

LONDON (AP) — In a surprise announcement that stunned Parliament and rocked the stock exchange, Prime Minister Harold Wilson said today he will resign as soon as Laborites in the House of Commons pick a new leader. Wilson, who turned 60 last Thursday, cited age as the reason.

A special meeting of Labor lawmakers was

she takes over. Wilson's five year-term have expired in October 1979.

Lawmakers at Parliament poured out of committee rooms into the corridors when news of Wilson's announcement reached them. The prime minister had given no public hint that he was about to resign, and many members of Parliament at first refused to believe the announcement.

On the stock exchange following Wilson's announcement, people were 'dashing around all over the place," one dealer said. "It was chaos and confusion for 10 minutes."" The pound opened at \$1.920 and went down to \$1.9160 after Wilson's announcement. The Bank of England intervened and the rate then improved slightly to \$1.9170.

Wilson's government suffered a stinging 28-vote defeat in the House of Commons last Wednesday on its plans to slash public spending by \$6 billion. The defeat was caused by a revolt of 37 left-wing Laborites. The same day, the opposition Conservative party won two special parliamentary elections with increased majorities, cutting into Labor's slice of the vote. On Thursday, however, the government survived a vote of confidence in Parliament by a majority of 17. \_ .

Wilson's government under sharp attack from the Conservative opposition led by 50-year-old Margaret Thatcher as well as the left-wing Laborites. Over the past 12 months, Britain's annual rate of inflation has hovered around 25 per cent, the highest in the industrialized world, and the pound sterling

below the psychologically important \$2 floor for the first time in history March 5.

Wilson's official announcement said he told the cabinet of his decision this morning and then went to Buckingham Palace and informed Queen Elizabeth II.

Wilson pointed out in his statement that he had been Labor party leader for more than 13 "exciting and turbulent years – nearly eight of them in government.