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WALL STREET'S NOSEDIVE
Will History Repeat Itself?

Newsweek

October 23, 1989 : \$2.00

Nancy Reagan's 'My Turn'

**EXCLUSIVE
BOOK EXCERPT**

- On Astrology
- On Don Regan
- On Raisa
- On Her Kids

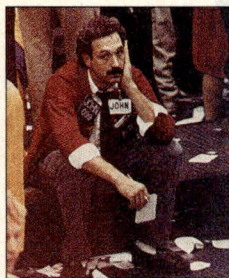




At the new Reagan home in Bel Air, California

■ 'My Turn,' by Nancy Reagan

For eight years as First Lady, Nancy Reagan lived under the media microscope, often the center of controversy and criticism, never fully venting her own views. Now she does, in a book titled "My Turn," excerpted exclusively in NEWSWEEK this week. Mrs. Reagan writes of her astrology "habit," her advice to the president and the effort to oust White House chief of staff Donald Regan. She has tart words for many top Reagan aides and others, including Raisa Gorbachev. But, she tells NEWSWEEK, "I really tried not to be vindictive or mean." **Special Report: Page 50**



Chicago: After the fall

■ The Nosedive of '89

Two years after Black Monday, the stock market had roared back and was racking up new highs. Then, in one chilling hour last Friday, Wall Street was reminded of the volatility that triggered the crash. Fueled by jitters over takeover debt, the Dow plunged 190.58 points, its second biggest loss ever. NEWSWEEK examines the forces playing havoc with both stocks and the dollar and offers advice from Jane Bryant Quinn about how to keep your money safe. **Business: Page 44**

■ Postmortem Depression

The legacy of Panama's bloodiest day continued to preoccupy Washington last week. Why did the Oct. 3 coup attempt against Gen. Manuel Antonio Noriega fail? Why was the U.S. government so slow to respond? Critics suggested the government has developed an aversion to action that will hamper it the next time fast decisions must be made. **National Affairs: Page 26**



The heart of a debate: Noriega

Letters to the Editor should be sent to NEWSWEEK, 444 Madison Avenue, New York, N.Y. 10022, and subscription inquiries to NEWSWEEK, The NEWSWEEK Building, Livingston, N.J. 07039. NEWSWEEK (ISSN 0028-9604), October 23, 1989, Volume CXIV, No. 17, is published weekly except for an additional issue during the month of October, \$41.08 a year, by NEWSWEEK, Inc., 444 Madison Avenue, New York, N.Y. 10022. Second Class postage paid at New York, N.Y., and at additional mailing offices. POSTMASTERS: Send address changes to NEWSWEEK, The NEWSWEEK Building, Livingston, N.J. 07039.

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Cover: Photo by Harry Benson.

OCTOBER 23, 1989

\$2.00

WALL STREET TAKES A TUMBLE

TIME

Is Government Dead?

**Unwilling
to lead,
politicians
are letting
America slip
into paralysis**



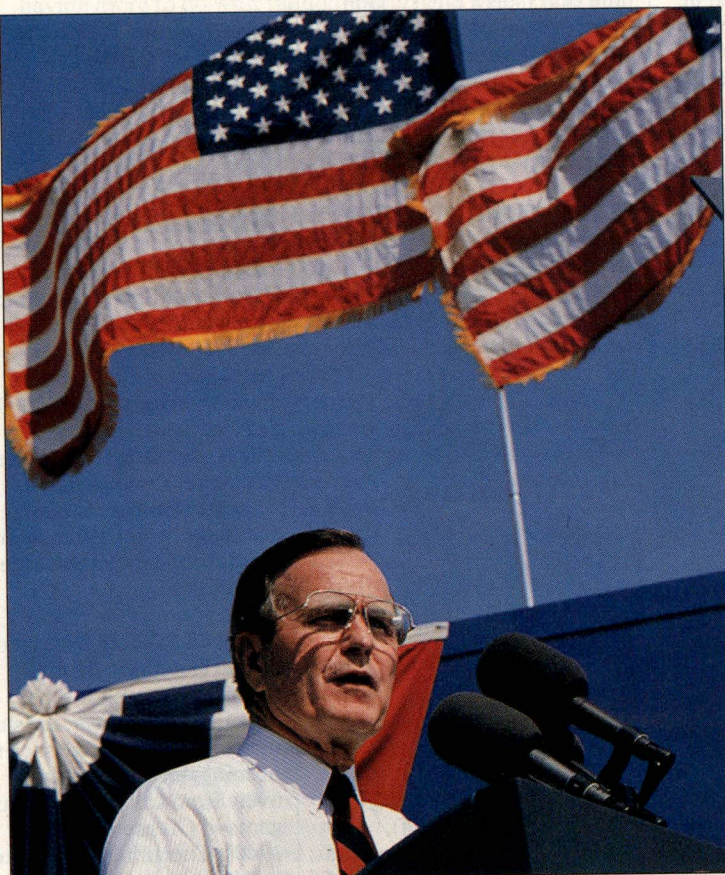
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TIME

THE WEEKLY NEWSMAGAZINE

CYNTHIA JOHNSON



COVER: Paralyzed by special interests and shortsightedness, the Government risks slipping into irrelevancy

The Reagan Revolution's hands-off attitude persists in Washington, where governing by symbolism has taken the place of tough decision making on budget deficits, the drug scourge, failing schools and the urgent need to support the glimmerings of democracy in Eastern Europe. ► With big victories in Florida and on Capitol Hill, the pro-choice majority proves it is not so silent. ► Martin Luther King Jr.'s best friend writes a tattletale memoir.

28

WORLD: East Germany's leaders seem willing to lend an ear to the nation's newly vocal opposition movement

German dissenters have moved to center stage, but lack leadership and a clear agenda. ► Shedding Communism,

Hungary's ruling party hopes to survive.

► Look! Up in the sky! *Glasnost* goes bonkers! ► Spanish Prime Minister Felipe González talks about his relationship with the U.S.



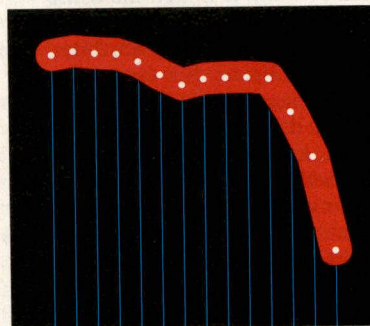
CHRIS NIEDENTHAL

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BUSINESS: The stock market posts its worst loss since the '87 crash as Friday the 13th stirs panic on Wall Street

A faltering buyout of UAL, the parent of United Airlines, combines with signs of a new burst of inflation to put stock

prices into a spin. The drop rekindles concerns that a debt-laden era might be coming to grief and provokes fears of a bearish season ahead.



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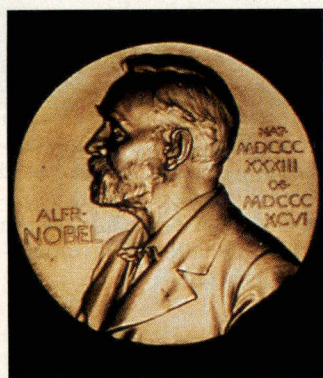
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SPECIAL REPORT: The environmental crisis is finally asserting itself as a major factor in world politics

Acid rain, overpopulation and global warming are inspiring international cooperation, but they are provoking "ecoconflicts" as well. ► How the U.S. can exercise leadership in the Third World. See ENVIRONMENT.

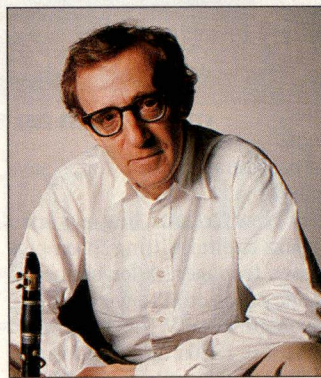
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NOBEL PRIZES: Criticism, surprise and excitement

Eight new laureates are honored for their work in econometrics, the genetic basis of cancer, the inner workings of cells, and precise measurements of time.

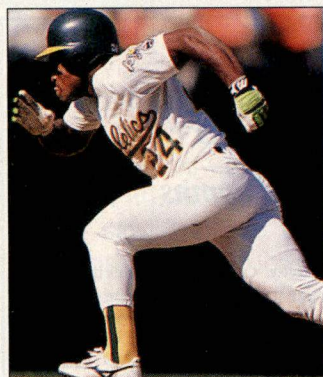
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PROFILE: Actor, director, clarinetist?

Every Monday night, before packed houses, Woody Allen plays jazz clarinet with the same ardor and style that he puts into his films, but he's never been one to blow his own horn about it.

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SPORT: "Baysball!" The A's and Giants square off

The first ever Bay Bridge World Series pits the batting fireworks of Oakland's Bash Brothers vs. San Francisco's Sock Exchange, and Hot Dog Henderson vs. Will the Thrill.

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LIVING: At New York's edge: a grand scheme

Manhattan has a dandy addition: Battery Park City. An airy enclave of walks, parks and performance spaces is a welcome escape from the gloomy canyons up north.

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SHOW BUSINESS: Ellen Barkin, *Sea of Love*'s sultry star

As the enigmatic center of *Sea of Love* (sensible working mom or psycho killer?) and as the unblinking ultra-bitch in *Johnny Handsome*, this fine, ferocious actress has hit her Hollywood stride.

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BOOKS: Ambiance chasers flock to independent shops

Once a vanishing institution, mom-and-pop booksellers are thriving as never before by offering what chains like Waldenbooks can't: flavor, expertise and variety of stock.

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Portrait of George Washington by Gilbert Stuart from Scala/Art Resource, N.Y.
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A 1990 GUIDE: HOW TO SUCCEED IN SMALL BUSINESS

U.S. News & WORLD REPORT

OCTOBER 23, 1989

\$1.95

THE NEW REFUGEES

Should America
take them in?



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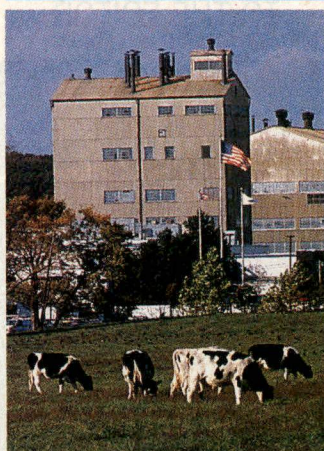
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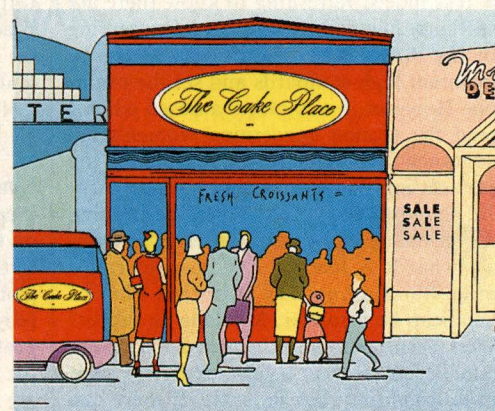
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