

Margaret Thatcher at the National Press Club, September 19, 1975



Margaret Thatcher, September 1975. Photo by Stan Jennings. National Press Club Archives

Margaret Thatcher (1925-2013), who in 1979 would become Great Britain's first female Prime Minister, traveled to the United States and Canada in September 1975, seven months after becoming the leader of Britain's Conservative Party, then out of power. In her autobiography, Thatcher called the foreign tour "probably the most significant during my time as Leader of the Opposition." In New York, Thatcher met with UN Secretary-General Kurt Waldheim and a number of UN ambassadors, New York business and industry leaders, and Mayor Abe Beame. She gave talks sponsored by a group advocating the abolition of the welfare system in the U.S. and one promoting friendly Anglo-American relations. She appeared on national television interviewed by Barbara Walters on the *Today* show and William F. Buckley, Jr. on *Firing Line*. Her remarks promoting what the *Times* of London called "the new conservatism"—and attacking what she termed Britain's postwar "progressive consensus" that had sought to redistribute wealth, nationalize industry, and promote social equality—caused concern among some senior British diplomats, who cited the long-standing tradition that opposition leaders should not speak ill of their government while traveling abroad. She responded that "it's no part of my job to be a propagandist for a socialist society."

In Washington, Thatcher met with President Gerald R. Ford for one hour, breakfasted with Secretary of State Henry Kissinger, addressed an informal meeting of the House International Relations Committee, lunched with members of the Senate Foreign Relations Committee, and conferred with two members of Ford's cabinet with whom she shared an ideological affinity, Secretary of Defense James Schlesinger, "the Administration's principal internal opponent to *détente*," as she characterized him, and

William Simon, whom she praised as “the free-market-minded Treasury Secretary, who had jettisoned the wage and price controls imposed under President Nixon.” The next day, to diffuse charges that her critical attitude was harming Britain’s international relations, she delivered a more upbeat speech at the National Press Club than those she had given in New York. She later wrote in her autobiography, “Aware of the attempt to try to cast me in this light, I used my speech to the National Press Club in Washington to point out that if the present socialist policies were abandoned, Britain had underlying strengths which would ensure its swift recovery.”

By all accounts, Thatcher greatly impressed members of the New York and Washington establishments. The *New York Times* portrayed her as “crisp, articulate, decisive and brimming over with facts.” Kissinger praised her grasp of world affairs. A senator passed a note to the British ambassador that read, “If it doesn't work out for her there, politically, we could use her here.” Thatcher herself told a London *Times* journalist that as a result of the visit, she had become “totally established as a political leader in the international sphere,” an area in which previously she had been judged weak. The success in Washington would give her party “much more faith and confidence,” she predicted. “I am well aware that it is a testing time.”

The “Sick Man of Europe”

At the time, Britain appeared to many as the proverbial “sick man of Europe.” While the two decades following World War II had brought for British citizens unprecedented advances in living standards, with successive governments from both major parties—Labour and Conservative—pursuing policies to achieve full employment and an expansive welfare state, economic conditions had declined precipitously since the late 1960s. Soaring inflation and unemployment rates, falling productivity, rising taxes, increased borrowing, a weakened currency, acrimonious labor strikes, and badly shaken morale combined to repel foreign investors. Earlier in 1975, when Prime Minister Harold Wilson, leader of the ruling Labour Party, visited President Ford in Washington, television news analyst Eric Sevareid, in a *CBS Evening News* commentary that was quoted at length in the London press, cautioned that “Britain is drifting slowly toward a condition of ungovernability.” Sevareid blamed the country’s powerful communist-influenced labor leaders and “doctrinaire socialists” in government for putting the emphasis in economic and social policy “on sharing wealth over producing wealth, on equality over liberty,” mistakes he predicted eventually would result in the loss of wealth and possibly liberties in addition. Sevareid perceived that the majority of Britain’s citizens did not agree with the direction its leaders had been taking them, but instead were “sleep-walking into a social revolution.” He predicted that a “backlash” was in the making. The London *Times* echoed these concerns in an editorial the next day entitled “Near the End of the Line.” In the days that followed, members of Parliament weighed in on the matter in published letters to the *Times* editor.

On his return to London, Wilson remarked, “I came back from Washington last week to find journalists, commentators and some politicians rushing around like wet hens.” While acknowledging that Britain’s “economic problems are as great as ever,” Wilson

characterized Severeid's analysis as "very sensational and cataclysmic and not related to the real facts." Thatcher, in planning her September trip, took note that Wilson "had done nothing to improve perceptions by claiming that all our difficulties were grossly exaggerated." She perceived, "Something different and more serious was expected. I resolved to provide it."

The New Conservative Philosophy

Thatcher originally had planned to give her main speech of the trip in Washington, but on short notice decided to make an immediate impact with her first speech—at a New York dinner for "100 opinion leaders," according to the *New York Times*—to meet the high expectations her public relations adviser, Gordon Reece, had encountered prior to her arrival. The resulting speech, given four days before her National Press Club appearance, presented, in the view of the London *Times*, "her most forthright declaration of the new Conservative philosophy—not yet policy—since she became leader of the party." This new philosophy had taken form the previous year, after Thatcher's more moderate predecessor as Conservative Party leader, Edward Heath, had resigned as Prime Minister following the loss of an election, and a faction within the party led by Thatcher's mentor, Sir Keith Joseph, had coalesced to "rethink our policies from first principles," as Thatcher later described Joseph's purpose.

The new philosophy—set out in speeches by Joseph and position papers of the Centre for Policy Studies, which Joseph co-founded and Thatcher joined—condemned the "consensus politics" the group perceived to have existed since World War II in which leaders in both major parties tolerated, if not actively encouraged, public ownership of large industries, government spending to promote full employment, the creation of a welfare state, and accommodations with income demands of the militant labor unions. The consensus approach, Joseph contended in speeches that challenged Heath's leadership of the party, created high inflation that was "threatening to destroy our society" by printing money to fund the consensus agenda. Joseph recommended tight control of the money supply to stem inflation—at the risk of a rise in unemployment—in order to begin to achieve a healthy capitalist economy.

Having grown up in the provincial town of Grantham as the daughter of a corner grocer, councillor, and Methodist lay preacher, Thatcher had learned through experience, she wrote, "the serious, sober virtues cultivated and esteemed in that environment." When she later advocated the new conservatism's program to establish an "enterprise culture" to replace the "dependency culture" that she accused "consensus" leaders of advancing, she frequently cited "Victorian values" of duty, hard work, thrift, perseverance, sacrifice, and self-reliance that she had come to respect from her formative years—"the morality of capitalism," she termed it in the Press Club talk. Describing her father's store in her autobiography, she recounted the appeals of capitalist enterprise that deeply impressed her: "I was able to see that it was satisfying customers that allowed my father to increase the number of people he employed. I knew that it was international trade which brought tea, coffee, sugar and spices to those who frequented our shop. And, more than that, I experienced that business, as can be

seen in any marketplace anywhere, was a lively, human, social and sociable reality: in fact, though serious it was also fun.” Her experience in Grantham “ensured that abstract criticisms I would hear of capitalism came up against the reality of my own experience,” she wrote. “I was thus inoculated against the conventional economic wisdom of post-war Britain.”

Active in politics since her university days when she served as president of the Oxford University Conservative Association, Thatcher had lost her first election in 1950, but won a seat in the House of Commons in 1959 after working as a research chemist and barrister specializing in tax law. When the Conservative Party gained power in 1970, Thatcher was appointed to Heath’s cabinet as Secretary of State for Education and Science. She soon “came under savage and unremitting attack,” she wrote, after ending a program that had provided free milk to schoolchildren over the age of seven in order to use the appropriated funds to support educational opportunities at risk due to budget shortfalls, including the Open University, designed to allow part-time students “a second chance in life” to achieve degrees via televised courses. Denounced in massive student demonstrations as “Mrs. Thatcher, milk snatcher,” she was voted “The Most Unpopular Woman in Britain” in the London *Sun*. Thatcher found the campaign against her “deeply wounding,” but though her husband, concerned for her health, suggested she consider leaving politics, she came away from the controversy strengthened. “Iron entered my soul,” she later stated about the period.

Keith Joseph decided not to run against Heath for the leadership of the Conservative Party, after facing hostile reactions to a controversial speech he gave in October 1974, in which he blamed “the collectivized society” for fostering an irresponsible “permissive society” lacking in traditional morality. As an example of “the remoralization of public life” that he sought to encourage, Joseph advocated extending birth control facilities to young, single women in the two poorest socioeconomic classes, who, he contended, citing a recent sociological study, were the “least fitted to bring children into the world and bring them up” and were thus “producing problem children.” Criticism of the speech was intense. Thatcher recounted that a month later, Joseph called her to say, “I am sorry, I just can’t run. Ever since I made that speech the press have been outside the house. They have been merciless. Helen [his wife] can’t take it and I have decided that I just can’t stand.” Thatcher replied, “Look, Keith, if you’re not going to stand, I will, because someone who represents our viewpoint *has* to stand.” Thatcher subsequently won the election over Heath in February 1975 and became the first woman to hold the Tory leadership post.



*Margaret Thatcher, August 1975.
National Press Club Archives*

Thatcherism

When she returned home from the U.S. and Canada, Thatcher found that press coverage of her trip—including attacks by Foreign Secretary James Callaghan, who would become Prime Minister in April 1976 after Wilson resigned—had “transformed my political standing.” The increased publicity insured that her arguments were taken more seriously in the general public and, she wrote, “within the upper echelons of the Conservative Party.” The London *Times* judged that Thatcher also “charmed part of the political community in Washington out of its cynicism about Britain.” Severeid in particular approved of her message and manner, praising her “combination of dignity and the common touch” and noting that Britons were “looking for a break and she may be it.”

On May 4, 1979, Thatcher became the first woman Prime Minister in Britain’s history, following a period known as the “Winter of Discontent” during which the “Social Contract” that had been worked out earlier between the government and the labor unions, was broken. Devastating strikes convinced many that Callaghan had lost control. Sentiment against the Labour Party was further fueled by an effective advertising campaign introduced in the summer of 1978 by the ad agency Saatchi & Saatchi, hired by Gordon Reece to manage the Conservative Party’s publicity. Their widely distributed “Labour Isn’t Working” poster depicted a line of people in a winding queue leading away from a sign reading “Unemployment Office.” Callaghan’s

government lost a House of Commons motion of confidence by one vote in March 1979, forcing the general election that Thatcher won.

Once in office, Thatcher reshuffled her cabinet officers to better reflect her philosophy and subsequently won landslide votes in the 1983 and 1987 elections. She resigned from office in 1990 after a number of her ministers left the government in disagreement with her policies. Many opposed her increasing hostility to European integration and her insistence on supporting the vastly unpopular “community charge”—a tax designed to provide funding for local governments—that became identified as a regressive poll tax and protested against in demonstrations that led to rioting when the tax was about to be implemented.

As Prime Minister over eleven and one-half years, the longest consecutive term since 1827, Thatcher put into practice many of the policies that she, Keith Joseph, and the Centre for Policy Studies formulated in the mid-1970s, bringing about the momentous transformation in British politics that has become known as “Thatcherism.” She saw enacted reforms to control the size of the money supply, privatize state-owned industries and services, cut taxes, and curb the power of unions. Inflation dropped from 18 percent in 1980 to 3 percent in 1986, though it climbed again at the end of her term in office. The unemployment rate rose dramatically during the recession years of 1979-82 and more gradually until 1986, when it reached a peak of more than three million people out of work, before the numbers descended steadily over most of the next four years. Once inflation was tamed, the economy grew at a steady pace from 1983 to 1989, an expansion called an “economic miracle” by some, though the manufacturing sector declined traumatically. Thatcher reinvigorated Britain’s foreign policy status by going to war to recover the Falkland Islands after Argentina invaded them in 1982, cooperating with U.S. foreign policy initiatives at the risk of alienating European allies, and maintaining an independent nuclear deterrent. Thatcher’s legacy survived in many of the “New Labour” policies—both foreign and domestic—of Tony Blair, who became Prime Minister in 1997 after having redefined the Labour Party’s agenda.

The assessment of Thatcherism has been mixed. While many approved of the expansion of the middle class that Thatcher’s policies encouraged, with significant increases in the number of homeowners and stockholders, others pointed to a widening gap between rich and poor, a rise in the amount of taxes paid by median income taxpayers, the under-funding of social programs, an erosion of civil liberties, and her “autocratic style” of government. Ironically, while Thatcher’s rhetoric criticized government control over the private sector, the size of the state actually grew during her time in office, and centralization of power in the office of the Prime Minister was strengthened at the expense of Parliament, cabinet ministers, and local governments.

*-- Alan Gevinson, Special Assistant to the Chief,
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