

was forced to admit in April that there might be a flaw in the government's economic battle strategy.

Living costs have soared. Shoes are 226% more expensive than in 1980, while private medical insurance has risen 265%. The average water bill to households has risen 160%, in another privatized area. Milk is 89% higher, and the famous fish 'n' chips 170% more expensive than in 1980. British Rail ticket fees have risen by 130-170%, while service has deteriorated.

Thatcher's tax policy has selectively reduced taxes on the highest income earners, while recovering revenues via indirect regressive taxes such as the Value Added Tax or the new controversial head tax known as the "poll tax."

Widespread public walkouts last year by nurses and hospital employees dramatized the crisis of government-funded health care, but little has been done since to change things. In May, John Major, Thatcher's Chancellor of the Exchequer, the man who controls the purse strings, told cabinet ministers to control government spending in order to combat inflation. Earlier gimmicks to patch up the National Health Service by sale of some of its real estate were a failure, because of the government's prohibitively high 15% bank interest rate levels, blocking funds for urgently needed new hospital construction.

In the area of livestock and food quality standards and government regulation of this, Britain is perhaps below the level of the poorest EC countries, as a result of its *laissez-faire* approach. One result is a current panic spreading over outbreak of a dangerous cattle disease, bovine spongiform encephalopathy (BSE or "mad cow disease" as the popular press dubs it). It comes from the government's lax controls on cattle feed, which have allowed sheep that have a virulent brain disease known as "scrapie," to be slaughtered and processed for cattle feed. According to an expert on the disease, Albert Roux, master chef in London's only three-star restaurant, Le Gavroche, "This country has become the laughing-stock of Europe over the quality of its food." Roux is also one of Britain's leading experts in the microbiology of food preparation. Only after a loud outcry and the slaughter of thousands of infected cattle, did the Thatcher government reluctantly take any steps to control the problem.

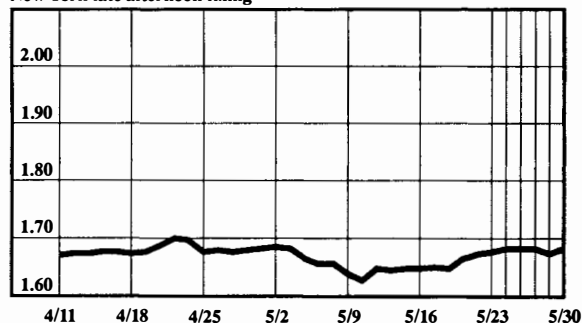
Last December, Prof. Richard Lacey resigned as adviser to the government's Veterinary Products Committee on Health and Microbiology, in protest against the government's failure to heed warnings of risks of salmonella-contaminated eggs. He now demands that 6 million cattle be slaughtered to stop the spread of "mad cow disease." West Germany and several other EC countries with high animal health standards now refuse to import any British beef.

The list is unfortunately endless of such incidents of malign neglect, spawned by the credo of Thatcher's brand of Friedrich von Hayek's radical monetarism. It can be said that the "Thatcher experiment" is still on course, but the course is leading Britain directly into catastrophe.

## Currency Rates

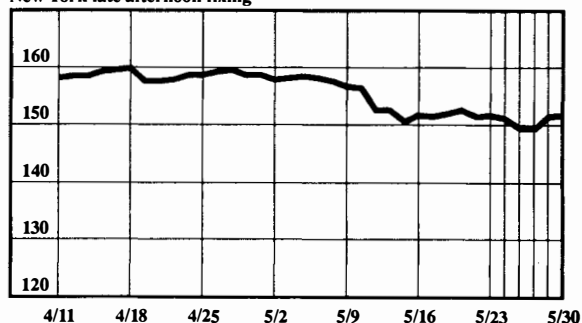
### The dollar in deutschemarks

New York late afternoon fixing



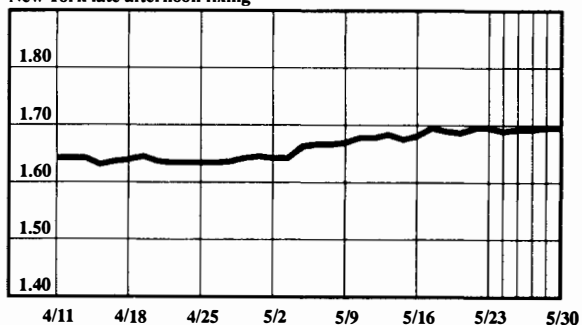
### The dollar in yen

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing

