Current Awareness

Contents pages of current journals for (Magazines)

June 1-15, 2009

INFORMATION SERVICES DIVISION ISIS MALAYSIA

2008

These journals can only be borrowed after one week, except for purpose of photocopying

BEIJING REVIEW VOL. 52 NO. 22 JUNE 4, 2009

EDITOR'S DESK
2 Rails of Hope

PEOPLE & POINTS

WEEKLY WATCH

WORLD

10 Sharing Hopes and Opportunities Malaysian PM on China relations

12 Looking at the Big Picture Author investigates China's security and national defense

14 South China Sea: Controversies
And Solutions
The country's sovereign right to

15 Nuclear Test Opposed Strong criticism for North Korea

its national waters

NATION

18 On Flu Alert Q & A with national flu expert

20 Goodwill Trip
DPP heavyweight visits mainland

21 The Belief in Mazu
A legend pulls Straits closer

22 A Greener Future
China's eco NGOs work together

BUSINESS

26 A Fast Train to the Future Modern country gets better rail

30 On an Innovative Track China's rails go hi-tech

32 Main Indicators of Chinese Railway in 2008

34 Victory Vision
ATM maker sees growth in fares



35 Crisis Focus: In a Tight Spot

36 Market Watch

LIFESTYLE

40 Dragons, Boats and Rice
Dumplings
Celebrants bring Dragon Boat
Festival into contemporary times

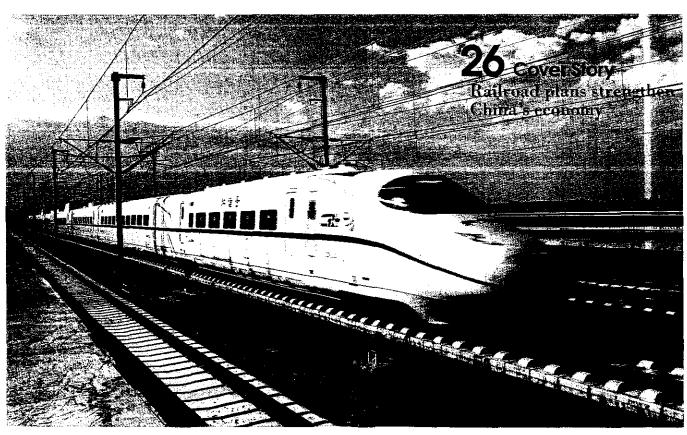
42 Toxic Soil Gets New LifeAdvanced methods treat pollution

FORUM

46 Reporting Courts
Independently

EXPAT'S EYE

48 The Allegorical Hot Dog Maze? Sausage misunderstanding in Nanjing



Beijing Review (ISSN 1000-9140) is published weekly for US\$64,00 per year by Cypress Book (U.S. Co., Inc., 350 Swift Avenue, Suite 48, South San Francisco, CA 94080. Periodical Postage Paid and South San Francisco. CA 94080. POSTMASTER: Send address changes to Belling Review Cypress Book (U.S. Co., Inc., 350 Swift Avenue, Suite 48, South San Francisco, CA 94080.

004 THE BUSINESS WEEK

- 004 NEWS YOU NEED TO KNOW
- 010 BUSINESS OUTLOOK Jim Cooper: The Fed won't rush to raise rates
- 012 NUMBERS Capital spending's slide
- 014 EDITOR'S MEMO The case for optimism
- o15 BTW The B-school doctorate is in; fashion and the First Lady; more
- 017 FACETIME Maria Bartiromo talks to Pfizer CEO Jeffrey Kindler

020 NEWS

- o20 SOCIAL MEDIA The benefits—and the perils—of a twittering workforce
- 022 BANK OF AMERICA Can CEO Ken Lewis keep his job?
- 027 HEALTH CARE Neither Congress nor Obama has easy answers about how to pay for reform
- o28 TAXES Massachusetts will collect from out-of-state companies. Why other states may follow its lead
- 030 NETBOOKS Wireless carriers see a future in cheap laptops

032 SPECIAL REPORT: THE FUTURE OF TECH

- 032 WHAT'S A FRIEND WORTH?
- 039 THE INFOTECH 100
- 043 QUANTA Why it's high on the list
- o44 SUPER ANGELS These VCs invest where others fear to tread

050 WHAT'S NEXT

- oso STRATEGIES The well-connected German consultant who may help shape a Fiat-Opel-Chrysler merger
- o52 MARKETING Music service Pandora unleashes the mobile-phone ad
- BW 50 MANAGING The boom in boomers for temp
- os7 FINANCE How U.S. private equity failed to help two Japanese banks
- oss innovation Will Kia's cheap chic win over U.S. car buyers?

061 PERSONAL BUSINESS

061 MONEY REPORT Reexamining India Inc.; Japan funds; BGI's allure

- 062 HOW TO PLAY IT Tech stocks
- 064 INVESTING Hunting down companies with hidden assets
- 066 LIFE MANAGEMENT Book excerpt: Womenomics: Write Your Own Rules for Success
- 070 INSIDE WALL STREET

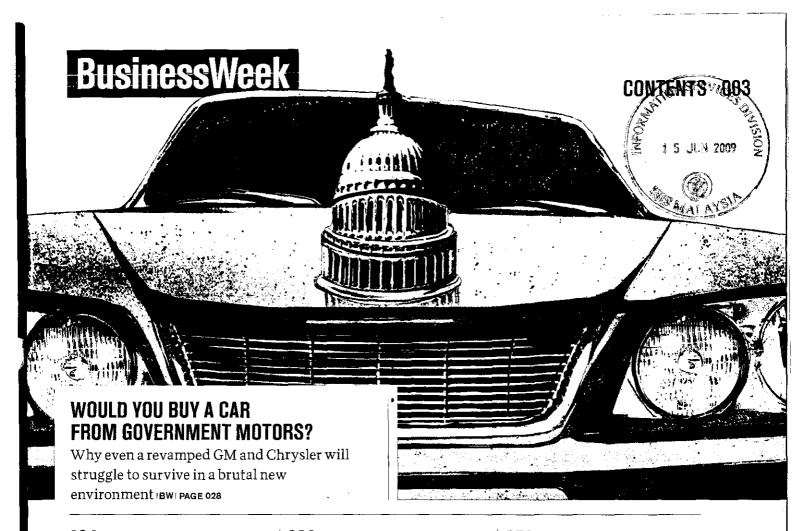
073 OPINION

- on the New Normal
- **TECH & YOU** Arik Hesseldahl sizes up software that lets you edit documents on smartphones
- 076 MEDIA CENTRIC Jon Fine says the broadcast networks can't just go all-cable, tempting as that idea is
- 077 BOOKS Himelstein: The King of Vodka: The Story of Pyotr Smirnov and the Upheaval of an Empire
- 078 FEEDBACK Readers argue the merits of cutting corporate taxes
- 080 THE WELCH WAY Jack and Suzy on the limits of corporate philanthropy

079 COMPANY INDEX

JUNE 1, 2009 | BUSINESSWEEK





004 THE BUSINESS WEEK

- 004 NEWS YOU NEED TO KNOW
- 010 BUSINESS OUTLOOK Jim Cooper sees signs of a housing turnaround
- 011 **NUMBERS** Retailers feel the pinch from newly thrifty Americans
- 013 BTW The private jet biz swoons; Tata's nano homes; "genius" visas
- 015 FACETIME Maria Bartiromo talks to NYSE chief Duncan Niederauer

018 NEWS

- Ursula Burns, is crashing through a couple of ceilings, but she'll take over a still-troubled business
- o24 CURRENCY China pushes the yuan amid concerns about U.S. deficits
- 025 BIG INVESTORS Suddenly they have more sway over private equity firms and hedge funds
- 026 FINANCE The pool of toxic mortgagebacked securities is dwindling
- 027 A PRAGMATIC JUSTICE? High Court nominee Sotomayor's business record

028 IN DEPTH

- 028 WOULD YOU BUY A CAR FROM GOVERNMENT MOTORS?
- 030 CHINA Local carmakers rev up
- 034 SOUTHEAST ASIA Its surprising strength in the economic storm
- 038 SINGAPORE The recession may be easing, but exports are still falling
- 040 MICROSOFT'S SEARCH SAVIOR?
 Yahoo!'s former tech whiz is leading the charge against Google

044 WHAT'S NEXT

- TECHNOLOGY Facing plunging
 printer sales, HP declares war on purveyors of phony ink cartridges
- o46 MANAGING Cutting pay used to be sacrosanct. Not anymore
- 050 INNOVATION Some ailing biotechs will present strong data at a key oncology conference
- **FINANCE** Big banks see big profits in the market for carbon trading
- 052 ECONOMICS & POLICY Obama's team aims for tougher education standards nationwide

053 PERSONAL BUSINESS

- 053 MONEY REPORT An oil patch play; revival of the carry trade; creditcard issuer bonds
- 054 INVESTING Lower risk doesn't have to mean lower returns
- 056 LIFE MANAGEMENT A look at how kids are coping with the recession
- **HOW TO PLAY IT** Finding smart bets among smaller biotechs
- 059 INSIDE WALL STREET

061 OPINION

- 061 OUTSIDE SHOT Author Richard Reeves on American optimism
- **TECH & YOU** Steve Wildstrom looks at two innovations for road warriors
- 064 BOOKS De Botton: The Pleasures and Sorrows of Work
- 066 FEEDBACK Readers respond to Jim Collins' stages of corporate decline
- 068 THE WELCH WAY Jack and Suzy cheer fierce debate in Washington
- 067 COMPANY INDEX

JUNE 8, 2009 | BUSINESSWEEK

IN DEPTH

INNOVATION, INTERRUPTED

034 From gene therapy to fuel-cell-powered cars, the past decade has seen a slew of promising breakthroughs that have gone nowhere commercially. That failure to capitalize may help explain the financial crisis and the recession. But now there's reason for optimism, IBWI

CLOUD COMPUTING'S BIG BANG FOR BUSINESS

042 Access to virtually any information from anywhere, fast: It could be the biggest growth tonic since the Internet—and a boon for business. Making so much diverse technology interact smoothly won't be easy, but cutting-edge companies are already learning to live on the cloud. IBW



WAL-MART'S MAGIC MOMENT

With the economy squeezing everybody, Wal-Mart is pulling in more upmarket shoppers. And new CEO Michael Duke is moving aggressively to hang on to them when recovery rolls around. |BW| PAGE 051



LABOR'S LOSS?

The SEIU's Andrew Stern is embroiled in union infighting that could torpedo what many regard as organized labor's golden opportunity to regain long-lost influence. | BW| PAGE 028

008 THE BUSINESS WEEK

- 008 EXECUTIVE SUMMARY Chapter 11 for GM; adjusting the Dow; more
- 015 FACETIME Maria Bartiromo talks with Russian President Dmitry Medvedev
- 018 BUSINESS OUTLOOK Jim Cooper says consumer outlays are still weak
- o20 **NUMBERS** U.S. casinos can't seem to draw a winning hand
- **BTW** How Microsoft came up with "Bing"; women on boards; more

026 NEW BUSINESS

- o26 HOUSING Foreclosure is moving upmarket as layoffs and falling home prices trip up holders of prime mortgages
- 028 NO SOLIDARITY FOR LABOR
- 030 GM Its new advertising blitz tries to acknowledge past mistakes—while buffing up its tarnished image
- 931 BANKS With so many banks on the verge of collapse, regulators are allowing private equity firms to make deals that could be risky

- 032 COMMENTARY The struggling U.S. economy has China rethinking the American Way
- 033 DELL It's moving aggressively into the merger market. Here are six potential targets

051 WHAT'S NEXT

- 051 WAL-MART'S MAGIC MOMENT
- O54 THE CHINA PRICE As costs in China rise, manufacturers move production closer to home
- ose FINANCE GM's bailout billions; AIG "death bonds"; Home Depot's credit crunch; the market rally
- **A WORLD CAR** Ford revs up the Fiesta for the U.S. as it tries to create a global model
- oeo GREEN BUSINESS U.S. carriers have a dogfight on their hands in Europe over emissions

063 PERSONAL BUSINESS

MONEY REPORT GM and Sirius; Dow vs. S&P 500 index plays; AOL and other possible spin-offs

- **HOW TO PLAY IT** Getting in early on cloud computing
- ocs investing The bull-bear debate over Treasury bonds
- 066 LIFE MANAGEMENT Deferred compensation: When to take the money
- 067 INSIDE WALL STREET

069 BUSINESS VIEWS

- oes TECH & YOU Steve Wildstrom likes a lot about Palm's new Pre—but says it's way short on apps
- 072 MEDIA CENTRIC Jon Fine says

 ESPN The Magazine is betting that
 sports fans will ante up for insider

 Web content
- 073 BOOKS Jacobs: Management Rewired
- 074 FEEDBACK Readers vary over how to pay for a health-care overhaul
- ore THE WELCH WAY Jack and Suzy
 Welch try Twittering—and like it
- 074 CORRECTIONS & CLARIFICATIONS
- 075 COMPANY INDEX



On the cover
The lessons for America and
the car industry from the
biggest industrial collapse
ever: leader, page 9. The
sorry tale of General Motors,
pages 58-60. The plight of
blue-collar America:
Lexington, page 38

Economist.com

Daily news and views: news analysis, online-only columns, blogs on politics, economics and travel, and a correspondent's diary

E-mail: newsletters and Mobile Edition Economist.com/email

Research: search articles since 1997, special reports Economist.com/research

Print edition: available online by 7pm London time each Thursday Economist.com/print

Audio edition: available online to download online each Friday. Economist.com/audioedition

The Economist

Volume 391 Number 8634

First published in September 1843 to take part in "a severe contest between intelligence, which presses forward, and an unworthy, timid ignorance obstructing our progress."

Editorial offices in London and also:
Bangkok, Beijing, Bertin, Brussels, Cairo,
Chicago, Delhi, Frankfurt, Hong Kong,
Jerusalem, Johannessuyig, Jerympeles,
Mexico City, MacCark, Mew York, Paris,
San Francisco, São Paulo, Tokyo, Washington



Leaders

- 9 The decline and fall of General Motors Detroitosaurus wrecks
- 10 Gordon Brown Where will it end?
- 11 Barack Obama and the Middle East Tell it straight
- 11 Russia's ailing economy Red square blues
- 12 The unloved European Parliament From Strasbourg with indifference

Letters

14 On small businesses, newspapers, California, Britain, Jeffrey Sachs, vroomtones

Briefing

22 Russia's economy A new sick man

Asia

- 25 Australia's carbon-trading scheme Coals from Newcastle
- 26 Dissent in China A stab at reform
- 26 Identity crisis in Hong Kong Feeling special
- 27 Pakistan's war in Swat After the exodus
- 30 The human cost of Sri Lanka's war Too many heroes
- 30 The Philippines
 E for English
- 31 Banyan Indian foreign policy

United States

33 The future of health-care reform

The moment of truth

- 34 The murder of George Tiller Death of an abortionist
- 35 Primaries in Washington state

The centrist north-west

36 Soaring gun sales in Arizona Planning for the worst

rianning for the worst

- 36 Gun laws in Tennessee Bread, milk, handgun
- 37 Statewatch: Indiana A hobbled march forward
- 38 Lexington
 Blue-collar America

The Americas

- 39 Brazil's poor schools Still a lot to learn
- 40 Argentina's Kirchners Bad news for some
- 41 Mexico tackles drug abuse Breaking the habit
- 41 Cuba's austerity measures
 Flickering lights

Middle East and Africa

- 42 Barack Obama speaks to the Muslim world Let's be friends
- 43 Iran's presidential election An uncertain outcome
- **44 Palestinian disunity** No cause for jóy
- 45 Power-sharing in Zimbabwe The struggle goes on
- 46 Eritrea rebuked Renaissance leader to pariah

Technology Quarterly After page 46

Europe

- 47 The apathetic European election
 Wanted: a vigorous debate
- 48 Spain's troubled prime minister Zapped
- 48 A European election guide The checklist
- 49 Italy's centre-right leadership Fini to the fore
- 49 Silvio Berlusconi's scandal Scuttlebutt
- 50 Charlemagne Attacks on José Manuel Barroso



Gordon Brown What to do with Britain's disappointing prime minister: leader, page 10. He has never been closer to losing office, page 51. A possible successor: Bagehot, page 54



Russia Its troubled economy should worry the Kremlin— and the world: leader, page 11. The crisis is dire, but that does not mean that Vladimir Putin is about to lose control, pages 22-24



Obama in the Middle East
He must make the most of a
surge of goodwill towards him
from Mustims and Arabs:
leader, page 11. America's
president follows in the
footsteps of more controversial
predecessors, page 42. After
the chill of the Bush era, ties
between America and Islam
can only get better—but how
much better? Page 55



The Fed and the future America's central bank weighs plans to unwind its unconventional stimulus, page 67



Evolution and behaviour
People are altruistic because
they are militaristic, and
cultured because they are
common. At least that is the
message of a couple of new
studies, page 73



Technology Quarterly
Concentrating solar power,
biotech's third wave, a better
robot hand, interplanetary
e-mail, zapping mosquitoes
with lasers, sewing with
nanotubes, and much more
after page 46

Britain

- 51 Gordon Brown on the brink Praying for time
- 52 The future of the railways
 Pay up, pay up and board
 the train
- 53 Extending freedom of information
 Uncovering the next scandal
- 53 Assisted suicide and the law Hard cases
- 54 Bagehot
 The postman rings twice

International

- 55 America and Islam Let nations speak peace
- 56 Banning bomb materials and bomb tests Making a start
- 57 Aid and authoritarians An (iron) fistful of help

Briefing

- 58 The bankruptcy of General Motors A giant falls
- 59 Saving GM Europe Hope for Opel

Business

- 61 Mining mergers Hopes for a thaw
- 62 Gambling in Macau Nightmare averted
- 63 Succession at Samsung Crowning success
- 63 Advertisers attack Heated arguments
- **64 Renewable energy in Italy** Going with the wind
- 64 A Hippocratic oath for managers Forswearing greed
- 66 Face value

Stan Lee, creator of comics and hit films

Finance and economics

- 67 Central banks' exit strategies This way out
- 68 Buttonwood Commodity concerns
- 70 Global house prices Bottom fishing
- 70 Banks and private equity
 Return of the
 grave-dancers
- 71 Questioning the Hawthorne effect Unilluminating
- 72 Economics focus
 Culture and taxes

Science and technology

- 73 Warfare, culture and human evolution
 Blood and treasure
- 74 Early detection of arthritis Painful predictions
- 74 Fraud in science Liar! Liar!
- 76 Replacing chrome Shine on me

Books and arts

- 77 Matthew Glass's "Ultimatum"
 A thriller for our age
- 78 Peter Peterson America's fiscal Cassandra
- 78 Isaiah Berlin
 Centennial impressions
- 79 Iraq's children
 Saving the orphans
- 80 Pierre-Laurent Aimard Note taker
- 80 Orange prize for fiction Francesca prima

Obituary

- 81 Pattabhi Jois Yoga-teacher to the stars
- 89 Economic and financial indicators
 Statistics from 42 economies, plus closer looks at economic forecasts and football revenues



Next week
We publish a special report
on the euro. The single
currency, sorely tested by the
financial crisis, has survived
intact and is likely to expand
further, says John O'Sullivan

Principal commercial offices:

25 St James's Street, London SWIA 1HG Tel: 020 7830 7000 Fax: 020 7839 2968/9

6 Tue Paul Baudry, 75008 Paris, France Tel: +33 153 936 600 Fax: +33 153 936 603 111 West 57th Street, New York NY10019 Tel 1 212 541 0500 Fax 1 212 541 9378 60/F Central Plaza

18 Harbour Road, Wanchai, Hong Kong Tel 852 2585 3888 Fax 852 2802 7638

Other commercial offices: Chicago, Frankfurt, Los Angeles, San Francisco and Singapore

Subscription service

For our latest subscription offers, visit Economist.com/offers You can also subscribe by mail, telephone or fax at the details provided below:

Telephone: +65 6534 5166
Facsimile: +65 6534 5066
Web: Economist.com/offers

E-mail: EconomistAsia.Subs@quadrantsubs.c

Subscription Centre, 32 Wallich Street, #01-61 Wallich Building, Singapore 078880

Subscription for 1 year (51 issues)

An Economist Group business

Contents



On the cover How to deal with the rich world's fiscal mess: leader. page 11. Banking catastrophes and recession have led to vast increases in rich countries' public debts. Getting their finances back into shape will be painful, pages 70-72. America's debt is Barack Obama's biggest weakness, page 35

Economist.com

Daily news and views: news analysis, online-only columns, blogs on politics, economics and travel, and a correspondent's diary

E-mail: newsletters and Mobile Edition Economist.com/email

Research: search articles since 1997, special reports Economist.com/research

Print edition: available online by 7pm London time each Thursday Economist.com/print

Audio edition: available online to download online each Friday. Economist.com/audioedition

Economist

Volume 391 Number 8635

First published in September 1843 to take part in "a severe contest between intelligence, which presses forward, and an unworthy, timid ignorance obstructing our progress.



6 The world this week

Leaders

- 11 Public debt The biggest bill in history
- 12 Gordon Brown Reprieved
- 12 The European elections Trouble at the polls
- 13 Deforestation Seeing REDD in the Amazon
- 14 Wall Street and the taxpayer Thanks, for nothing
- 15 Sri Lanka after the war Victory's rotten fruits

Letters

16 On carbon taxes, Myanmar, Chevron in Ecuador, finance, guns

Briefing

- 23 The Amazon The future of the forest
- Oil and land rights in Peru Blood in the jungle

Asia

- 29 America and China talk climate change Heating up or cooling down?
- 30 Bangladesh's government Keeping its head above water
- 30 The sex industry in Cambodia The traffic police
- 33 Unrest in Uzbekistan Fata Fergana
- 33 The Islamic Movement of Uzbekistan Here comes trouble
- 34 Banyan Naval rivalry in Asia

United States

- 35 The politics of debt Seeing red
- 36 The decennial census The knock on the door
- 38 Caperton v Massey Judges not for sale
- 38 Rural health reform Small steps
- 38 Illegal immigration The Missouri way

- 40 Criminal law in California A voice for the forsaken
- Do charter schools work? Time for a test
- 41 New York's new casino Lucky tribe
- 42 Lexington The underworked American child

The Americas

- 43 Brazil's economy Ready to roll again
- 44 Waste disposal in Colombia Muck and brass plates
- 44 Canadians abroad Some are on their own

Middle East and Africa

- 47 Crisis in Sudan The promise and peril of independence
- 48 South Africa's trade unions Payback time?
- 49 Shell in Nigeria Spilling over
- 49 Lebanon's election A win for the West
- 50 Israel and America A test of friendship

Special report: The euro Holding together After page 50

Europe

- 51 The European elections Swing low, swing right
- 52 France's victorious centre-right Sarkozy on top
- 53 The Eurosceptic Dutch Wilders rides in
- 53 Berlusconi loses ground But still it moves
- 54 Germany looks ahead Merkel's mood music
- 54 Spain's People's Party wins Rajoy ahoy
- 55 Eastern Europe's results Time to start fretting
- 55 Latvia's economic woes Lat in the lurch
- 56 Charlemagne The endless election round



Gordon Brown The prime minister's survival against the odds is probably bad news for his party, but not necessarily for his country: leader, page 12. Labour's feeble and failed attempt to oust its leader, page 57. The man who kept Mr Brown in his job: Bagehot, page 60



The Amazon Saving rainforests needs both property rights and payments: leader, page 13. Brazil's new plan to stop deforestation, page 23. A nasty fracas in Peru, page 26. Papua New Guinea's troubled scheme, page 62. The two big emitters try to stop finger-pointing and save the planet, page 29



America's lazy offspring Children are exceptions to the country's work ethic: Lexington, page 42. Charter schools offer some hope, page 41

>> Contents continues overleaf



Netbooks They may already be past their prime, but they are only the beginning of something bigger, page 65. Phones keep on getting smarter, page 66



TARP Banks should be encouraged to pay back governments—but not to rewrite history: leader, page 14. Funds returned by the healthiest big banks are likely to be redeployed further down the food chain, page 73



Britain's drag queen Daniel Carroll, better known as Danny La Rue: Obituary, page 86

Britain

- The Labour Party Stoppable force meets immovable object
- 58 The BNP's breakthrough Booted and suited
- 59 Reshaping government Permanent revolution
- 59 Suing the Omagh bombers Justice, of a sort
- 60 Bagehot Mandelson's moment

International

- 61 The UN's secretary-general The score at half-time
- 62 Conserving forests REDDy and waiting

Business

- 65 Netbooks Small but disruptive
- 66 Smart-phone wars Pre conceived
- 66 Arcandor's bankruptcy The till is bare
- 67 Cheap housing in India The nano home
- 67 The plight of Ford A stony road
- 68 Executive pay in America Principles, not pitchforks
- 69 Face value Marius Kloppers, BHP Billiton's steely champion

Briefing

70 Government debt The big sweat

Finance and economics

- 73 Repaying TARP money Hauled to safety
- 74 Buttonwood Hedge funds rebound
- 75 Banks' exposure to eastern Europe Stand by me
- 75 Sovereign credit-default swaps Muffled signals

- 76 America's life-settlement industry Death futures
- 76 BGI on the block Selling the family silver
- 77 The IMF Promises, promises
- 77 Paul Krugman's London lectures Dismal science
- 78 Economics focus Export fatalism v fetishism

Science and technology

- 79 Solar-powered manned flight Flying for ever
- 80 Positive thinking's negative results Words of wisdom
- 80 Drug-resistant infections Fighting superbugs
- 81 The science of ageing wine Box clever
- 81 Anti-mist coatings Not misty for me

Books and arts

- 82 Medieval drawings An exhibition at the Met
- 83 The inefficiency of markets The myth of rationality
- 83 Venezuela's coup Historical riddle
- 84 History of science Crooked path
- 84 Harold Varmus Life of a scientist
- 85 Anti-smoking activism Puff by puff

Obituary

86 Danny La Rue

Impersonator of wonderful Women

97 Economic and financial indicators

Statistics on 42 economies, plus closer looks at oil reserves and stockmarkets



Special report

The euro area Sorely tested by the financial crisis, the single currency has survived intact and is likely to expand further, after page 50. Many of Europe's voters do not like the European Union. A lot of the rest don't care. They should: leader, page 12. Europeans are conservative and grumpy about immigration, page 51. Why don't MEPs learn from experience? Charlemagne, page 56

Principal commercial offices:

25 St James's Street, London SW1A 1HG Tel: 020 7830 7000 Fax: 020 7839 2968/9 6 rue Paul Baudry, 75008 Paris, France Tel: +33 153 936 600 Fax: +33 153 936 603

111 West 57th Street, New York Ny 10019 Tel 1212 541 0500 Fax 1212 541 9378

60/F Central Plaza 18 Harbour Road, Wanchai, Hong Kong Tel852 2585 3888 Fax 852 2802 7638

Other commercial offices: Chicago, Frankfurt, Los Angeles, San Francisco and Singapore

Subscription service

For our latest subscription offers, visit Economist.com/offers You can also subscribe by mail, telephone or fax at the details provided below:

Telephone: +65 6534 5166 Facsimile: +65 6534 5066

Economist.com/offers E-mail: EconomistAsia.Subs@quadrantsubs.

The Economist Subscription Centre, 32 Wallich Street #01-61 Wallich Building, Singapore 078880

Subscription for 1 year (51 issues)

US\$230 Hong Kong HK\$ 1,680 Thailand Australia A\$365 Japan Yen 34,500 US\$123 US\$180 India Malaysia S\$365 New Zealand NZ\$390 Singapore Contact us as above Other countries



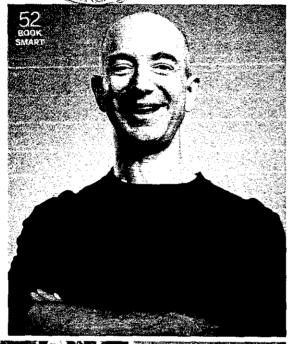
© 2009 The Economist Newspaper Limited. All rights reserved. Neither this publication nor any part of it may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recarding or otherwise, without the prior permission of The Economist Newspaper Limited. Publisher Economist Newspaper Limited. The Economist Newspaper Limited. The Economist Newspaper Limited (in Singapore) and Ringier (in Hong Kong).

M.I.C.A. (P) No. 170/09/2007 PPS 677/11/2009(028123)

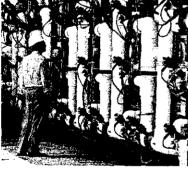


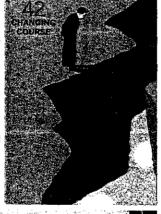
06.08.09

Volume 159, Number 11



60 BUILDING BIG







FEATURES

OPPORTUNITY SPECIAL

42 The Upside of the Downturn

This recession will change the course of your career. Whether you're damaged or strengthened depends on the way you respond. Can you rise to the challenge? BY GEOFF COLVIN

48 My Business Is Booming

Got a bright idea? There's \$787 billion in stimulus money up for grabs. These businesspeople are thriving because of the climate, not in spite of it.

BY MICHAEL V. COPELAND

52 Amazon's Next Revolution

CEO Jeff Bezos used the web to shake up book retailing. Now he's using the Internet to sell electronic books on his Kindle e-reader. A look at Amazon's latest effort to transform the book business, writ digital.

BY JEFFREY M. O'BRIEN

59 The Job Squad

Obama vowed to create or save 3.5 million jobs in fields like infrastructure and IT. We tracked down a few new hires. BY TELIS DEMOS AND BETH KOWITT

60 A Big New World to Engineer

Recession aside, a growing population will trigger lots more construction. How a gung-ho firm from Colorado is winning a major piece of the action. A Fortune 500 Series feature.

BY MARC GUNTHER

66 Palm Fights Back

The beleaguered handset maker says its new smartphone, the Pre, is an iPhone killer. Apple isn't laughing. BY ADAM LASHINSKY

66 NEW AND

FORTUNE

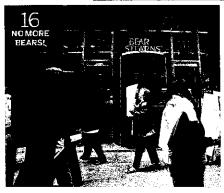
Volume 159, Number 11

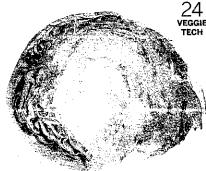
40
BICOASTAL
BUSINESSMAN

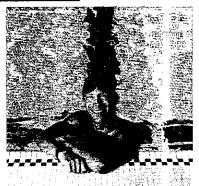




12 DIG IT







FIRST

12 Going Underground

Thanks to abundant federal funds for infrastructure, tunnel projects are booming. BY TELIS DEMOS

14 Blood Money

As times get tight, more Americans open a vein. BY MINA KIMES

14 Furlough Nation

Gannett employees try house swapping. BY BETH KOWITT

14 Derivatives Get Peachy

Atlanta may beat out Chicago for clearinghouse. BY TELIS DEMOS

16 The Deal

The financial meltdown is about to enter another year. Yecch!
BY ALLAN SLOAN

18 Mark Bloom: From Jet Setter to Pauper

The defrocked hedge fund manager has to rely on a public defender. BY ALYSSA ABKOWITZ

20 The Economy

Ignore your shareholders! BY JUSTIN FOX

TECHNOLOGY

24 Food Tales

Think food distribution is a low-tech enterprise? Try getting perishables across the country without sophisticated software and systems. BY JIA LYNN YANG

27 Phones Into Plowshares

BY JESSICA SHAMBORA

28 The Smell Test

The food industry tries out aroma infusions.

BY JESSI HEMPEL

29 Move Over, Mr. Coffee

The \$10,000 Siphon Bar produces coffee that makes purists weep. BY JEFFREY M. O'BRIEN

LIFE AT THE TOP 37 Luxury for Less

Looking to get away? Rates at high-end hotels have rarely been this low. From the Caymans to the U.S. capital, we found spots to suit any budget. BY DIANE TEGMEYER

40 Road Warrior

DirecTV's Paul Guyardo. BY BETH KOWITT

41 Book Review

History channeler.
BY DANIEL OKRENT

72 BING!

INVESTING IN A CRISIS

30 Fastest-Growing Companies Update

Wireless chipmaker Atheros hopes for a bounce. BY MICHAEL V. COPELAND

33 How to Avoid the Death Tax

The smart use of gifts and trusts can help you pass on more of your money to your heirs. Another in our Money & Main St. series examining how economic events are affecting Americans. BY JANET MORRISSEY

CLOCKWISE FROM TOP LEFT: MISHA GRAVENOR: HERRENKNECHT AG: JOE TORENO; BRIAN HENN—TIME INC DIGITAL STUDIO: SHANNON STAPLETON -REUTERS

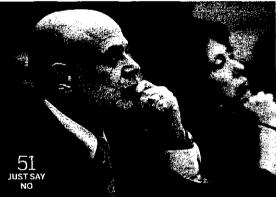
Retirement Guide /@/

Volume 159, Number 12





42 PHOENIX RISING?





A GOOD



36 STICKEI SHOCK

10 The Big Picture

Grin and bear it: Bill Gates and Warren Buffett share a joke in the face of a combined \$250 billion drop in the market cap of their companies.

24 The Fortune 40 Best Stocks to Retire On

After a bleak 2008, equities are looking up. But whatever the market, our trademark long-term portfolio can help you build a nest egg for a secure future. BY KATIE BENNER, MINA KIMES, AND EUGENIA LEVENSON

34 The Ultimate Mutual Fund Portfolio

Our collection of five funds and five ETFs provides broad diversification and leaves the hard work to some of the smartest managers in the business.

BY EUGENIA LEVENSON

36 We Owe What? The Next Crisis: America's Debt

At this rate, your share of the load will be \$155,000 in a decade. How chronic deficits are putting the country on a path to fiscal collapse. BY SHAWN TULLY

42 What Happened in Phoenix

Real estate prices in the Arizona desert got hit harder than anywhere else. So can you get your dream retirement home for a song? It depends on where you look.

BY DAVID WHITFORD

PLUS: Where

PLUS: Where the Deals Are

A look at some of the markets with the most dramatic price drops.

BY SCOTT CENDROWSKI

51 Getting It Right

The feds refused to buy troubled assets with TARP cash. It's one of the smarter moves they've made. BY ALLAN SLOAN

52 I'll Take That Job!

You're retired. You've got time. The working world is now your oyster, if you can still digest one. BY STANLEY BING

56 Five Smart Stocks From the Fool

A strategist who manages money for the Motley Fool talks about what he's buying now—and why. BY JEFF FISCHER

60 Has the 401(k) Failed?

A small but vocal group of advocates think the 401(k) is a relic of a bygone era. What's wrong with the current system—and how it can be salvaged.

BY DAVE KANSAS

64 Betting the Farm

As world population expands, the demand for arable land should soar. At least that's what George Soros, Lord Rothschild, and other investors believe.

BY BRIAN O'KEEFE

72 BING!

JUNE 1, 2009

How Sri Lanka beat ti British assume the Tor Italy's Teflon prime minist back on Tianannie

Michael Pettis, Every Morozov Steven A. Cook, Jacob Weisberg

A trip to remem!

Power players of

Rahm En

by DAN EPH

The Ch

They May No

What you don't

"The Country Can Be Run Bette

Why Mohammad Khatami quit the race

"They Are Not Fanatics" 39
How ElBaradei negotiates with Tehran
Anyone but Ahmadineja 40

A reformist's presidential ri

CULTURE 45

Arts America

Music Did the Beatles d

Japan Rise of the mixed

Good Life A man and h

COVER PHOTOGRAPH BY HAD

JUNE 8, 2009

Pakistan's Ô merican Socia CW: The Nu

The Quiet Revolutionary 20.

How Rahul Gandhi wants to reshape the by Suprip MAZE panel.

The Reeducation of Alice Jandal 25.

Closing Gitmo depends on it by KEVIN PERAINO.

Paulson's Complaint 32.

Hamperin' Hank wants his name back: by EVAN THOMAS AND MICHAEL HUSB

Stop the Riller Quants 36
Paul Wilmott aims to save Wall Street.
by MATTHEW PHILIPS
Crisis on the Left 40
How European social democracy can save its

by DENIS MACSHANE

CULTURE 47

Music Mendelssohn Is Back 48 Books Reform and Fatwa Chaos-The Good Life How I Became a Food



 Postmaster: send address changes to NEWS NEEK International, 395 Audison Street, New York, NY 10014-3669; u kilo ih ih ka bakee dhii ii ii

New Week

SCOPE 7

The hidden winner in Iran, Europe sours on Obama, Why Beijing fears Shanghai gays, Arms sales are booming despite the global recession, Is the dollar about to crash?, Conventional Wisdom: think again, Game Point: Boris Becker, Headline Writers: the next energy crisis, ways of dying and more

THE TAKE 21

Essays *by* TAKASHI YOKOTA, ROBERT ALAN FELDMAN, MOISÉS NAÍM, STEFAN THEIL *and* JACOB WEISBERG

FEATURES 27

Olmert's Lament 28

Why he turned on the settlements.

by KEVIN PERAINO

The Insurgents 32

Rebel Democrats take on Obama's establishment.

by MICHAEL HIRSH

The Capitalist Manifesto 34

Greed is good, up to a point.

by FAREED ZAKARIA

'The Lady' and the Tramp 40

The Burmese odyssey of American John Yettaw. by TONY DOKOUPIL

The Endless Burden of Empire 44

Many nations are still stuck to colonies. by Christopher dickey

CULTURE 53

Books Chick lit hits Asia 54

Books How nuts was Khrushchev? 56
Film Hated by critics, Filipino wins in Cannes 57
Good Life Riding high, on elephants 59
Last Word Saad Hariri 62



Vol. CLIII, No. 25. June 22, 2009 @ 2009 by Newsweek, Inc., 395 Hudson Street, New York, NY 10014. Printed by Times Printers Pte Ltd and Ringier Print (HK) Ltd. All rights reserved. Copyright under the International Copyright Convention. Copyright reserved under the Phan American Convention. Registered in the Philippines Patent Office, in the U.S.A.: Postmaster: send address changes to Newsweek international, 395 Hudson Street, New York, NY 10014; second class postage paid at Los Angeles, California and at additional mailing offices. To order reprints (minimum order required: 500 copies) or request permission to republish a Newsweek article, please call 1-212-445-4870 or fax 1-212-445-5764, Newsweek International is written and edited for a worldwide audience and is audience and audience and

TIME

2 | 10 QUESTIONS Larry King on his most awkward interview ever

4 | POSTCARD: RAMALLAH

6 INBOX

BRIEFING

- 7 | THE MOMENT Britain's Parliament is racked by scandal
- 8 | THE WORLD Militants threaten Somalia's fragile government; Pfizer announces U.S. drug giveaway; women join the Kuwaiti legislature; where are Pakistan's nukes?
- 10 | HISTORY A look at where late-night talk shows came from
- 11 | VERBATIM Teaching America's Boy Scouts all about illegal immigration; Vogue's Anna Wintour disses Minnesota
- 12 | MILESTONES Farewell to a Fiat heiress who became Italy's only female Foreign Minister

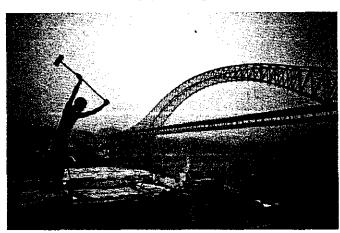
COMMENTARY

13 | IN THE ARENA A simple plan for dealing with America's enemy prisoners

On the cover: Michelle
Obama photographed for
TIME by Platon in the East
Wing of the White House
on Wednesday, May 13,
2009. Insets, from left:
Ethan Miller—Getty
Images; Disney/Pixar



Michelle Obama The First Lady opens up, page 14



Bridge to tomorrow China is building big, page 26

COVER STORY

14 | UNITED STATES
A revealing look at
the life and work of a
very different kind of
First Lady

19 | Q&A Michelle Obama speaks out on getting to the White House—and being a mom there

THE WELL

- 22 | WORLD: DRONE WARS Why pilotless aircraft are causing problems in Pakistan
- 26 | ASIA: CHINA An epic public-works program heralds the country's bid for greatness
- **32** | **SOCIETY: ADULT AUTISM** A brother's story, and the coming crisis of care
- 36 | COMMENTARY India's election provided a great spectacle but few answers to the issues that matter

JUN 2009

HE

- 37 | RELIGION Is it O.K. to use Twitter in church? A few pastors are actually encouraging the faithful to tweet
- 39 | SPORT How a tennis string changed professional tennis
- 40 | social norms
 Believing stereotypes
 may be holding
 back your brain's
 performance

GLOBAL BUSINESS

- 41 | MANUFACTURING HOW a U.S. textiles company beats the odds
- 43 | MEGACITIES The flawed beauty that is Italy's Naples

ARTS

- **45** | **MOVIES** Up, the story of an old man and his flying house, is Pixar's new triumph
- 48 | Music Familiar tunes, fresh packaging: the rise of the reissue

GLOBAL Adviser

49 | CHECK IN The Desert Islands resort offers chic dining, a great spa—and a few hyenas

52 | ESSAY At this crucial juncture, a reckless Pakistani press is dispensing fear, not facts

TIME Asia is published by TIME Asia (Hong Kong) Limited. Four double issues a year are published. Each counts as two of 54 issues in an analysis of the count of

TIME June 1, 2009

6 INBOX

BRIEFING

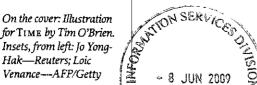
7 | THE MOMENT In dealing with North Korea, Obama will need help—and patience

8 THE WORLD California's top court rules that the ban on gay marriage is constitutional; as part of their green initiatives, officials in the Belgian city of Ghent declare a local "Veggie Day"

10 | SPOTLIGHT North Korea's burning goal is to become a nuclear state

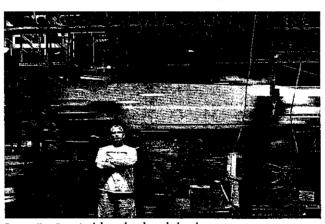
11 MILESTONES Farewell to South Korea's Roh Moo Hyun and rock musician Jay Bennett

12 IN THE ARENA Joe Klein on the Pentagon's latest weapon: Robert Gates





Latina at law A new Supreme Court nominee, page 14



Detangling Detroit A long, hard road ahead, page 32

14 | UNITED STATES: SONIA SOTOMAYOR Who she is, why Obama chose her and how she judges

COVER STORY

20 | VIEWPOINT Edward Lazarus debunks some Supreme Court Justice myths

22 | PROFILE Youssef Boutros-Ghali is amplifying the voice of emerging economies at the IMF

24 | ASIA: CHINA Violence and bullying have made China's city-management officers widely feared

26 | UNITED STATES: INTERROGATION Why a soft touch can work better than torture

30 | PROFILE: RICK STEVES An American abroad

32 | BUSINESS: AUTOMOBILES The painful, mindboggling deals to rescue the U.S. car industry

37 | WOMEN'S HEALTH Some pregnant women need to take drugs. Researchers are figuring out how

39 | FAMILY TECH The Sims 3 is so good, you'll forget you're human

40 | GOING GREEN What's the opposite of a boycott but just as effective? A Carrotmob

41 | TRANSPORTATION The sluggish European rail market pins its hopes on deregulation

44 | GLOBAL INVESTING An Asia-led recovery? It's not going to happen

45 | CANNES There was glamour, gloom and buckets of blood at this year's Cannes film festival

48 | BOOKS Charles Dickens is making a comeback—in fiction

49 | on show London's Tate Modern showcases the fast and feverish world of the futurists

52 | ESSAY Twenty years on, Hong Kong is the only place in China to truly mark Tiananmen

for TIME by Tim O'Brien. Insets, from left: Jo Yong-Hak-Reuters; Loic Venance---AFP/Getty

TON SERVA

6 INBOX

BRIEFING

- 7 | THE MOMENT The mystery of what happened to Air France Flight 447
- 8 | THE WORLD Britain endures more government turmoil; Israel's settlement stalemate continues; Latvia's blondes tackle the recession blues; Nintendo's Wii gains new rivals
- 10 | SPOTLIGHT Who wins, who loses, what disappears forever as GM files for bankruptcy protection
- 11 | HISTORY What bankruptcy once meant
- 12 | MILESTONES George Tiller, U.S. abortion doctor, is killed at his church; farewell to the last *Titanic* survivor

COMMENTARY

- 14 | IN THE ARENA Joe Klein on the return of the culture wars
- 15 | ASIA China's North Korean headache

On the cover: Photo-Illustration for TIME by D.W. Pine. Insets, from left: Denis Balibouse—Reuters; Jason Lee—Reuters



Twitterati Game changers Williams and Stone, page 24



Plan of attack How a U.S. envoy will engage Iran, page 16

COVER STORY

24 | society Easy Tweet: once just a fad, Twitter is developing into a cultural force to be reckoned with. How it will change the way we live



THE WELL

- 16 | WORLD: IRAN Dennis Ross's high-stakes bid to tame Tehran
- **20** | **WORLD**: **EUROPE** Bosnia's Islamic revival provides comfort to many, but may stir further conflict
- 23 | COMMENTARY Hizballah thrives despite America's attempts to isolate it. Is it time for engagement?
- 30 | RELIGION Robert Wright on what Scripture tells us about the chance for religious harmony
- 34 | TECHNOLOGY How the Palm Pre hopes to outpace the iPhone

LIF

- 37 | room Save money, cut out the middlemen: how friends and families are banding together to buy beef directly from farmers
- **39** | **GOING GREEN** A Spanish fish farm is proving that aquaculture can be sustainable
- 40 | HEALTH A new study shows how e-mail reminders can help us eat better and exercise more often

GLOBAL BUSINESS

- 41 | STRATEGY Four companies that have responded to recession with nimble thinking
- 44 | THINKING BIG Chipembedded sponges mean safer surgery

ARTS

- **45** | MOVIES Land of the Lost lets Will Ferrell enjoy his delusions of manhood, with dinosaurs looking on
- **47 | BOOKS** Kazuo Ishiguro's latest
- **48** | **BOOKS** A personal, and cultural, look at the migraine

GLOBAL ADVISER

- 49 | DIVERSIONS Take a spin down South Africa's Garden Route
- **52** | ESSAY Nancy Gibbs on the meaning of America's first *Sesame Street* President

TIME Asia is published by TIME Asia (Hong Kong) Limited. Surface a training limited as a few are published. Each counts as two of 54 issues in an annual subscription. TIME Asia may also publish occasional extra issues. © 2009 Time Asia (Hong Kong) Limited. All rights reserved. Reproduction in whole our section of the postal services production in whole our section of the postal services alert us that your magazine is undeliverable, we have no further obligation unless we receive a corrected address within two years. CUSTOMER SERVICE AND SUBSCRIPTIONS: For 24/7 service, please use our website: time.com/asiacustomereservice. You may also contact our Customer Services Center at (852) 3128-5688, or e-mail enquiries@*measia.com or write Time Asia (Hong Kong) Umited, 30/F, Oxford House, Talkoo Place, 979 King's Road, Quarry 8ay, Hong Kong, (In Japan: enquiries can be made to 0120-666-236 or enquiries/apara/timeasia.com or Roppongi Hills P.D. Box 58, Minetocku, Tokyo 106-6134.) Mailing list: We make a portion of our mailing list available to reputable firms. If you would prefer that we not include your name, please contact our Customer Services Center. TIME Asia is edited in Hong Kong and printed in Singapore and Hong Kong. Singapore MICA (P) No. 140/10/2008. Malaysia KKON permit no. PPS 676/04/2010(028179).