



NEW SOLIDARITY International Press Service

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COMBINED ISSUE

I. PRIORITIES

RUN ON POUND OUT OF CONTROL; LONDON TIMES FEARS CURRENCY CHAOS

March 7 (IPS)--According to front-page articles in the leading British dailies yesterday, the collapse of the pound sterling to below the 2 dollar level on the foreign exchange markets, was encouraged by the Labour Government as part of its economic strategy to make British exports more competitive. The Daily Express bluntly called it "backdoor devaluation." According to the Daily Telegraph, the "trigger" was pressed by the Bank of England itself on Thursday when it sold 80 million pounds to replenish its reserves with dollars, but, in the general market confusion which ensued, "once it started, the run on the pound became too great for the Bank of England to resist even if it wanted to."

The Financial Times writes that the pound's sudden plummet "appears to have taken the authorities by surprise," while the London Times lead article makes known that "the great fear in the foreign exchange markets yesterday was that the turmoil over the pound could lead to a more general upset of the currency system."

CONSERVATIVES DEMAND EXPLANATION FOR POUND'S COLLAPSE

March 7 (IPS)--British Conservative Party spokesman on prices and consumer affairs, Norman Lamont, criticized the government's handling of the pound sterling's dramatic collapse in a speech quoted in yesterday's London Times. Lamont demanded an explanation of why British authorities were deliberately allowing a depreciation in the value of the pound in relation to other currencies. "Everything the authorities are doing seems designed to weaken the pound in the most dramatic way," Lamont charged. "Normally the bank does not comment on market operations. But the Chancellor of the Exchequer ought to make a statement about the government's policy toward the pound."

(MORE)

PHILADELPHIA BUDGET DIRECTOR THREATENS MASS LAYOFFS
TO PUSH 29 PER CENT STATE TAX INCREASE

March 7 (IPS)—Philadelphia Mayor Frank Rizzo's Budget Director, Lennox Moak, has warned the Pennsylvania State legislature that unless a 29 per cent tax increase is passed, 3,5000 city workers will have to be laid off, according to the Philadelphia area press this morning. Moak said that without the layoffs of state taxes, he must enact a 50 per cent city tax increase in July.

The Moak austerity program includes:

- 15 per cent layoff of city service workers, including 5 per cent in police and fire,
- garbage pick-ups cut from 2 days to 1 in areas that still have 2 days,
- shutting Philadelphia General Hospital earlier than planned,
- shutting off street lights in half of the city.

END OF PRIORITIES FOR SUNDAY, MARCH 7, 1976