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THE STOCK MARKET: TIME TO GET OUT?

U.S. News & WORLD REPORT

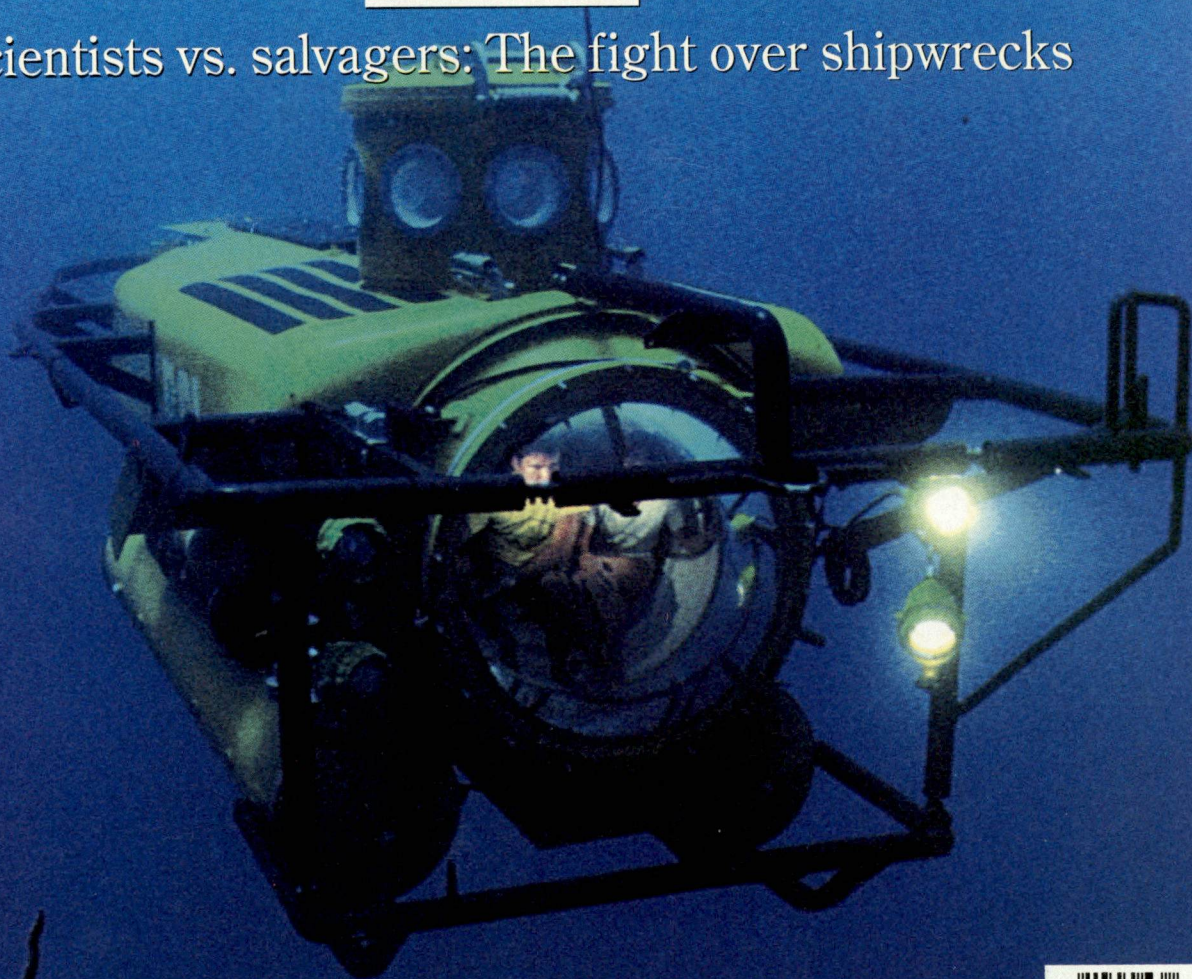
AUGUST 21, 1989

\$1.95

SECRETS OF THE SEA

New light on the mysteries of the deep

Scientists vs. salvagers: The fight over shipwrecks



4 Letters to the Editor

CURRENTS

10 One Week

- 13 Embryos on trial ■ Who's a family? ■
Airline buyouts ■ The poets' war ■ Baby
Bell revolt ■ Why college costs so much

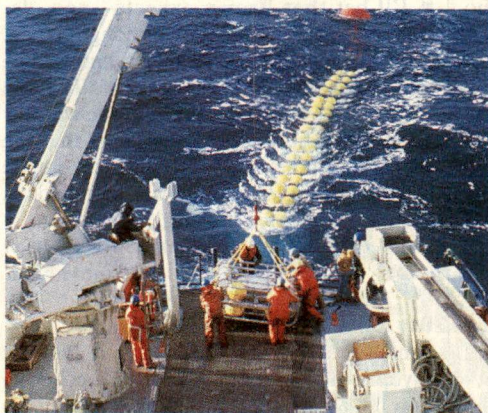
20 Washington Whispers

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- 22 The drug-money hunt. Narcotics
warriors target laundered cash
- 26 Two appointments affirm the color-blind,
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the hostage-trading bazaar
- 29 Another Chicago as the last city political
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- 31 **Tomorrow:** Dueling commissions plot
health care into the next century

WORLD REPORT

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- 36 Will the last one to go please turn out
the lights? Hong Kong looks for lifeboats
- 38 Brother against brother: The internecine
war in the West Bank and Gaza
- 39 **Worldgram:** Kaifu's future; Honeymoon
with Mexico? A new New Zealand?



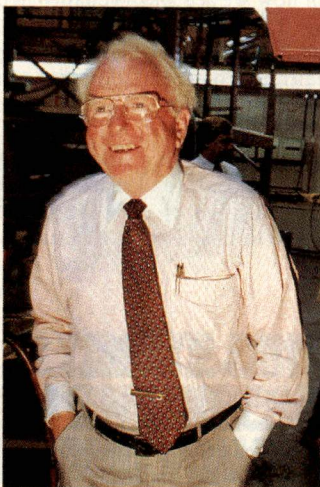
48 Probing the deep with technology



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- 47 **Economic Outlook:** Can Marxist
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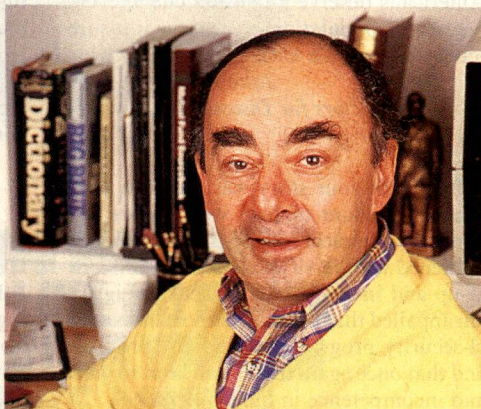
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control subs, researchers are
penetrating the mysteries of the oceans.
Also, ocean pollution and the
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- 56 John Leo on criminals who get the breaks

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- 59 **Eye on Wall Street:** The Dorfman story
- 60 Investing: Is it time, once again, to bail
out of the market?
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the fashionable cyclist
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schools; cheaper hotel rates, and more
- 68 **Editorial:** The Lost Generation



59 Eye on Wall Street and Dan Dorfman

COVER: Photo by David Doubilet

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Tom Clancy's New Thriller

TIME

How Bush Decides



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DIANA WALKER

COVER: Mr. Consensus— how George Bush performs as President

16

A careful, pragmatic politician, he seeks opinions, relies on advisers and likes to split the difference on difficult choices. An inside look at how this White House operates. ► The hostages are still a long way from home, but the bazaar is open. ► Do guns save more lives than they lose? The National Rifle Association says so. See **NATION**.

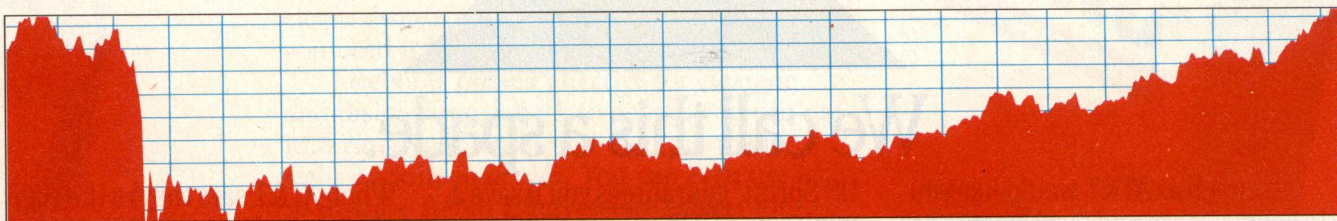


ZECCHIN—MAGNUM

WORLD: Nationalist fervor sweeps the Baltic states

28

The republics of Estonia, Latvia and Lithuania push for ever greater and ever faster reforms.
► Central America's leaders tell the *contras* to disband, but will they go?

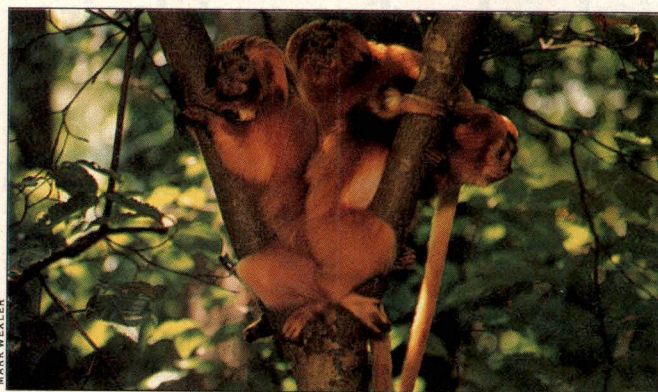


BUSINESS: The bulls of summer are setting records

40

Yet woozy Wall Streeters are asking, Can a crash happen again? Is this boom any different from the last one? Despite such fears, investors have been looking on the economy's bright side.

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MARK WEXLER

LIVING: Zoogoers are heeding the call of the wild and finding that today's menagerie is a cageless wonderland 50

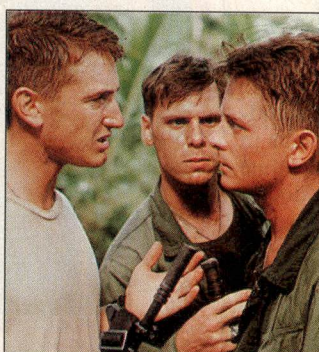
Here is a Himalayan highland full of red pandas, there a tropical jungle where it rains indoors eleven times a day. As American zoos are renovated and redesigned—at a cost of more than a billion dollars since 1980—hosts of once jaded visitors, some even without children, are flooding through the gates. Inside they find education, entertainment and an urgent mission.



LAW: Taking aim at fedoras and pinstripes

Designed to go after mobsters, the catchall federal RICO law is being used to track down racketeers from Main Street to Wall Street.

48



CINEMA: Dreaming the Viet Nam nightmare again

Based on a real-life incident, Brian De Palma's *Casualties of War*, starring Sean Penn and Michael J. Fox, performs a gritty diagnostic test on the national conscience.

54



MUSIC: Working weird wonders on old Irish airs

Full of spunk and sass, the Pogues, a loud and adventurous punk band, are electrifying folk music with a heady lash of hard rock.

56

DEAR ANN: I JUST READ THE COLUMN about the couple whose dog was refused treatment at the animal hospital. The man asked, "Could this happen if a poor couple brought a sick child to a hospital?" Please tell him, "Yes, it could have happened to us."



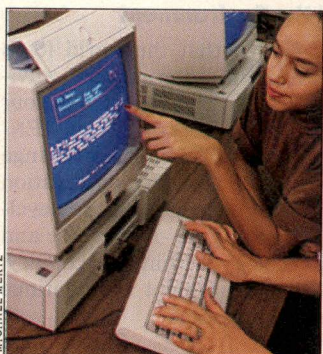
ANN LANDERS

My husband and I are poor, but we owed no one. Our 9-month-old son was very ill. The hospital refused to take him until we came up with \$100 in cash. This wasn't easy at night. While I sat with my dying child, my husband telephoned most everyone we knew for two hours a friend came over with \$100. We were told that we lost valuable time as the child had no more than a 50-50 chance. They on

INTERVIEW: Adviser to the lonely hearted

Ann Landers patiently gives guidance to her millions of readers on everything from marriage and life to toilet paper.

62

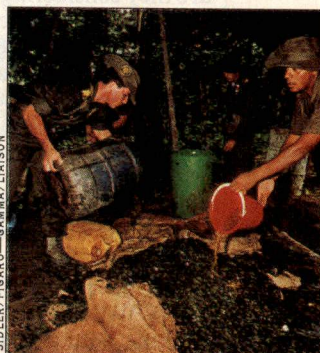


MICHAEL MERTZ

EDUCATION: The search for minorities

Colleges come courting, but high prices, poor preparation, cultural barriers and a resurgence of campus bigotry keep minorities, especially blacks and Hispanics, away.

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SIDLER/FIGARO—GAMMA/LIAISON

BOOKS: Tom Clancy looks beyond best sellers

His thrillers—of which the latest, *Clear and Present Danger*, is out this week—have made him the military's minstrel. Now the ex-insurance man longs to live the life he writes about.

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Cover:
Illustration by
Seymour Chwast

BENNETT'S DRUG WAR

Will His New Plan Fly?

Newsweek®

August 21, 1989 : \$2.00



Rhymes With Rich

**Hotel Queen
Leona Helmsley
Battles the Tax Man**





Harry and Leona Helmsley putting on the glitz at a Manhattan benefit

■ The Hotel Queen on Trial

As the self-anointed, and well-publicized, queen of the Helmsley hotel chain owned by husband Harry, Leona Helmsley has cultivated a cruel reputation for mistreating employees and business associates. Her own attorney has called her a "tough bitch" in open court. She's also been charged with tax fraud and extortion—and her trial, after seven weeks, has raised Leona-bashing to the summer's most fashionable sport. **Lifestyle: Page 46**



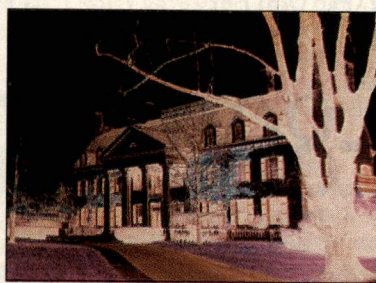
Will the drug czar's new plan fly?

■ Bennett's Drug War

After months of preparation, drug czar William Bennett's plan for the war on narcotics was making the rounds last week as a policy paper notable for its cautious outlook. But the new strategy is a pivotal change in the U.S. war on drugs—and the first public test of George Bush's willingness to lead the fight. **National Affairs: Page 16**

■ Conjuring With a Camera

In the 150 years since its discovery, photography has offered a dizzying array of images more factual than fanciful. Now a new breed of artistic sure shots is demonstrating how skillfully the medium can be manipulated. Their work openly celebrates mind-bending make-believe through the use of mirrors, models and unusual camera techniques. **The Arts: Page 52**



Jo Babcock's eerie 'Eastman House'

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Cover: Photo by Allan Tannenbaum—Sygma.

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