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YEAR-END TAX TIPS TO SAVE MONEY

U.S. News & WORLD REPORT

DECEMBER 18, 1989

\$1.95

SPECIAL REPORT

BACK HOME

WHERE WE GREW
UP: A PORTRAIT
OF AMERICA



Back home: Portrait of the nation

On the eve of a new decade, nine reporters revisited their hometowns to explore how they have changed and what challenges they face **44**

Chestertown A special balance on Maryland's Eastern Shore **45**

New York City The old working-class neighborhoods are disappearing **48**

St. Louis The once and future Belle of the New World **49**

Refugio Roots in Texas's sunbaked coastal plain **51**

Bayonne A New Jersey town where family is all **56**

Berkeley The '60s ethic endures **59**

Lisbon Dakota life, safe and good **63**

Fayetteville An essential North Carolina spirit **66**

Natchez Old Mississippi joins the New South **67**



Reunion in Refugio. Senior Editor Joe Galloway with a former teacher

December 18, 1989 Vol. 107 No. 24

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BUSINESS

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36 Will corporate myopia mean goodbye, U.S. chips? The semiconductor industry struggles to get its act together

40 **Economic Outlook:** What freer U.S.-Soviet trade will bring

NEWS YOU CAN USE

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80 **Eye on Wall Street:** Is gold at the end of its rainbow?

81 Books: Stories for the once-upon-a-time crowd

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83 **News You Can Use:** Geriatric-care managers; no easy way for smokers; weekend bargains

84 **Editorial:** Remembering the drug war

COVER: Photo by Linda L. Creighton—USN&WR

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DECEMBER 18, 1989
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THE BLOC: Out of control?

TIME

MONEY LAUNDERING

The trillion-dollar
shell game

Agenda for the '90s
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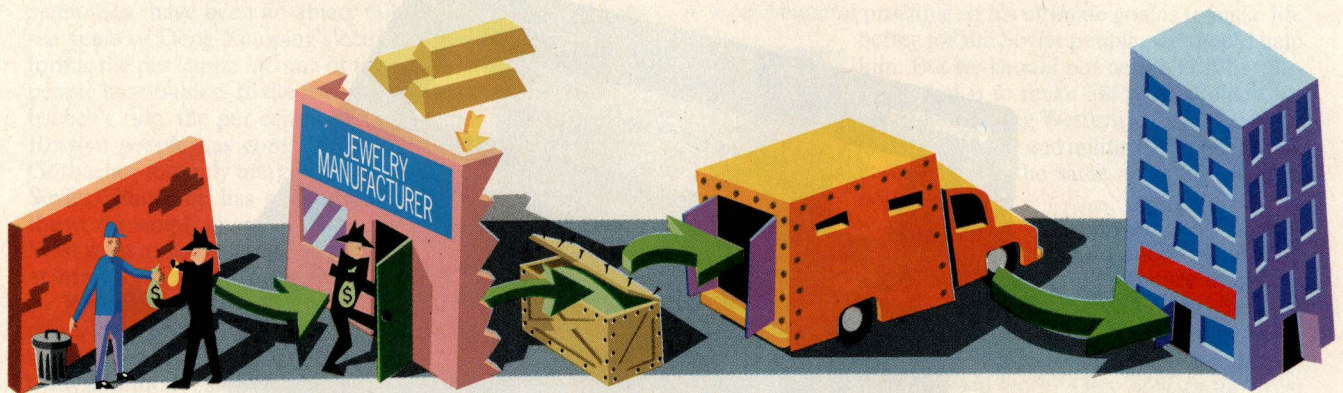
TIME

THE WEEKLY NEWSMAGAZINE

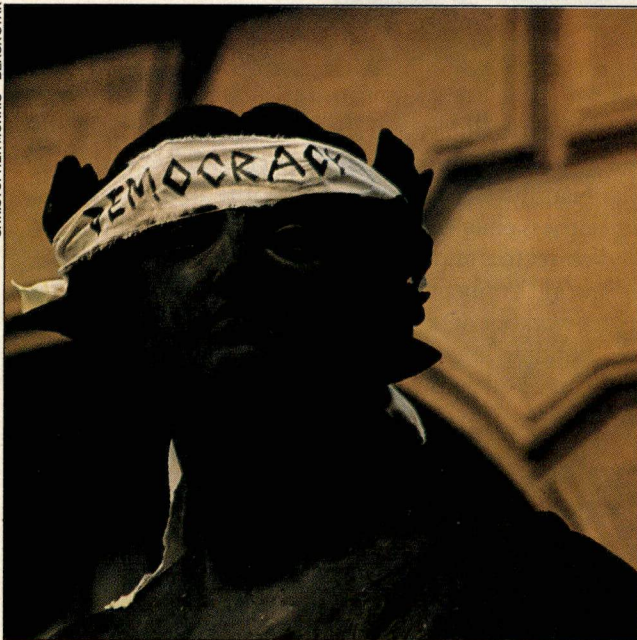
COVER: Money laundering is a thriving global business whose customers range from drug kingpins to tax dodgers

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In a high-tech wash cycle that often takes less than 48 hours, drug smugglers can turn cocaine-tinged bills into such squeaky-clean assets as money-market deposits and car dealerships. One danger: drug lords and other lawbreakers are believed to be buying valuable chunks of the American economy. ► Andrew Tobias on the impact of falling housing prices.



CHRISTOPHER MORRIS—BLACK STAR



WORLD: Amid mass resignations and arrests, has the revolt against Communism in the East bloc spun out of control?

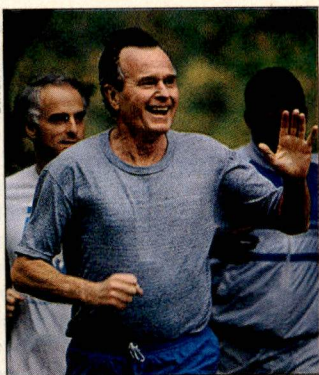
East Germany is faced with the dissolution of party leadership, Czechoslovakia with government paralysis. The turmoil reaches even into the Soviet Union, as Lithuania legalizes political pluralism against Gorbachev's wishes.

► A TIME symposium explores the future of Europe. ► The coup's lessons for Corazon Aquino. ► Colombia's scorecard in its fight against drugs.

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DIRCK HALSTEAD



NATION: And now for the hard part

Meeting Malta's ambitious goals will take tough bargaining. ► U.S. business experts are pessimistic about helping Poland. ► The \$300 billion S & L bailout could be dwarfed by a new crisis.

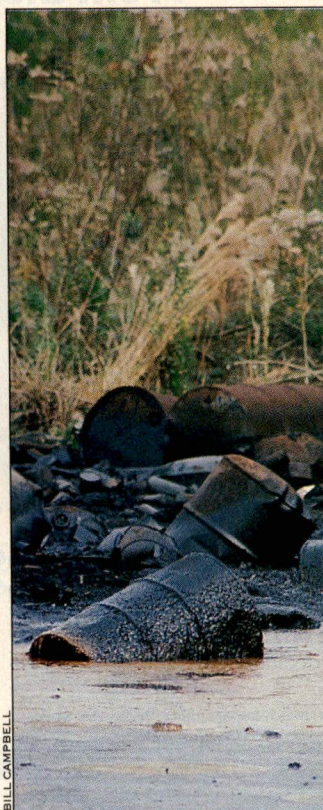
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LIVING: Mink, the ultimate luxury or a "sadist symbol"?

The fur is flying as animal activists urge consumers to leave the wraps and stoles on store hangers. Faced with stiff opposition and flat sales, the industry fights back.

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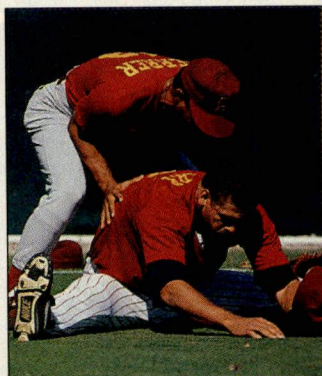
BILL CAMPBELL

ENVIRONMENT: The fight to save the planet

As worldwide concern for the environment grows, and some promising initiatives take shape, TIME reports on recent progress and outlines a concrete agenda for action by the U.S. Government, companies and consumers.

► A look at the scientific naysayers who dispute forecasts of doom and gloom. ► A preview of Earth Day 1990.

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SPORT: Geritol jocks find life on the senior tours

Aging athletes know that fans will pay to see them doing what they once did best. Now Florida has senior baseball, where the crack of the bat meets the creak of the bone.

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BOOKS: 'Tis the season to be reading

Publishers have made colorful, large-format new books a holiday tradition. This season, twelve entries in the annual sweepstakes offer special virtues or charms.



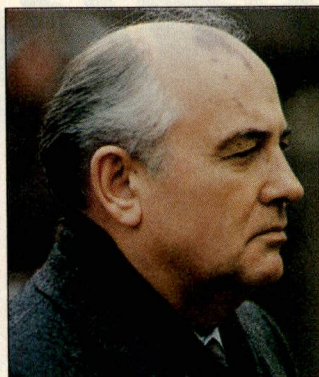
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CINEMA: Southern discomfort in three ambitious films

Sharp lessons for a Georgia matron and her black chauffeur in *Driving Miss Daisy*; Civil War blacks in *Glory*; and Louisiana's Earl Long in *Blaze*.

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ESSAY: Some words of caution from Richard Nixon

Gorbachev is an international superstar and a master politician, but before the U.S. comes to his aid it should carefully examine his motives and allegiances.

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Illustration by
Mark Fredrickson

AFTER THE SUMMIT
An Exclusive Interview With Bush

Newsweek®

December 18, 1989 : \$2.00

All About Alzheimer's

What Doctors Know ■ How Families Cope





Alzheimer's victim Ina Connolly, son Frank, wife Mary Ellen at home in Boston

■ All About Alzheimer's: A Medical Mystery

The degenerative brain disorder known as Alzheimer's disease is still a medical conundrum. Researchers have a gallery of suspects, from genetic links to environmental toxins. But only one thing has recently become clear: the fourth leading cause of death for adults will take a staggering toll on the nation's health-care system and on "the hidden victims," the families of sufferers. **Society: Page 54**



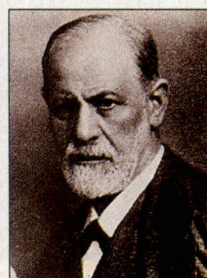
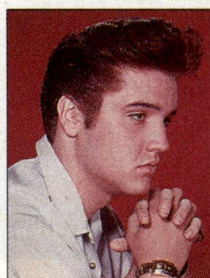
East Germans denounce communist leaders

■ Out of Control

Change in Eastern Europe was nearly out of control. In East Germany, a power vacuum provided new impetus for reunification. Czechoslovakia was on the verge of a mostly noncommunist leadership—with a playwright as its guiding spirit. And Lithuanian nationalists served warning that runaway change may not stop at the Soviet border. **International: Page 32**

■ The Nineties

An anniversary is the first chance journalists get to polish their rough drafts of history. Of course, everyone—and everything—will turn something sometime in the 1990s. Start marking your calendars, or simply clip and save this piece: the only anniversary guide you'll need until the year 2000. **Lifestyle: Page 78**



Get ready: The works from Presley to Freud

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), December 18, 1989, Volume CXIV, No. 25, 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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