

## Tullett Prebon Research, a blog by Dr Tim Morgan

### **Margaret Thatcher and the importance of belief**

*by Tim Morgan on April 9, 2013*

On 31<sup>st</sup> March 1982 – wearing working rig, not the full-dress uniform of subsequent myth – the First Sea Lord, Admiral Sir Henry Leach, hastened to the House of Commons to assure Margaret Thatcher that Britain’s armed forces could indeed, if so ordered, re-take the Falkland Islands. Sir Henry did not receive a warm welcome from the majority of those present, and the Prime Minister seems to have been beleaguered by ministers and officials anxious to persuade her not to launch what was to become Operation Corporate.

The sequel, of course, is well-known. Together, the Navy, the Marines and the Army re-took the Falklands. Mrs Thatcher won a resounding electoral victory in 1983 and, in the following year, went on to defeat a miners’ strike which, in defiance of all common sense, had been launched in spring, without a ballot, at a time when coal stocks were abundant. As Prime Minister, Thatcher remained undefeated at the polls, and was finally brought down in 1990, not openly by the electorate but covertly by party colleagues.

It is given to few leaders to have an economic thesis named after them, but “Thatcherism” will outlive its progenitor. To most, the term means economic liberalism, deregulation, privatisation and the rolling-back of the state, combined with neglect of manufacturing.

A glance at the facts and figures might surprise Thatcher’s admirers and critics alike. Public spending actually increased during her decade in power, though it shrank as a proportion of national income. Real-terms state spending on health and social security increased markedly – and out-grew GDP – whilst expenditures on defence declined. Whilst Thatcher did indeed champion privatisation, the assets sold under her leadership were businesses – such as British Airways, British Gas and Jaguar – which, at least arguably, should never have been in state hands in the first place. The closure of most of Britain’s coal mines did not occur until October 1992 – almost two years after her overthrow – whilst “internal markets” and the widespread out-sourcing of public services were brought in, not by Thatcher, but by her successors.

To portray her economic policy either as a resounding success or as a catastrophic failure would be a caricature, and critics tend to skate far too easily over the fact that the economy that she inherited was very nearly bankrupt. If, as some allege, her market-leaning reforms went too far, it must be conceded that the economy had become sclerotically corporatist by the late 1970s.

Love her or loathe her, Thatcher was a politician dedicated to principle, which necessarily means that she towers over all of her successors. To defend every single decision that she made would be about as absurd as trying to defend Winston Churchill over Norway, Operation Catherine or Force Z\*. Like Churchill, she made many mistakes but, also like him, she is someone with a real claim to have been the saviour of her country.

Our abiding memory of Margaret Thatcher should surely be that of an iconoclast, a leader prepared to challenge Britain’s comfortable establishment on the basis of principle. Not for nothing was *Yes Minister* her favourite viewing.

\*The ill-starred Norwegian campaign which brought down Neville Chamberlain was masterminded by Churchill. Operation Catherine, a planned assault on Germany via the Baltic, would have been a disaster if it had gone ahead. Force Z, the dispatch of a deterrent to the Far East, resulted in the loss of HMS Prince of Wales and Repulse.