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U.S. News & WORLD REPORT

MARCH 12, 1990

\$1.95

INSIDE CHINA

EXCLUSIVE: THE FIRST INTERVIEWS WITH
CHINA'S LEADERS SINCE TIANANMEN SQUARE



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March 12, 1990 Vol. 108 No. 10

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71 Smart taxpayers may find savings

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MARCH 12, 1990

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NICARAGUA Does democracy stand a chance?

TIME

Soviet Disunion

**SPECIAL
SECTION**

Growing cries for
independence bring
Gorbachev's empire
to the breaking point



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TIME

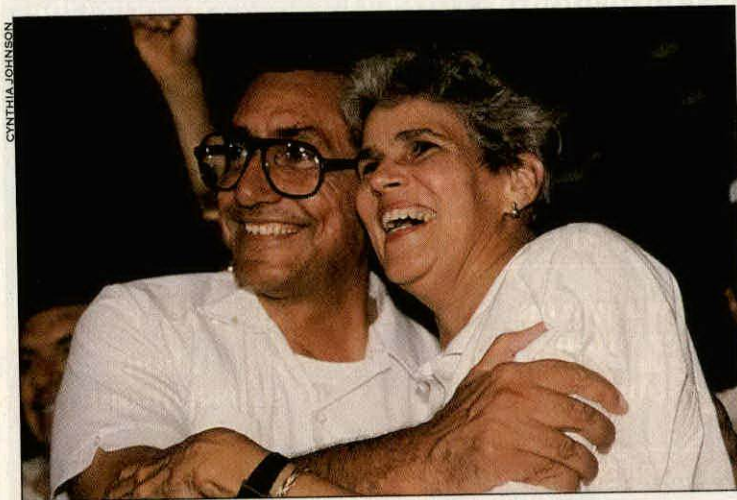
THE WEEKLY NEWSMAGAZINE



SPECIAL SECTION: The Soviet Union teeters on the brink of disintegration as republics revolt against the center

How Gorbachev moves to save his crumbling empire will affect not only his country but also the world. ► A chorus of complaints from around the union. ► A resurgence of both Russian nationalism and Islamic fervor inspires worries about communal discord. ► Why a Soviet historian believes the empire should collapse.

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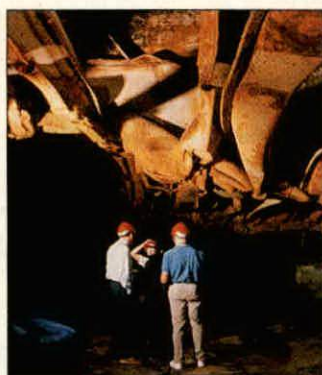
CYNTHIA JOHNSON

NATION: After democracy's victory in Nicaragua, the U.S. must help make it stick

Washington's sanctions and support for the *contras* helped defeat the Sandinistas. Now the U.S. will get the bill for rebuilding a battered country. ► Victorious Violeta Chamorro is already fencing with the Sandinistas—and the *contra* rebels.

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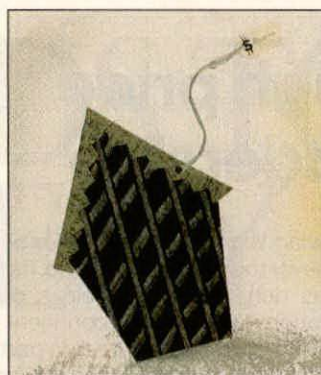
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LAW: Exxon is indicted for the Alaska spill

The U.S. Justice Department declares a crackdown on polluters. The move spotlights the growing role that environmental issues are playing in the legal business.

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BUSINESS: Why is the thrift bailout faltering?

Red tape and white elephants are adding billions to the cost of the S&L rescue. ► Andrew Tobias on Japan's willingness to forgo current gratification for future reward.

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VIDEO: Can TV news capture the real George Bush?

Last week's vapid NBC special underscored how tough it is to convey what goes on in the White House. ► Andy Rooney is back as CBS News chief David Burke caves in.

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BOOKS: Bette Bao Lord and Frederick Busch

In the shadow of Tiananmen Square, an expert examination of the political and social legacies of yesterday's and today's Chinese. ► A novel of untrue love set in upstate New York.

75



PROFILE: Tracy Chapman, pop troubador

Almost overnight she changed from coffeehouse guitarist to best-selling recording artist. Her sweetly sad voice and powerful lyrics helped make protest music fashionable again. But her quiet, earthy style remains unchanged. Shunning publicity, she sings of subjects she feels strongly about, yet she always keeps a little of herself in reserve.

70



HEALTH: The power of the mind to heal

New research is showing how mind-body techniques, including meditation and group therapy, can help fight everything from high blood pressure to cancer.

76



ART: Paintings that blend the familiar and the mysterious

At the Museum of Modern Art, the exhibit of Robert Moskowitz, 54, is a reminder that serious figurative art never went away, and can still yield works of poignancy and power.

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Cover:
Illustration by
Gary Overacre

ADIOS, ORTEGA
Why the Sandinistas Lost

Newsweek

March 12, 1990 : \$2.00

The Future of Gay America

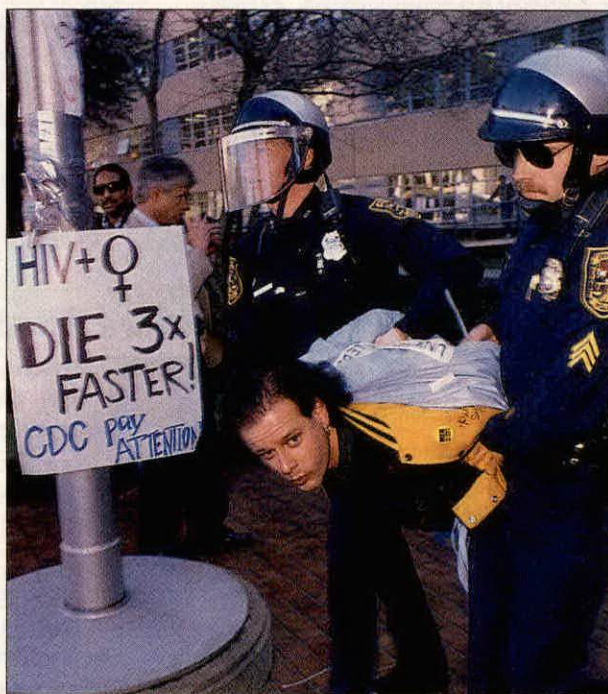
**Militants Versus
the Mainstream**

**Testing the Limits
of Tolerance**



Gay America: A Look Into the Future

AIDS has cut a deadly swath through gay America. Yet the epidemic has also galvanized the homosexual community in unexpected ways. Angry young militants have challenged the bounds of taste to protest AIDS policies—in the process setting off tensions among gays and alienating many straights. While some gays and lesbians play power politics, others are settling down to family lives, producing a new "gayby boom." But how far will the limits of tolerance extend? **National Affairs: Page 20**



Police escort activist away from ACT UP protest in Atlanta



President-elect Chamorro celebrates her win

Adios, Ortega

After more than a decade of misery and civil war, Nicaragua produced a political miracle: a free election that ended in the defeat of an overconfident Sandinista government. If the contra rebels can be disarmed and Sandinista control of the Army relaxed, the country may enjoy its first peaceful transfer of power in this century. **International: Page 34**

A Little Girl Lost and Found

When 7-year-old Hilary Foretich turned up in New Zealand on Feb. 23, the long and public tug of war over custody began all over again. Hilary's mother, Elizabeth Morgan, continues to call the father, Eric Foretich, a child abuser; he of course steadfastly denies it. Now both must wait for the ruling of the New Zealand family court, which takes a very dim view of intrusion by pushy parents or the press. **Lifestyle: Page 78**



Hilary and her mother

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Cover: Photo by Ann Rhoney.