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## REFLECTIONS ON LIBERTY

*Margaret Thatcher\**

### I. INTRODUCTION

Mr. President, Members of Convocation, Ladies, and Gentlemen. It is a great honor to be awarded this degree by your distinguished University.

It is also an honor to be the subject of one of your conferences. There is, of course, something rather unnerving about being weighed in the balance by academics. But even among the erudite, majority opinion is not always right—as 364 academic economists once learned to their cost in Britain.<sup>1</sup>

But looking through the names on your discussion panels, I can see that you have chosen the best minds with the sharpest insights you could possibly hope to find. Indeed, some of your participants must take their full share of the credit—or the blame—for all that happened in the 1980s. Ours was always a joint enterprise. So I warmly congratulate you and wish you well with your deliberations.

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\* The Rt. Hon. The Baroness Thatcher, L.G., O.M., F.R.S. *Prime Minister of the United Kingdom, 1979-1990*. Lady Thatcher delivered these remarks as the opening address for an International Conference, entitled *The Thatcher Years: The Rebirth of Liberty?*, which was held on March 27-28, 2000, where she was awarded the Doctor of Humane Letters, *honoris causa*, from Hofstra University. The Conference was organized by Hofstra University's Cultural Center, in association with The University of Buckingham, England. This Essay will also be published as part of the Conference proceedings (forthcoming from Greenwood Press).

1. On March 30, 1981, 364 British economists published an open letter in the *Times* (London) denouncing Margaret Thatcher's 1981 budget and Thatcherism. They predicted dire results for the British economy and the further decline of British industrial power. See *Monetarism Attacked by Top Economists*, *TIMES* (London), Mar. 30, 1981, at A1.

At another seminar, some years ago now, I recall listening for several hours to a number of policy advisers and technical experts—all men. They had a lot to say for themselves, and, to be fair, they made a lot of useful suggestions. When the time came for me to give my reaction, I began by reminding them of the proverb that it is the cock that crows but it is the hen that lays the egg. So in just the same spirit—and certainly without crowing—perhaps I can make a few observations about the testing and exhilarating years during which I had the immense privilege of serving as Britain's Prime Minister.

The subtitle of your Conference is: *The Rebirth of Liberty?* But, I note that it is followed by a question mark. With the greatest of respect, that piece of punctuation is redundant. From the very beginning, liberty is what my colleagues and I believed in, and sought to secure and expand. So, at the same time, did my old friend President Reagan in the United States. And we succeeded.

Liberty—or freedom if you like—is a perfectly simple concept, understandable to all, it seems, except to the very dim or the very clever. It is the condition in which a man (or woman) is free to express their identity, exercise their God-given talents, acquire and pass on property, bring up a family, succeed or fail, and live and die in peace. And the most important requirement for that free society is a rule of law, informed by equity and upheld by impartial judges.

The single biggest intellectual error during my political lifetime has been to confuse freedom with equality. In fact, equality—being an unnatural condition, which can only be enforced by the state—is usually the enemy of liberty. This was a point I made in France on the bicentennial celebration of the French Revolution, which deliberately and dangerously confused the two. My French hosts were somewhat perplexed. But the point stands.

Starting with the French Revolution, and then greatly encouraged by the Bolshevik Revolution, modern times have been plagued by “-isms,” that is by ideologies, in effect secular religions. Most of them were unbelievably bad.

Communism accounted for approaching one hundred million deaths. It enslaved the East, while its first cousin, socialism, impoverished much of the West. Nazism—that other brand of socialism—and its tamer forebear Fascism, killed about twenty-five million. All have left scars on our societies, which perhaps will never fully heal.

The proponents of these ideologies engaged in polemics and indeed violence against each other. But they had more in common than they admitted. For their essence was that the state had the right, indeed the duty, to act like God. And the results were devilish.

Of course sometimes, in the case of socialism, they were also comical. The Russians, who are lucky to have such a marvelous sense of humor, if only because they have had so little to laugh about, recount a story about Leonid Brezhnev's arrival at the pearly gates. Saint Peter tells him that he has been found wanting but that he can choose between a capitalist and a socialist hell. To Saint Peter's surprise the former Soviet leader replies that he prefers a socialist hell. Saint Peter tells him to think carefully—this is no time for propaganda. But Brezhnev repeats that he chooses a socialist hell. Saint Peter grants his wish, but asks for an explanation. To which Brezhnev replies that at least in a socialist hell they will always be short of fuel.

Of course, not all “-isms” are as bad as that. Liberalism, individualism, and free enterprise capitalism are sometimes also classed as ideologies. That is arguable. But, however classified, they have certainly been far more beneficial than statism, as judged by almost any measure of human happiness and progress.

About one thing though, I would like to be clear: I do not regard Thatcherism as an ‘-ism’ in any of these senses. And if I ever invented an ideology, that certainly was not my intention.

The principles in which I believe, and the policies which we tried to put into effect in the 1980s, did not constitute a system of the sort described by T. S. Eliot as being “so perfect that no one will need to be good.”<sup>2</sup> Rather, they should be understood in the light of two overriding considerations.

## II. HUMAN NATURE

The first relates to human nature. We conservatives understand, and understand it; the socialists did not, and generally still do not.

Our experience tells us that Man is neither as good nor as bad as he is painted. Given the right framework of laws, taxes, and regulation, most individuals will apply their talents and energies productively. They will certainly make far more effort on behalf of themselves and their families than they ever would for an impersonal entity called “government.” What government has to do is to set the right rules, so that the game—and it is never a “zero sum game,” remember—is played to the best of every player's ability. That is on the positive side of human nature. And from it stems everything which the West has achieved and which the world calls progress.

But there is also a negative side to human nature. We conservatives

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2. T.S. ELIOT, *Choruses from “The Rock,”* in T.S. ELIOT: THE COMPLETE POEMS AND PLAYS, 1909-1950, at 106 (1958).

have no illusions about the perfectibility of Man. Human beings are as capable today of unspeakable brutality as they ever were. And the march of science and technology has provided new means of cruelty. If there are no assured penalties against wickedness, some people will disrupt and, if their numbers are sufficient, destroy all the good things of civilized life.

And it is not just the underclass, but also the “overclass” that causes the trouble. If politicians or bureaucrats are given power that is unaccountable and unrestrained, they will, in the long run, be as corrupt as they can get away with. That is the best possible argument for limited government—and a pretty good one too against a centralized European Superstate.

### III. PRACTICAL POLICIES

The second consideration to which I would like to draw your attention is not philosophical, or moral, or even psychological—it is really historical, a matter of the circumstances we found in Britain at the end of the seventies. The principles and policies we held to during the decade that followed reflected *the needs of Britain at the time*.

The Second World War, even more than other wars, had given an enormous boost to government control. Indeed, oddly enough, when you consider that it was fought against totalitarian states, the Second World War provided in many people’s minds convincing proof that a planned society and a planned economy worked best. The 1960s and 1970s in Britain were decades during which this illusion was gradually and painfully dispelled. Social and economic planning led to larger, cumulative failures, and these in turn produced disillusionment and despair—even among those who once thought that socialism could achieve heaven on earth.

As the results of all this multiplied, commentators spoke wearily of the so-called “British disease.” By this they meant an affliction of restrictive practices, low productivity, trade union militancy, penal taxes, poor profits, low investment—in short, economic decline.

And hardly less corrosive was the mentality which underlay, and which was itself encouraged by, that decline. To put it simply, there was a resigned acceptance that Britain was finished.

This discouraged some politicians on the Right, who felt that damage limitation was the only sensible strategy, that managing decline made best sense. But a number of us felt differently. We did not believe that Britain was down, let alone out. We felt that it was socialism that had failed the country, not the country that had failed socialism. And we

were determined to prove it.

Let me emphasize again: my journey along this path was never solitary. Keith Joseph gave the best political analysis of what was wrong, and what had to change. But behind him lay the wisdom of people like Friedrich Hayek, bodies like the Institute for Economic Affairs, and a host of thinkers who had swum against the tide of collectivism, which at one time threatened to sweep away our national foundations.

If I were to use one phrase to sum up what had to be done—and what indeed was done—it is that we had to “reverse the ratchet.” The notion of the ratchet, which I believe was Keith Joseph’s, reflected the fact that Britain’s post-World War II history had consisted of sharp swings to the left, followed by periods when the leftward lurch was arrested but never reversed. The result was that an ever greater share of a virtually stagnant economy was under the control of the state.

By the mid-1970s—the high point (if that is the word) of socialism—Britain was on a knife edge. One more jerk of the ratchet and we would create a probably irreversible shift towards state power and away from liberty. If today that statement seems alarmist, please remember that this was also the high point of Soviet expansionism, and that the same socialist politicians who were keenest to impose a left-wing blueprint on Britain were often deeply sympathetic to the advance of Soviet power abroad. What occurred in Britain in this period was not therefore just a clash between two parties, it was a struggle between two systems offering two entirely different destinies.

The policies we followed in the 1980s were therefore those required by the practical circumstances of the time. If they seemed like revolutionary propositions to many critics, this only reflected how far those critics had lost touch with common sense and abandoned the common ground of Western values. So it was that monetarism—control of the money supply—was needed to beat the ill of apparently unstoppable inflation. Public spending cuts were needed to curb runaway borrowing. Tax cuts were needed to restore incentives. Removal of controls on prices, incomes, dividends, and foreign exchange was needed to allow key economic decisions to be made by the market, not by politicians. Above all, step-by-step trade union reforms were needed to curb the hugely destructive power of trade union bosses. But the program had to be much more than just economic. Its purpose was, in a certain sense, moral, and again it had to be, because the problem was moral. We had to give people a renewed appetite for liberty and responsibility. The instinct for freedom had never been totally lost. It was too deeply rooted in the English speaking peoples for that. But it is not enough for a free people to fight for freedom—however heroically. A

free people has to live freedom, and this we now endeavored to achieve.

Cutting taxes and curbing inflation by positive interest rates allowed people to build up savings. But we also pioneered two radical policies for wider ownership. First, the sale of public sector houses at large discounts to their tenants turned hundreds of thousands of families into property owners. Alongside this, the privatization of industries with special preference for workers and for small buyers began to turn Britain into a nation of shareholders. Of course, ownership of assets brings risks as well as rewards. But the transformation it effects on a society is wholly positive, because it gives people a stake in prosperity and trains them to take control of their own lives.

So the principles and policies we developed in the 1970s, and put into effect in the 1980s, were rooted in human nature and in the requirements of the time. This assertion leads on to a question—and a pressing one for you, who presumably will be doing more than picking over the bones of my administration. That question is—what relevance does our experience have to the world today?

#### IV. CONCLUSION: A LEGACY WORTH PRESERVING

I suggest that there are three reasons why the principles and policies of the 1980s should be explored, updated as necessary, and then applied in this new century too.

The first is that human nature does not change—and will not change unless the horrors of cloning were allowed free reign. It will therefore always be necessary to keep in good repair the institutional framework of freedom if the material benefits of freedom are also to be enjoyed. Private property, limited government, a clear and honest rule of law, light regulation, and low taxes on the one hand—and rigorous prosecution of crime and discouragement of dependence on the other—will always be necessary conditions for prosperity and order. If you forget one of these elements, or concentrate on just one at the expense of the others, a free society and a free economy are in peril. Inevitably. Always. Everywhere.

Second, there is the simple fact, which pragmatic converts from the Left do not really deny, namely that today's dynamic, successful economies in Britain and, still more so in America, are the results of what conservative administrations in our countries did in the 1980s. Neither the present British Government nor the current American Administration could be so generous with the taxpayers' money if they did not have the economic growth to fund the taxes. And they have that growth because conservatives created the conditions for it.

Third, many of the same dangers, though in different forms, are present and pressing in the world today. And precisely because the principles applied in the 1980s were neither simple pragmatism nor an inflexible dogma, they are eminently applicable to our new circumstances.

I could refer here to several current and controversial areas—I might at a pinch be tempted to say something about Europe's ambitions to become a superpower and the challenge that poses both to individual sovereign nations and to American influence in the world. I could mention the extreme dangers from the proliferation of weapons of mass destruction and the missile technology to deliver them—dangers at least as great as those we faced for most of the Cold War.

But I would particularly draw your attention to a less dramatic phenomenon—the way in which the Left in the post-Socialist world are driving forward their agenda by other means. For collectivism now advances far more through regulation (often international regulation) and through welfare programs than through the old methods of state socialism. The ingenuity of the politician and the bureaucrat in devising means to keep between a third and a half of our countries' wealth in the grip of the state—even when our economies are forging ahead on a surge of enterprise and innovation—is truly astonishing. But, of course, the temptation to prefer comfortable dependency to the strenuous life of liberty is hardly less so. Such is perhaps the most serious long-term threat to the West. And we still do not know how fully and deeply freedom will take root in countries which lack the moral, cultural, religious, and historical conditions that allowed it over centuries to prevail with us.

Will Russia ever develop a true rule of law and become a normal country? Will Asian capitalism ever develop the openness and honesty of America's? Will a rich China ever be a truly free and democratic China?

Even to pose these questions is to remind ourselves how little we can predict, let alone control, our global future. But at least we know what works for us. And whatever else we do, we must not lose sight of it—or lose hold of it. As Rudyard Kipling reminds us: “‘Dear-bought and clear, a thousand year, Our fathers' title runs. Make we likewise their sacrifice, Defrauding not our sons.’”<sup>3</sup>

Mr. President, Ladies, and Gentlemen, may I thank this Convocation for the honor you do me—and to your distinguished Conference guests may I say, “Let battle commence!”

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3. WILLIAM MANCHESTER, *THE LAST LION*, WINSTON SPENCER CHURCHILL, *VISIONS OF GLORY, 1874-1932*, at 45 (1983) (quoting the work of Rudyard Kipling).