport, the storm left three of five hospitals without working emergency rooms, beachfront homes wrecked and major stretches of the coastal highway flooded and impassable.

"It came on Mississippi like a ton of bricks," Gov. Haley Barbour said at a midday news conference "It's a terrible storm."

President Bush promised extensive assistance for hurricane victims.

Continued on Page A13



Gulfport, Miss., and New Orleans suffered major damage.

Where a Cuddle With Your Baby Requires a Bribe

By CELIA W. DUGGER

BANGALORE, India — Just as the painful ordeal of childbirth finally ended and Nesam Velankanni waited for a nurse to lay her squalling newborn on her chest, the maternity hospital's ritual of extortion began.

Before she even glimpsed her baby, she said, a nurse whisked the infant away and an attendant demanded a bribe. If you want to see your child, families are told, the price is \$12 for a boy and \$7 for a girl, a lot of money for slum dwellers scraping by on a dollar a day. The practice is common here in the city, surveys confirm.

Mrs. Velankanni was penniless, and her mother-in-law had to pawn gold earrings that had been a precious marriage gift so she could give the money to the attendant, or ayah. Mrs. Velankanni, a migrant to Bangalore who had been unprepared for the demand, wept in frustration.

"The ayah told my mother-in-law to pay up fast because the night duty doctor was leaving at 8 a.m. and wanted a share," she recalled.

The grand thefts of rulers may be more infamous, but the bitter experience of petty corruption, less apparent but no less invidious, is an ev-

THE HIDDEN SCOURGE

Taxing the Poor

eryday trial for millions of poor people across Asia, Africa and Latin America. Increasingly, it is being recognized as a major obstacle to economic development, robbing the impoverished of already meagre incomes and corroding the public services they desperately need.

The bribes vary from place to place and in the services affected, but stretch from cradle to grave, according to surveys and anticorruption investigators. People pay to give birth, and to collect their loved ones' bodies from mortuaries, and for everything in between: garbage collection, clean water, medicines, admission to public schools. Even po-

licemen double as shakedown artists.

Such petty bribery acts as a hidden regressive tax, according to research financed by the World Bank Institute, the bank's educational and research arm. In Zambia, for example, poor people paid 17 percent of their incomes in bribes for medical care, while the middle class paid only 3 percent. The comparable figures for Paraguay were 7 percent for the poor and only 1 percent for the middle class.

"The poor not only are paying much more of their incomes to get the same medical services as the middle and richer classes, but they are also discouraged from seeking basic medical care because they can't afford it," said Daniel Kaufmann, director of global programs at

Continued on Page A8

HURRICANE KATRINA

DAMAGE ESTIMATES Insurance companies said that damage could top \$9 billion. PAGE A12

NEW ORLEANS The oak tree crashed through his bedroom ceiling just before dawn. Then Terry Milton opened his front door and a waist-high wall of water poured in. PAGE A14

THE RELIEF EFFORT National Guard units joined federal, state and private organizations in a broad effort to provide relief. PAGE A13

THE SCIENCE The severity of hurricane seasons is governed by temperature cycles, and for nearly a quarter century beginning in 1970, the Atlantic was in a relatively quiet cycle. That all changed in 1995. PAGE A15

A Scrappy Congressman, Ready for His Next Risk

By RANDAL C. ARCHIBOLD and IAN URBINA

In late August 1988, at the age of only 23, Anthony D. Weiner arrived at a crossroads.

As an intern in the Capitol Hill office of a congressman, Charles E. Schumer, he knew he wanted to be a congressman himself — an intention hatched in college — but he did not know where to start. Should he move to Florida, go to law school and then run for office there, counting on support from New Yorkers who had moved there and calculating that new House seats would be created there after the 1990 census? Or should he roll the dice and dive into the tumult of Brooklyn politics, hoping that a seat would eventually open up?

He turned to Mr. Schumer, who moved him to his Brooklyn office, setting the stage for Mr. Weiner's rise from scrappy aide to city councilman to four-term congressman who is once again betting against the house in a long-shot bid for mayor.

"He was afraid of losing," recalled Mr. Schumer, now New York's senior senator. "I told him, 'Go back there.' This was three years before he ran. He said, 'But there is nothing open.' But I told him there are always openings that come up."

Now 40, Mr. Weiner has learned to take a gamble and trust his own good luck. But he is not the sort to leave anything to chance; he has given that luck every nudge he can, cultivating mentors like Mr. Schumer, staking out a stance on every possible issue and carefully studying the political tides — even when they seem turned against him.

In the race for the Democratic mayoral nomination, Mr. Weiner (pronounced WEE-ner) has moved from fourth place into a close three-



Representative Anthony D. Weiner. Recent polls show him in a close three-way race for second in the Democratic mayoral primary. Fred R. Conrad/The New York Times

THE HOPEFULS

Anthony D. Weiner

way race for second, behind Fernando Ferrer, according to the polls. His aggressive, quick-witted performance in two televised debates has lent him the aura of the up-and-comer, a dark horse with momentum.

He has stumbled at times. Although his campaign has raised a respectable \$2.7 million, he has returned thousands of dollars after rivals raised questions about the donors. Rivals have accused him of using Congressional campaign money and resources in the mayoral race. And compared with Mayor Michael R. Bloomberg or even Mr. Ferrer, he

remains a relative unknown, struggling to gain notice as he juggles his job in Congress with his mayoral bid. His failure to devote his full attention to the campaign has fed speculation that this year's effort is merely a dry run for 2009, a chance to heighten his visibility and build the base needed for a citywide campaign.

But Mr. Weiner says he is committed to winning and will prove skeptics wrong, reaching out, his strategists say, to white, middle-class voters outside Manhattan who have always helped propel winning mayoral campaigns.

He never fails to point out that this is what Edward I. Koch did in the

Continued on Page B7

In Coastal City, Ruin All Around

By SHAILA DEWAN

GULFPORT, Miss., Aug. 29 — "Is it O.K. to come out?"

Timothy Wagner, a former merchant mariner, standing at what appeared to be a fast-food window that looked out on the main street of Gulfport, Miss., asked for reassurance before venturing into the debris-filled streets.

Mr. Wagner had weathered Hurricane Katrina alone in a vacant commercial building, planning, if need be, to lash himself with a garden hose to a steel support post. That was after the walls of his brick apartment building next door had buckled and collapsed in on him.

"When everything started crumbling, I was dodging cinder-blocks," he said. "I'm not a big architect, but I thought it was sound."

After 45 years in business, the Parks family thought the same thing about their restaurant down the street, the Palace Café. But at the height of the storm, the plywood shielding the windows pulled off and the plate glass exploded into giant shards.

"I had gone to the bathroom and I heard this horrible crash," Shirley Parks said. "I come out and Jimmy



Hurricane Katrina toppled a train-crossing signal in Gulfport, Miss. Frank Polich/Reuters

was standing there with his arm bleeding." Jimmy, Mrs. Parks's son, was cut to the bone, she said. Her husband, Don Parks, stood behind the lunch counter, wearing a garbage bag as if it were a tunic, shaking his head. The chairs were stacked neatly on the tables. The acoustic ceiling tiles lay sodden on the floor.

"Can't talk about it," Mr. Parks said.

Residents and officials of this city of 71,000 people, one of the hardest hit

Continued on Page A15

Another Storm Casualty: Oil Prices

By JAD MOUAWAD and SIMON ROMERO

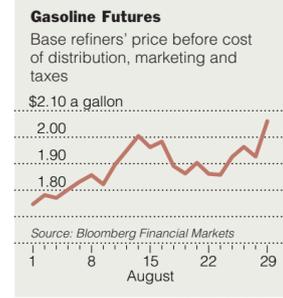
The region that produces and refines a major portion of the nation's oil and natural gas was largely shut down by Hurricane Katrina yesterday, further tightening strained energy markets and sending prices to new highs.

As oil companies evacuated offshore operations throughout the Gulf of Mexico, oil production in that region was reduced by 92 percent and gas output was cut by 83 percent.

The latest interruptions in oil supplies are likely to send retail gasoline prices even higher than the current average of \$2.60 a gallon. They have prompted the Bush administration to say it would release emergency oil stocks from the Strategic Petroleum Reserve if needed.

"We are still in the soap-opera phase where everyone is still wondering what is going on," said Dan Pickering, the president of Pickering Energy Partners, a Houston-based energy research firm. "The next 24 to 48 hours, as the companies get out to see if there has been any damage, are really going to determine how significant this is."

Halfway through the hurricane



season, the storm hit at an especially bad time for consumers, who have seen gasoline prices climb to their highest level in a generation, and adds to worries that oil prices might be hurting the American economy.

Hurricane Katrina could result in insured damages of more than \$9 billion, making it perhaps the costliest storm since Hurricane Andrew in 1992, according to Risk Management Solutions, which assesses catastrophes and is based in Newark, Calif. The storm disrupted maritime traf-

Continued on Page A12

INSIDE

Indictments in KPMG Case

Eight former partners of KPMG and a lawyer were indicted by prosecutors as the investigation widened into tax shelters offered by the accounting firm to help wealthy investors evade taxes. PAGE C1

Warning on Police Powers

As a young White House lawyer, John G. Roberts Jr. warned against expanding federal law enforcement powers to agencies like the Commerce, Agriculture and Interior Departments. PAGE A10

Glitter at the Open

The United States Open began with Serena Williams, left, sporting designer earrings during her straight-set victory. Svetlana Kuznetsova lost and became the first defending women's champion to drop her opening match. SPORTSTUESDAY, PAGE D1

News Summary

Arts	E1-8
Business Day	C1-14
Editorial, Op-Ed	A18-19
International	A3-9
Metro	B1-8
National	A10-16
Science Times	F1-8
Sports/Tuesday	D1-7
Health/Fitness	F5
Weather	D10
Obituaries	A17
Classified Ads	D8-9
Auto Exchange	D7

Updated news: nytimes.com
Tomorrow in The Times: Page D10

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