

FINANCIAL: THE COLLAPSE OF THE POUND
AND DOLLAR; NYC PUSHED OVERBOARD

BANKERS ACKNOWLEDGE THAT POUND COLLAPSE WILL AFFECT DOLLAR

May 13 (IPS) -- An article by Clyde Farnsworth in the New York Times today is the first public acknowledgement of the growing fears of Western bankers over the "spillover" effect on the U.S. dollar of the collapse of the British pound -- a buffer reserve currency for the dollar's international reserve role. The pound's rate of decline against the ten major currencies is at an all time high of 25 percent, and New York bankers are publicly predicting a \$2 rate for the British currency in a matter of a few weeks. The pound's drop would have been even steeper had it not been for "slight" intervention by the Bank of England.

POUND STERLING, U.S. DOLLAR IN DANCE OF DEATH

May 14 (IPS) -- The pound sterling and the U.S. dollar continue to plummet in tandem, with the dollar yesterday taking the worst of the beating. Despite the psychotic intentions of Rockefeller financial circles to junk both Britain and New York City and nonetheless retain the viability of the dollar, the international financial system is now threatened with terminal rupture. Significantly, columnist Paul Fabra writing in today's Le Monde targets the Eurodollar market as the immediate casualty of the Rockefellers' attempted financial triage operation.

IMF WARNS BRITAIN "NO IMPORT CONTROLS"

May 15 (IPS) -- As the pound sterling continues to be trampled in major international currency markets, economists from the Rockefeller-dominated International Monetary Fund (IMF) quietly left London after two days of talks with Treasury and other British government officials. Of increasing importance are the policies that Prime Minister Wilson's government may be forced to introduce to curb the country's economic collapse -- especially if a "strings-attached" loan comes from the IMF.

ECONOMY A "MILITARY" QUESTION

May 15 (IPS) -- A highly-placed source in one of New York's largest investment concerns yesterday asserted that the economy was now a political and military question. Commenting on the pound-dollar collapse and the anticipated official bankruptcy of New York City, this source declared, "Well, that's a military and national diplomacy question." The investment official added with great agitation, "And I am not qualified to comment on that."

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NEW YORK CITY BUDGET CRISIS -- AN INTERNATIONAL EXAMPLE

May 17 (IPS) -- At a City Hall press conference yesterday, Mayor Beame lashed out at the financial community and the "Republican pincer movement in Washington and in Albany" while presenting a "horror list" of municipal cuts that will be implemented if no aid is forthcoming to the city. The cuts would result in the elimination of another 38,000 city jobs, bringing the total workforce reduction to 52,000 jobs or 18 per cent, a further 25 per cent reduction in police street patrol, the closing of four more hospitals, and a further one third decrease in sanitation collection - to name only a few of the horrors.

"I want to know why the financial community, Washington and the Albany GOP chose this period, when the City is instituting drastic economies, to further punish the people," Beame asked.

A NEW DUST BOWL SLATED FOR U.S. BREADBASKET REGIONS

May 17 (IPS) -- The Colorado Agriculture Department confirmed this week in an interview with IPS that substantial portions of the Eastern Colorado winter wheat crop have been lost due to extremely dry weather and wind. The wheat crop in west Kansas and Nebraska has also been seriously affected. This year's Colorado crop is estimated at 39 million bushels, compared to 67 million bushels last year. But the crop may go as low as 35 million bushels. According to the State Agriculture Department spokesman, a "normal" crop is considered to be one over 45 million bushels.