

Business Briefs

Speculation

Stock market boom prelude to crash

An article in the *Financial Times* of April 18 considers the "perplexing lack of correlation between the performance of stock markets and the performance of the world's leading economies."

The article notes an "uncoupling of bourses from economic reality," an uncoupling that *EIR* founder Lyndon H. LaRouche has been calling attention to for a number of years. While the real economy stagnates, the paper markets are booming.

The *Financial Times* quotes the latest issue of *Bank Credit Analyst*, a monthly review of the U.S. investment markets, which warns that the "benchmarks of rationality" are disappearing, and fears that the coming international crash may begin in Tokyo, which is experiencing the wildest speculative boom since 1929.

The article ends by asking, is the world going toward a boom, such as that which followed the 1953-58 stockmarket boom, or toward another Crash of '29, which followed the boom of that year?

On the following Sunday, April 19, the *New York Times* argued, in its blinkering "what, me worry?" style, that "a 1929-style crash followed by a collapse in economic output is highly unlikely," citing the ability of governments to quickly shore up banking systems and immediately restore consumer purchasing power.

Public Health

Incidence of TB increasing among blacks

The rate of tuberculosis infection among blacks far surpasses that among whites, according to Dr. Richard O'Brien, chief of clinical research at the Centers for Disease Control's TB division.

Dr. O'Brien stated that blacks are con-

tracting TB and dying of lung diseases at "disturbingly" higher rates than whites. Among some age groups, the black rate is 9 times higher than among whites, and the death rate 16 times higher. This disparity "is in large part a reflection of the continuing and perhaps widening difference in socio-economic status. . . . This disparity . . . calls for an intensified effort to close this gap and thereby prevent unnecessary disease and death," O'Brien said.

In 1985, the incidence rate among blacks was 26.7 per 100,000; among whites, 5.7 per 100,000. Cases among blacks were concentrated in the southeast, the eastern seaboard, and California. Cases among whites are most common among the elderly.

Arms Traffic

Bribery charged in Indian-Swedish deal

On April 17, Swedish State Radio claimed that Indian ministry of defense officials had accepted \$8.4 million in bribes to award a contract for just over \$1 billion to Bofors, a subsidiary of Nobel Chemicals that is also implicated in arms smuggling to Iran. Swedish radio claimed the money was paid to members of India's ruling Congress Party, and that \$5 million had been paid in late 1986 into Swiss Bank Corporation accounts that have been traced back to Indian officials.

The Indian defense ministry, the Swedish government, and Bofors have all denied that bribery took place. Former Bofors managing director Martin Ardbo told *Aftonbladet*, the newspaper of the Swedish Social Democratic Party, that Swedish Prime Minister Olof Palme had been instrumental in getting Bofors a multimillion-dollar order from the Indian government in January 1986, shortly before Palme was assassinated.

The government of Prime Minister Rajiv Gandhi denounced the allegations on April 18. The government said the allegations were "one more link in the chain of denigration and destabilization of our political system." Following a meeting of the

council of ministers, the Indian government called the Swedish claims "false, baseless, and mischievous."

International Credit

Lending to Asian nations low in 1986

According to the Asian Development Bank report released on April 20, lending to Asian nations was "less than anticipated." Although the value of loans approved by the bank rose 4.9%, to \$1.4 billion, the amount actually disbursed fell 1.3%, to \$612 million, because of "an unusually large" number of cancellations.

The bank said the decline "reflected high debt levels and budgetary constraints in some developing member countries as well as generally low commodity prices worldwide, which depressed their export earnings." In 1986, the net transfer of resources—net loan dispersal minus interest and principal repayments—by the bank to Asian nations fell to \$237.4 million, from \$421.3 million in 1985, a decrease of approximately 43%. The fall was explained as resulting from net increase of repayments in relation to dispersals and the effect of currency exchange losses.

Fascist Economists

'Techno-corporatism' the wave of the future?

"Enlightened techno-corporatism" is the name being given by Austrian economists and politicians to the system that currently rules there. One Vienna source said, "Our policy is consensus among social partners, which is sometimes given the name of neo-corporatism. . . . It is a system that is unique to Austria, but with international applicability."

Since corporatism was one of the pillars of both Nazi and fascist economic and social policy, our source hastened to distance his enlightened conceptions from the earlier