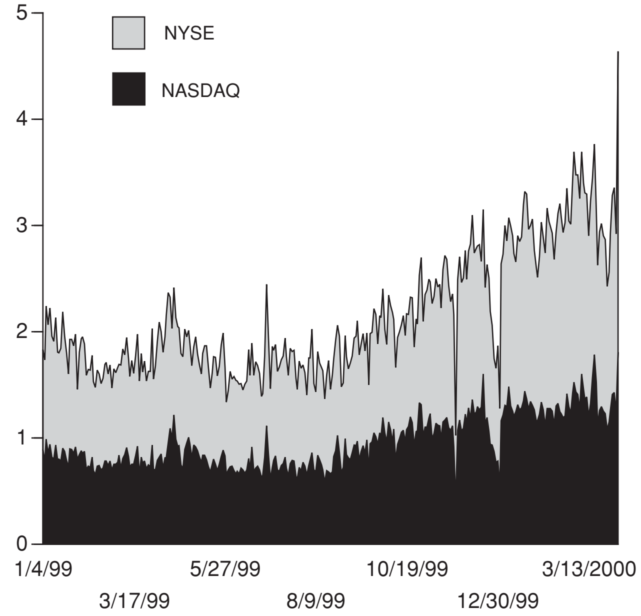
U.S. speculation fever going off the charts

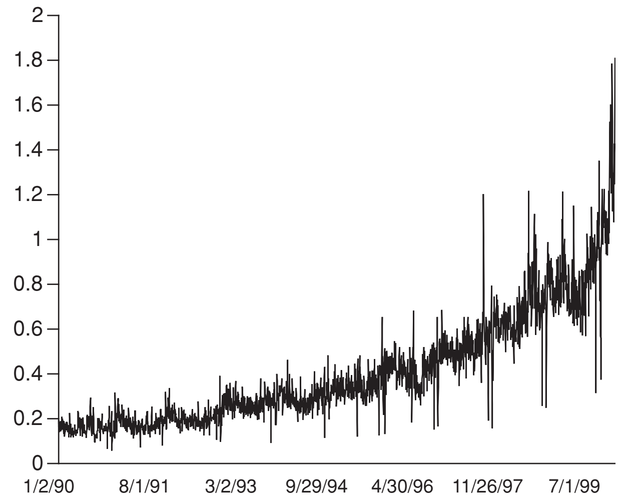
Nine graphs are provided here for reference on U.S. stock speculation mania. **Figure 1** shows the rise in volume of daily stock trades over the last 15 months. The number of Nasdaq shares traded daily are even higher than trading volume on the New York Stock Exchange (**Figure 2**). **Figures 3** and **4** show the soaring Dow Jones "Industrial" Average for 30 stocks, and the Nasdaq composite index. Their highest peaks are noted, and the widening daily swings are evident. **Figures 5** and **6** show this in more detail for the Dow Jones index. Figure 5 gives, since Oct. 30, 1996, the points-per-day change, as of closing. The increased volatility is clear, even though the intra-daily swings are often greater still—as on April 4, with a record 700-point swing, which is *off the chart*—before settling down at closing. Figure 6 shows that a 2% daily change in the Dow became common in recent months. **Figures 7, 8,** and **9** show the similar trends in other stock composite indices.

FIGURE 1
Stock trading volume, New York Stock Exchange and Nasdaq, Jan. 4, 1999-April 4, 2000
(Shares traded daily, billions)



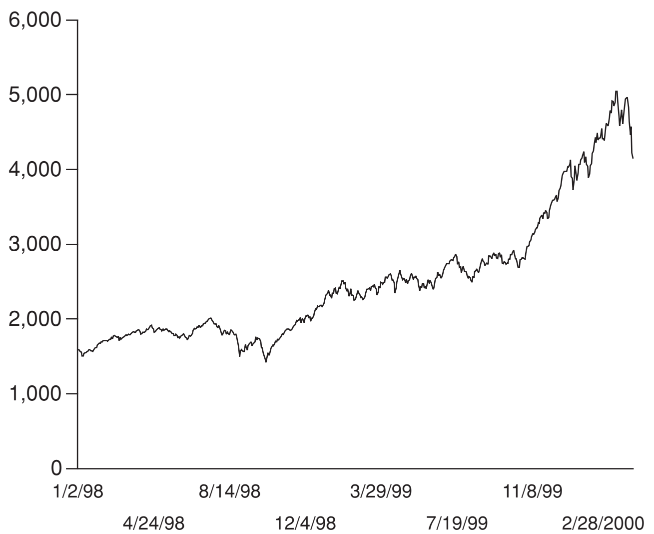
Sources: NYSE, Nasdaq.

FIGURE 2
Stock trading volume, New York Stock Exchange, Jan. 2, 1990-April 4, 2000
(Shares traded daily, billions)



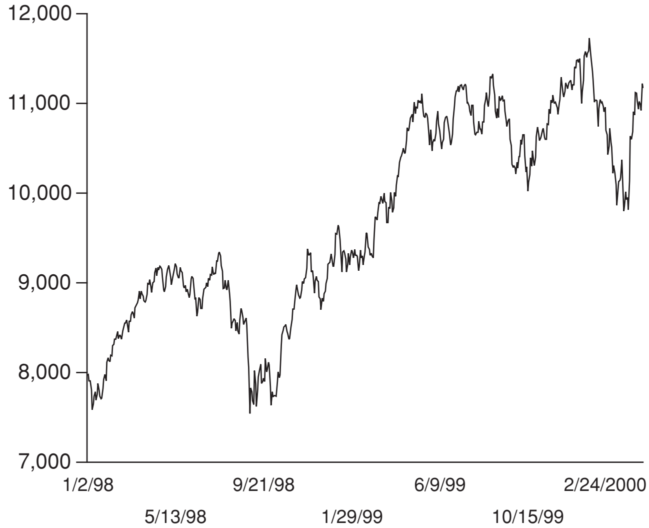
Source: NYSE.

FIGURE 3
Nasdaq Composite Index, Jan. 2, 1998-April 4, 2000
(points)



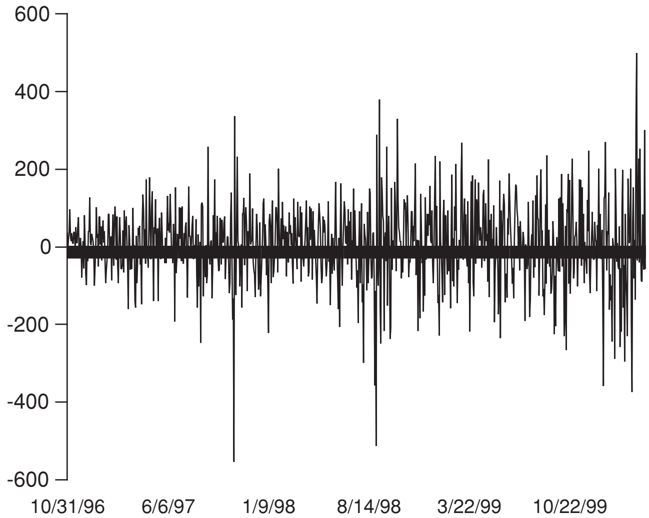
Source: Nasdaq.

FIGURE 4
Dow Jones 'Industrial' Average, Jan. 2, 1998-April 4, 2000
(points)



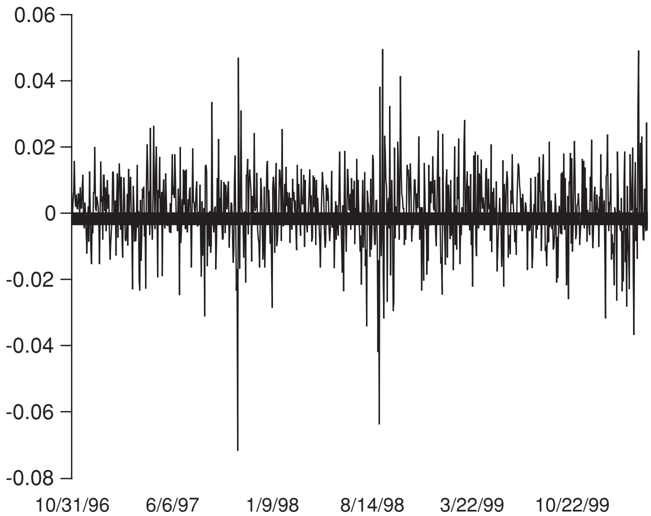
Source: Dow Jones.

FIGURE 5
Dow Jones 'Industrial' Average fluctuations, Oct. 30, 1996-April 4, 2000
(points per day)



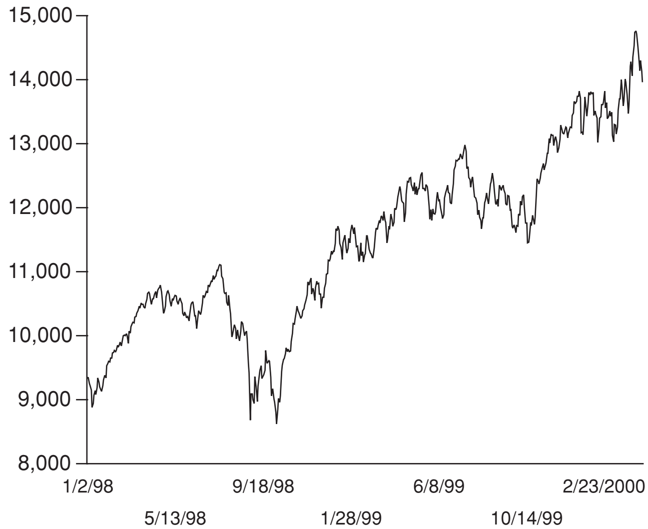
Source: Dow Jones.

FIGURE 6
Dow Jones 'Industrial' Average fluctuations, Oct. 30, 1996-April 4, 2000
(% change)



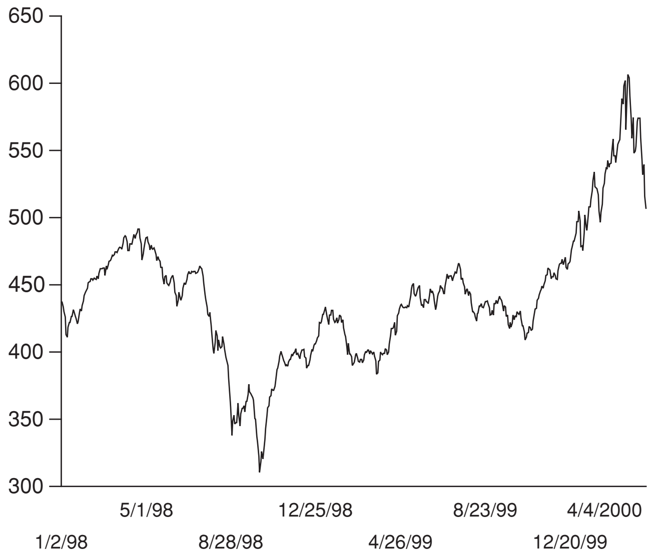
Source: Dow Jones.

FIGURE 7
Wilshire 5000 index, Jan. 2, 1998-April 4, 2000
(points)



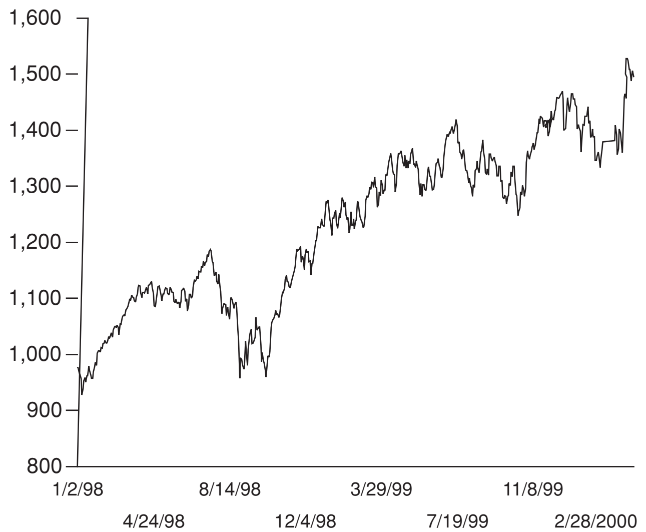
Source: Wilshire Associates.

FIGURE 8
Russell 2000 index, Jan. 2. 1998-April 4, 2000
(points)



Source: *Wall Street Journal.*

FIGURE 9
Standard & Poor's 500 index, Jan. 2, 1998-April 4, 2000
(points)



Source: *Wall Street Journal.*

EIR study debunks 'New Economy' myth

by Elisabeth Hellenbroich

Just at the point when European governments, in hysterical denial of the inevitable financial crash now under way, are betting on the success of the much-touted American model of the "New Economy," the German EIR Nachrichtenagentur (EIRNA) presented a new study thoroughly debunking the entire "Myth of the Information Society."

Speaking in Berlin on April 3 before an audience of press, embassies, assistants of several parliamentarians, representatives of the German Chamber of Industry and Trade, economic associations, universities, and research institutions, EIRNA's Lothar Komp demonstrated how groundless the so-called U.S. economic boom and the euphoria over the Internet market really is. The supposed upward growth of the totally overvalued Internet market will soon turn out to be a nose-dive, he said. Moreover, according to the prognoses of leading economic experts and the American financial journal *Barron's,* most of the Internet firms will be bankrupt by the end of the year.

Komp showed that the so-called "New Economy" boom in the United States, is based on a gigantic pyramid of debt, a trade deficit which is growing ever larger, and a speculative stock market bubble which has made some into millionaires in recent years, while the real incomes of most people in the United States have drastically contracted between 1977 and 1999.

A 'false spring'

"The Rise and Fall of the Post-Industrial Society" was the topic of a presentation by Dr. Jonathan Tennenbaum at the same event. Tennenbaum demonstrated that the model of the post-industrial society—repackaged more recently as the "information society" and the "new economy"—is a "false spring." The characteristic of this deception, is the plundering of the real physical economy, a predatory practice which aims at short-term profit at the expense of long-term investments in the maintenance and expansion of the physical economy.

If one follows the basic assumption of the information society, Tennenbaum asserted, then only 5% of society would be employed in the productive sector, given the supposedly growing productivity of the information sector, as it is called, while the rest would be employed in the services sector. That assumption, however, is absurd: "A post-industrial society which destroys its own physical foundation by cannibalizing