Editorial

Market today not as crucial as in 1929

Everybody breathe a sigh of relief. The U.S. economy is not going to fall apart due to the Oct. 13 stock market plummet.

Friday's 190-point crash was greeted with the same sort of reserved panic brought on by 508-point drop in October of 1987. Some people wondered if a recession was beginning. Others debated the prospect of another Depression.

Rest easy. Economic doom is not just around the corner.

Monday's 88.12-point rally went a long way to stem panic and calm fears. Initially after the bell, the market plunged more than 60 points, but panic ended and numbers skyrocketed.

All told, the market returned to within just 2 points of where it was on Sept. 25 — a scant three weeks ago. Investors did not submit to the herd instinct, and did not engage in wholesale panic.

Above all this, we contend the stock market is not as important to the American and world economy as it was back in 1929. It has become just what the name implies — a market, not an indicator of economic health.

Things are different nearly 60 years to the day after the start of the Depression. For one thing, investors are smarter and don't scare easy. They know what happens when panic sets in: crash.

In addition, stricter regulations and tighter controls exist on today's Wall Street. While record amounts of money are being invested, there is less chance of a total collapse in the market.

And yes, the U.S. government is better prepared to handle crashes. They know why they happen, and they're better equipped to fight them.

Of course, not everybody agrees with the no-panic attitude. Many investors are scurrying for long-term, relatively safe investments such as securities and mutual funds.

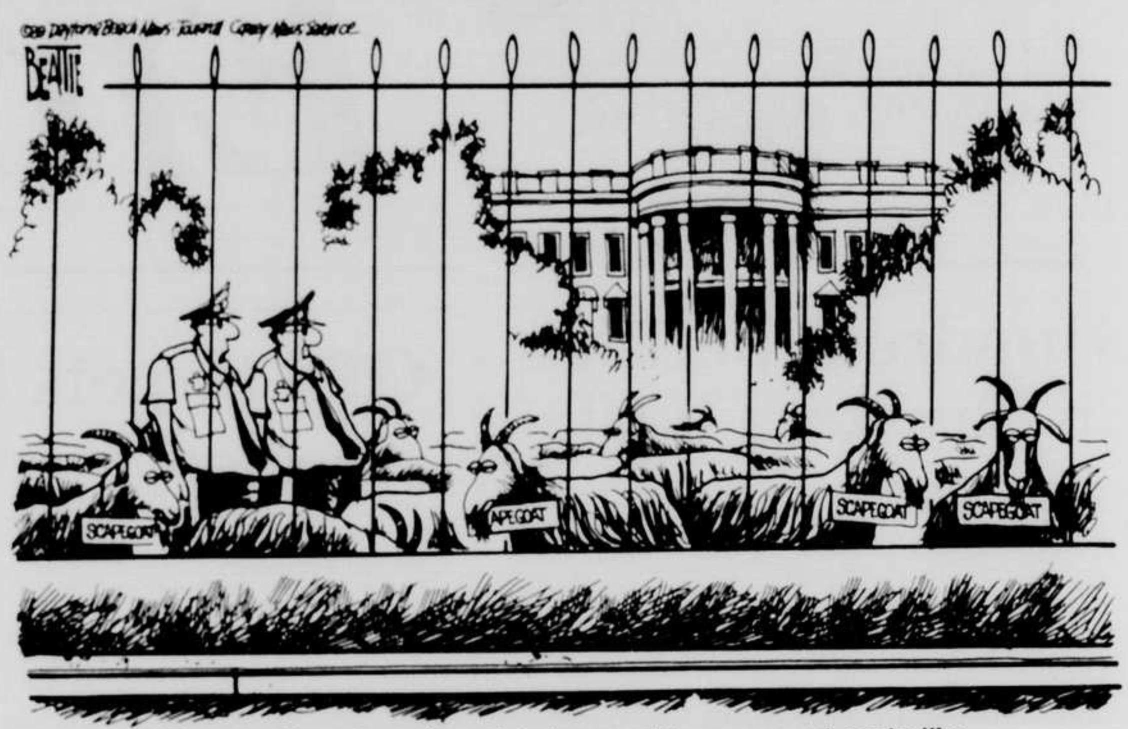
The Crash of 1987 taught analysts a lot about stock market fluctuations, and changed their thinking about them. They no longer consider crashes harbingers of economic recession or collapse. Instead, analysts are saying they might be economically beneficial. In 1987, the U.S. Federal Reserve relaxed its credit policy, and the American and world economy was better for it.

If a recession is to hit next year, analysts say it won't be because of Friday's drop.

As stated, the stock market is just a market, not an indicator. It is a place for a small percentage of the public to wager money at heavy risks for big rewards. An economic roulette wheel, if you will.

The thought of a stock market crash is enough to strike terror in every investors heart. It conjures up images of depression, bankers flinging themselves out of windows, and soup lines.

Perhaps in 1929, but certainly not now.



"The president doesn't want to be caught unprepared again like the bungled Noriega coup..."

Bush uncertain on Noriega coup attempt

One week after the attempted coup of Panama leader Manuel Noriega, President Bush now thinks he should get tough and try and send military assistance to help oust the leader.

This new thinking in the White House comes after Bush decided against doing anything last week in the midst of the attempted overthrow. At the time, we applauded Bush's stance to stay out of Panama, and it's a position by which we by.

The latest episode is consistent with many of Bush's policies, but inconsistent with his thinking . Many leaders in Washington have criticized Bush as being a timid President and felt the Panama situation was one Bush should have responded to by backing the rebels. Now it seems Bush is giving into the criticism and trying to prove he isn't a wimp, but one that will crack down on a situation like this.

If Bush sends military aid to try and displace Noriega it would be the wrong thing to do. Panama does not need another military appointed government, which would happen if the leaders in Washington had their way. The federal government might have good intentions trying to make things better, but their use of force and military aid would be far from an improvement.

Sending military troops or aid to Panama would be inconsistent with Bush's thinking because he does take a more passive role in such affairs unlike the man he served under, President Reagan. Passiveness is not always a bad thing, such as in this case. However, Bush has the wimp or passive label attached to him, and it's a stigma he has been unable to shake.

Bush is trying to improve the way others see him, and it seems this time he has decided to do it by going against his better judgment (if that's possible) and bowing to pressure.

The word on Bush also is that Noriega has the dirt on him through the sale of arms to the Contras in Nicaragua supplied by possible CIA drug running money. This seemed to be why Bush was staying out of the Panama situation in the first place. If he decides now to act on the situation he might end up only doing harm to himself.

It should be interesting to see how Bush reacts on this. The coup has been long over, but it seems the debate on it is just beginning. Panama has been a powderkeg boiling over for quite a long time now. It will be a long time until anything is resolved too. However Bush deals with Panama he must do so with extreme caution. It could easily make or break his political career and the future of Central America.

Letters

Too precious

I am addressing one in particular, but larger concerns are at hand. To the young man who hit me two times shortly after 2 a.m. Thursday morning at the campus 7-Eleven. I, again, insist that you were mistaken and I neither uttered nor aimed any defamatory slur at you.

Pray, had I a stiletto, what then? What if I, for God's sake, was a more desperate individual, at whose disposal are always great means of destruction? Hell, what if I, in vengeance, endeavored to exact some measure of retribution from one whom I mistook for you?

If no rational testimony or human entreaty can convince you of the misunderstanding, be swayed by your own innocence, why invite such calamitous possibilities?

Too many, too ready to take offense, use their righteousness as a shield for their own brutishness. However, I have the consolation of the thought, and may even gloat, that I was hit by a truly angry and indignant young man.

Our days are too short, and our blood to precious to be spilled in front of an establishment whose credo is "Where the good things come easy."

Nathan Meads
Student

Free speech

I have been a member of the Sierra Club for over forty years, and I was dismayed by the agreement on the cutting of old growth which Sen. Mark Hatfield recently maneuvered through Congress.

Therefore, I had a lot of sympathy with the feelings of the demonstrators at the dedication of the new Science Complex on Sunday. However, I did not sympathize with those who tried to interfere with his public expression of his opinions — especially on another issue.

I wondered at the time how many of the protesters realized that Sen. Hatfield has been one of the most effective spokesmen in Congress to reduce defense spending and to curb military influence in the government. We can agree or disagree with his opinions, but we should allow the figure to express them without interference.

I hope very much that every person who carried a sign at the demonstration Sunday will also register and vote in 1990 in both the primary and general elections. I hope also that such a person will know how each candidate stands on issues such as cutting or preservation of old growth, increasing or decreasing military appropriations, curbing abortion versus freedom of choice, and any other matters the voter considers to be important and relevant.

It is more important to vote carefully, than it is to get a kick out of yelling in a public meeting.

Richard Noyes
Professor of Chemistry

Maybe

"Maybe, just maybe," space exploration does have potential value, but at what price? The *Emerald* editorial of Oct. 13 regarding the space probe Galileo was riddled with error. The odds of a plutonium release during liftoff are not 1-in-350, but according to NASA's own figures, 1-in-78.

To equate support of the Galileo project with concerns for environmental issues is at best misleading. According to a 1988 Pentagon report, the nuclear generator to be launched with Galileo is the same type intended to provide power for the lasers, weapons platforms and other devices in the Star Wars armory. The *Emerald* editorial board is the only "environmental" group we know of supporting SDI.

That the problems surrounding the greenhouse effect are escalating and the ozone is diminishing can not be doubted. How nations are going to solve these problems can be questioned. "Maybe, just maybe," Galileo will provide more accurate measurements of the crisis dimensions, but how often do firefighters measure the size of aflame before putting it out?

While the physicists at the *Emerald* inform its readers that the surface of Venus is "hot enough to melt a Buick" due to the infamous greenhouse effect, they fail to mention that the 49.25 pounds of plutonium — the most toxic substance in the known universe — is enough to effectively kill every person on earth.

As we count down the launching of the Galileo, we can also count our lucky stars that the Buicks on Venus will burn before the flag.

Kelly Weigal
Student