

## FROM OUR COMPETITION...

### Keeping tabs of the Economist

*Long regarded as the acme of financial and economic reporting in the English-speaking world, the venerable, London-based Economist is today filled with distortions, inaccuracies, and misstatements of fact — sometimes deliberate. All too frequently, the Economist's inaccuracies and misstatements of fact appear in contexts in which they slip past the reader who does not have independent sources of information. To assist these readers in separating the wheat from the chaff, EIR's intelligence staff, which regularly crosschecks the Economist mis- and disinformation, has developed the following column to provide regular correction to the inaccuracies of the London publication.*

#### What the Economist said (Feb. 10-16, 1979)

#### The Facts

"Anything but equities" (lead business feature): "...capitalists have been fleeing from securities ... investors were treating last week's tentative cuts in prime rates as an aberration.... Investors (and speculators) were not simply withdrawing from equities. They were switching, sometimes indiscriminately, into anything that promised some shelter.... And not just into gold and other precious metals ... this week's rise is part of the general defection from paper (currencies and securities)."

Readers of the Economist who took such advice by buying gold on Friday, Feb. 9, when it hit the newsstands, would have lost 5 percent of their investment by Wednesday, Feb. 13 during which time gold had fallen from \$254 to \$240 an ounce.

Prime rates have not gone back up yet; in fact Citibank, the second biggest bank in the U.S., also lowered its widely watched prime rate as the Economist hit the newsstands.

The first paragraph of "A greying fog over Germany" (the magazine's lead "Europe" section article) claims West German Parliamentary leader Herbert Wehner attacked the West German Foreign Office.

Wehner attacked only Foreign Secretary Hans Genscher. Wehner is in accord with the State Secretary of the Foreign Office, Klaus von Dohnanyi, among others.

"The last thing Mr. Schmidt and his Defense Minister, Mr. Hans Apel, wanted was an emotional public debate like the one Mr. Wehner has now stirred up. They, and Mr. Genscher, believe that the Soviet Union's arms buildup exceeds its legitimate defense needs."

Acting as Chancellor Schmidt's Foreign Office emissary to Moscow at the Bergerdorfer Gespraechskreis, State Minister Klaus von Dohnanyi stated on Jan. 22: "We recognize the psychologically and historically understandable security needs of the Soviet people and the thus explainable Soviet defense and strategic considerations. We presume that the Soviet Union has created and maintains its rapidly growing military potential for defensive purposes." This Foreign Office statement is similar to Wehner's own recent statements regarding Soviet motivations.

"...nuclear weapons which could reach Soviet soil have never yet been stationed on West German territory."

This is a lie. As was revealed during the early 1960s "Starfighter" crisis when Franz Josef Strauss was West German Defense Minister, West German-stationed Starfighters had been modified and nuclear weapons installed in them.

— compiled by Richard Schulman