

LAYOFFS? "SO WHAT?" SAYS UMW OFFICIAL

Oct. 25 (IPS)--Ed James, the Administrative Assistant to Arnold Miller, president of the United Mineworkers Union (UMW), told IPS last week that he did not care how many steel, auto, and other workers would be laid off if the UMW goes out on strike November 12.

"I know there will be a lot of layoffs," James told IPS. "So what? This is our strike. I don't care what steelworkers think," he continued. When he was told that the strike was part of a Rockefeller set-up to shut down the American industrial heartland and further militarize the economy, James stated, "You got it all wrong. We're going to shut down the whole country. The UAW, the UE, they are all going to help us. It's the working class that is going to shut down the country."

With UMW Public Relations Director Bernie Aronson cackling into another extension phone, James admitted that the present strike situation is similar to the scenario that took place in Britain last winter. Then, the Tavistock-controlled British National Union of Miners (NUM) shut down the British economy, bringing on three-day work weeks. "So, what was wrong with that?" James and Aronson queried. "They won, didn't they?"

James subsequently told IPS that he had been to the United Auto Workers' Black Lake brainwashing center three times. "The whole UMW leadership went there," James proudly stated. "The UAW taught us how to run a democratic union."

AP, UPI UNDERCUT KISSINGER

Oct. 25 (IPS)--While Secretary of State Henry Kissinger is in Moscow for the second round of Strategic Arms Limitation Talks (SALT), the leading CIA press conduits are manufacturing "news" preparing the climate for a further round of "red scare" style missile rattling. In this latest Rockefeller-detente scenario, Kissinger may also be a loser.

An IPS investigation turned up an advance United Press International (UPI) wire story attacking Kissinger and touting the hard-line faction of Defense Secretary James R. Schlesinger, scheduled to be run Sunday Oct. 27 by UPI affiliates. Further digging traced the story straight to the State Department and UPI reporter Stuart Hensley.

At the same time, three major European newspapers published articles alleging that the Soviets had deployed Intercontinental Ballistic Missiles near the Chinese border. Despite protests by both UPI and Associated Press that these articles did not originate in Washington, D.C., IPS located the author, an AP reporter

stationed in the Pentagon. With 14 years' experience on the "military beat," this seasoned reporter indicated that his information came from "people who keep up with these things, people higher up."

**BUNDESBANK INTEREST CUT:
"PSYCHOLOGICAL MOVE" ACCORDING TO BANKERS**

Oct. 25 (IPS)--West German and U.S. banking sources in New York City derided yesterday's decision by the West German Federal Bank (Bundesbank) to lower the rates at which it lends to West German banks as a "psychological move" which will have little effect on the current credit squeeze.

One West German banker said, "The increase in liquidity will not be overwhelming, and the lowering of rates won't have much impact." The Federal Bank yesterday reduced the Lombard rate, at which it provides short-term funds to banks on security of government bonds, and the discount rate, which is little used in practice, from 9 per cent to 8.5 per cent and from 7 to 6 per cent respectively.

A selective credit squeeze continues. "I do not yet see a reverse of the general tight credit policy," said an official of the New York office of Bayerische Veriensbank. "To be very frank, to go into some industries right now would be foolish. In certain situations, like textiles and construction, you might as well throw your money out the window. I don't think the banks would go into construction to bail the companies out."

At First National City Bank, economists described the move as "fairly cautious," adding that any further easing of credit would be predicated on forcing across a "moderate wage settlement of fall wage demands."

Bank loans rose by 9.2 per cent between February and July, according to Federal Bank figures, a much higher rate of growth than any other advanced sector country. But the banks' capacity to sustain such growth is highly limited. Free liquidity reserves of the banks, according to the central banks' measurements, have fallen from about DM 6 billion before the June 26 Herstatt bankruptcy to less than DM 3 billion at present. Even this increase in bank lending is highly selective. Analysis of Bundesbank figures shows that over the summer banks sharply reduced their short-term credits to weaker sectors in favor of longer-term credits to the potential survivors, a form of credit triage.