P.S. to the NEWS
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FOLLOWING IN ENGLAND'S FOOTSTEPS

American workers are no longer the highest paid in the world. U.S. hourly workers, who now average $5.63, have dropped behind Japan at $6.70, Sweden at $6.13, Belgium at $6.10, and West Germany at $5.76.

For decades, American workers' pay was the envy of the world. We started falling behind in the 1970s. If the trend continues, we will soon drop down to the level of British workers.

England has many great qualities and traditions which have been emulated by Americans and have contributed to our rich heritage. It would be a pity if we indiscriminately adopt her bad qualities and traditions and follow her down the trail to a drastic decline in real income.

Since we so often do follow in England's footsteps, it would be well for us to reread Prime Minister Margaret Thatcher's first address in the United States. She came here to warn us not to follow Britain down the primrose path to Socialism when she spoke to the Institute for Socioeconomic Studies in New York City on September 15, 1975.

Mrs. Thatcher painted a grim picture of Britain's economic troubles where the annual inflation rate has been running at 25 percent. She described how 56 percent of the British gross national product is controlled and spent by the government.

Mrs. Thatcher told how this is done. Every year during the 1950s and 1960s, taxes and social security payments transferred a larger percentage of the gross national product from the private to the public sector, a massive transfer which she believes is "one of the major sources of inflation."

Mrs. Thatcher described a typical industrial wage earner, a man and wife with two children. Since 1963, the government has increased its take from five percent to about 25 percent of the worker's wages.

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She also described how high taxes damage middle and upper management, causing a brain drain out of the country. A British employer who wants to promote an executive from £8,000 per year after taxes to £12,000 would have to raise him an extra £15,000 per year. This makes it almost prohibitive to reward skill or hard work and the result is "losses of highly trained manpower through emigration."

Moving from practical examples to the ideological basis of what she calls the "British Sickness," Mrs. Thatcher clearly and firmly stated that this stagnation is the result of the pursuit of equality, which is a "mirage." She believes that equality of opportunity is a more practicable and just goal for society -- "and opportunity includes the right to be unequal and the freedom to be different."

Speaking in New York nearly two years ago, Mrs. Thatcher told of her high hopes for her nation. She wants to build a society in which each citizen can develop his full potential, and in which "originality, skill, energy and thrift are rewarded; in which we encourage rather than restrict the variety and richness of human nature."

As Mrs. Thatcher stated so well, "private enterprise is by far the best method of harnessing the energy and ambition of the individual to increase the wealth of the nation; for pioneering new products and technologies; for holding down prices by the mechanism of competition; and, above all, for widening the range of choice of goods and services and jobs."

When Margaret Thatcher made her first speech to Parliament as Prime Minister, she sounded the clarion call to action that had characterized her election campaign: "This government is to return choice to the people of Britain. Choice means the difference between the freedom of the individual and the reliance on the state to provide everything."

If it is true, as former Prime Minister James Callaghan noted, that with her Parliamentary majority of 43 she "can do what she likes in the next five years," then we can hope that her victory will indeed sound the death knell of Western Socialism and the return to opportunity, individual freedom, and private enterprise. If so, we hope that the United States will continue its habit of following in England's footsteps.

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