



Hey G-20, Can
You Spare a Dime?
4 Countries' Woes

Sticker Shock:
Inside the College
Financial Aid Game



Brain Injuries: How
A Simple Accident
Can Turn Fatal

TIME



The End of Excess

Why this crisis is good for America

BY KURT ANDERSEN

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The World

10 ESSENTIAL STORIES



1 | Israel

Coalition Takes Shape

Israel's Labor Party has agreed to join a Cabinet led by Prime Minister-designate Benjamin Netanyahu, giving him enough support in the 120-seat Israeli Knesset to form a viable coalition government.



The decision by the center-left Labor Party's leader, Ehud Barak, to unite with the largely right-wing coalition has caused tension among the party's members, many of whom oppose Netanyahu's stance against peace negotiations with the Palestinians and have threatened to break away. Tzipi Livni's centrist Kadima Party, which in fact won the most votes in February's parliamentary elections, has refused to join the coalition over similar policy differences.

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Seats in Israel's Parliament

Israeli Coalition Government

*Pending final count



SOURCE: TIME RESEARCH

2 | Beijing

Replacing the Dollar?

In a sign of growing concern over the U.S. economy, the head of China's central bank proposed implementing a new currency-reserve system that could ease the country's reliance on the dollar. Experts say the move underlines China's desire to take a leadership role in the global response to the financial crisis. Still, few analysts expect the dollar to be replaced by what Zhou Xiaochuan called a new "supersovereign reserve currency" in the foreseeable future. China, which holds nearly \$2 trillion in foreign-exchange reserves, is the U.S.'s largest creditor.



CEO Edward Liddy appeared before a House committee on March 18 to discuss AIG bonuses

3 | New York City

Giving In and Giving Back

Some of the AIG executives under fire for taking fat bonuses have agreed to return the money. The insurance giant, which has received \$180 billion in bailout funds, was obligated to pay out \$165 million in bonuses as part of employees' contracts—prompting outrage from the public and in Congress. In all, more than \$50 million in bonus money has been returned.



Thousands of Sri Lankans live in squalor, caught between government and rebel forces

4 | Sri Lanka

War Traps Civilians

As the island nation's military battles to crush a decades-old rebellion by the Tamil Tigers, civilians have become increasingly endangered. The U.N. recently reported that more than 150,000 people are trapped in the northeast region and are being denied aid, though Sri Lankan officials say the estimate is inflated.

5 | South Africa

Tibet Tussle

The South African government barred the Dalai Lama from attending a March 27 Johannesburg peace conference, citing the spiritual leader's tense relations with China but denying it was pressured by Beijing. Nobel laureates Archbishop Desmond Tutu and F.W. de Klerk protested by pulling out of the event, a walk-up to the 2010 World Cup. Organizers subsequently canceled the conference.

6 | Prague

Government Unseated

Midway through the Czech Republic's six-month E.U. presidency, Prime Minister Mirek Topolánek's coalition lost a parliamentary no-confidence vote, becoming the fourth European government to fall this year. Topolánek will head a caretaker coalition until a new one is formed, but his capacity to help lead the 27-member bloc in a time of crisis is in doubt.

Numbers:

\$11.6

BILLION

Total amount earned in 2008 by the 25 highest-paid hedge-fund managers

3.1%

Percentage drop in Zimbabwe's inflation rate in February after the country replaced its currency with the dollar



7 | India

THE PEOPLE'S CAR Tata Motors, India's largest automaker, unveiled the \$2,000 Nano, the world's cheapest car, on March 23. The 33-h.p. (25 kw) Nano aims to make automotive transportation affordable in a country where a car is beyond most people's budgets. While environmentalists worry about the impact of millions of new cars on Indian roads, Tata argues Nanos could actually clear the air by replacing exhaust-belching motorbikes. The car is expected to hit Indian streets by July.

8 | Pyongyang
Journalists Detained

Two American journalists have been taken into custody in North Korea and are under investigation for espionage and illegally crossing into the country from China. North Korean officials say Laura Ling and Euna Lee are being treated fairly, although their detainment has raised tensions between Washington and Pyongyang—already at odds over a planned satellite launch that the U.S. says is a covert missile test.

9 | California

Medical Marijuana Fight: Up in Smoke?

U.S. Attorney General Eric Holder indicated on March 18 that he would not prosecute sellers of medical marijuana where it is legal under state law, reversing the Bush Administration's zero-tolerance policy. A federal judge in Los Angeles has already postponed the sentencing of a convicted marijuana-dispensary operator, asking the Justice Department to further clarify its stance.



10 | New Mexico

An End to the Death Penalty

Governor Bill Richardson, in a last minute action he called "the most difficult decision in my political life," signed a bill making New Mexico the 15th state to ban capital punishment since the U.S. Supreme Court reinstated it in 1976. (New Mexico has executed only one person since then.) Richardson said he was prompted to endorse the ban after visiting the state's death chamber and reviewing death-row exonerations. In 2008, 37 people were executed in the U.S.—the most in the world, after China, Iran and Saudi Arabia, according to Amnesty International.



(SOURCE: DEATH PENALTY INFORMATION CENTERS)

- States where the death penalty is illegal
- States where the death penalty is legal
- Top five death-penalty states, accounting for 66% of all U.S. executions since 1976
- States with the death penalty on the books but no executions since 1976

(RECESSION WATCH)



Forget Cancún—how about California? Online travel agency Expedia.com reported a 20% drop in flights from the U.S. to the Caribbean from this time last year for some airlines—a sign that more college students are staying Stateside (and saving money) during spring break. That's good news for Orlando, Fla.; Los Angeles; and New York City, which have seen a 25% jump in trips this year.

\$4.7 BILLION

Projected 2009 losses for the global airline industry, which would exceed 2002's losses in the wake of 9/11

355,000

Number of U.S. breast-augmentation surgeries performed in 2008—surpassing the number of liposuctions for the first time in 12 years