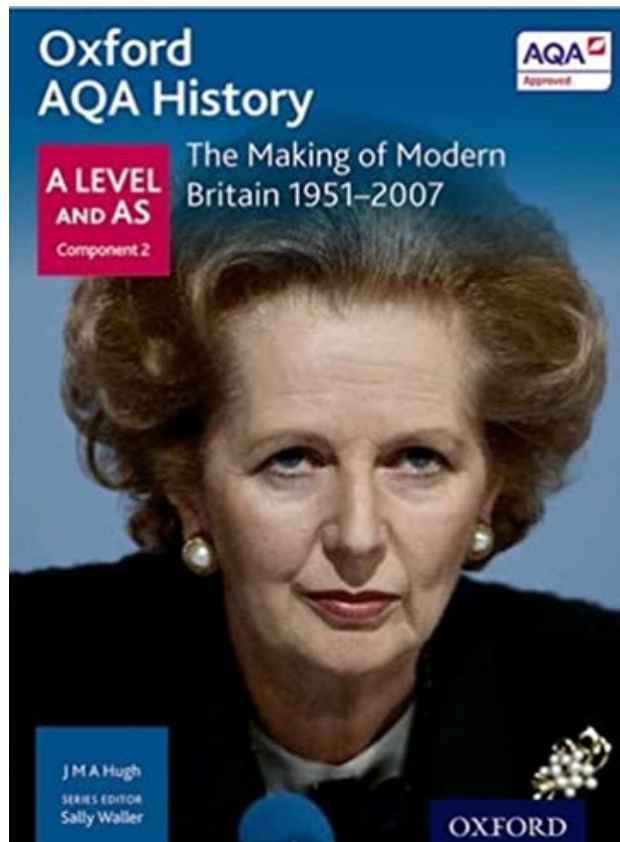


# The Making of Modern Britain: The impact of Thatcher 1979-1987



Name:

Teacher:

**Lesson one - Thatcher as a leader: Character and ideology**

Complete the source evaluation for source one:

**SOURCE 1**

John Ranelagh, a Thatcherite who worked for the Conservative Research Department during the 1970s, described the Conservative Party's relationship with political theory:

'The Tory Party does not like brains', **Willie Whitelaw** once remarked to an aide as he walked down the committee room corridor of the House of Commons. Then he paused, shaking his head sadly, 'Thank God I don't have any!' One of the great shocks delivered to the Conservative Party by Thatcher and her people was that they did like brains. Thatcher herself was not an intellectual, but she respected intellect and looked for it in her people. 'When people don't enjoy thinking', said **Enoch Powell**, 'but have a feeling that a thought or two will come in handy, then they look for somebody who can supply them: "Here you! Give me a thought! There must be a theory behind this. Kindly explain to me what it is."'

Content	
Provenance	
Language and tone	

L.O: To know how Thatcher's character and ideology would shape her premiership

### Lesson one - Thatcher as a leader: Character and ideology

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What can a historian learn about Thatcherism from source one?

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Does the provenance make it more or less valuable?

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L.O: To know how Thatcher's character and ideology would shape her premiership

### **Lesson one - Thatcher as a leader: Character and ideology**

In some ways Thatcherism was a style rather than an ideology. Margaret Thatcher described herself as a conviction politician and was dismissive of the post-war consensus which she saw as responsible for Britain's ills.

Thatcher's policies reflected her own personal beliefs and instinct which were very much based on her own experiences. She was resolutely middle class, the daughter of a grocer, Alf Roberts, who was a local councillor, and a Methodist lay preacher. Self-reliance and self-improvement lay at the heart of Thatcher's upbringing and this influenced her political beliefs.

Thatcher was also an outsider; although she went to Oxford and became a lawyer she was not from a traditional Tory background, being suburban, from trade and a woman. She was not a traditional Tory and was sometimes dismissive of Tory grandees.

Her style as a conviction politician meant that she said at the peak of discontent with her policies at the 1981 party conference: 'You turn if you want to - the lady's not for turning.' This not only created the image of her as a conviction politician but was also a sly criticism of the Heathites who had U-turned in 1972.

**How would Thatcher's early life shape her politics?**

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**What did her style as a conviction politician mean? How had she criticised Heath's government?**

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**Read source two. What can you learn about Thatcherism?**

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**Lesson one - Thatcher as a leader: Character and ideology**

Complete the source evaluation for source two:

**SOURCE 2**

In an interview on London Weekend Television in January 1983 Thatcher explained how her beliefs and background affected her politics:

Compassion isn't determined by how much you get together demonstrations in the street to protest to government that government, which is other tax-payers, must do more. It's determined by how much you are prepared to do yourself. Of course we have basic social services, we will continue to have those, but equally compassion depends upon what you and I, as an individual, are prepared to do. I remember my father telling me that at a very early age. Compassion doesn't depend upon whether you get up and make a speech in the market-place about what governments should do. It depends upon how you're prepared to conduct your own life, and how much you're prepared to give of what you have to others.

Content	
Provenance <b>Consider the date of the source. Will this effect what Thatcher said?</b>	
Language and tone	

L.O: To know how Thatcher's character and ideology would shape her premiership

### **Lesson two - Thatcher as a leader: Character and ideology**

As source 1 indicates Thatcher was not herself an intellectual but she was influenced by other intellectuals in the Conservative Party. Thatcherism was based on some traditional Conservative thinking, by some Tory intellectuals such as Enoch Powell, and by Thatcher's own political and social instincts; but it was also heavily influenced by a number of 'New Right' think tanks and academics.

**What was Thatcherism based on?**

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#### **The New Right**

The New Right is a collective name for a number of academic and theoretical organisations which challenged the Keynesian orthodoxy. They drew on the work of Milton Friedman and Friedrich von Hayek both of whom worked at the Chicago School of Economics. The New Right included the Centre for Policy Studies, established by Keith Joseph after the 1974 election defeat, and the Adam Smith Institute formed in 1977 to promote free-market policies. It attracted a number of converts such as Peter Jay, an economist who was also James Callaghan's son-in-law, and a previous editor of the left-wing New Statesman magazine, Paul Johnson.

**What was New right thinking?**

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The New Right's analysis of Britain's economic decline meant that they rejected Keynesian economics in favour of monetarism and free-market economics. In addition, just as Thatcherites viewed Britain's economic decline as the result of the failures of successive post-war governments so its supporters also identified a moral decline linked to this consensus. For Thatcherites the free market was moral because it encouraged individuals to take responsibility for their own actions. And this was equally as true in personal decisions as much as in economic ones.

**What arguments did Thatcherites make, from new right thinking, about the economy? What was a free market?**

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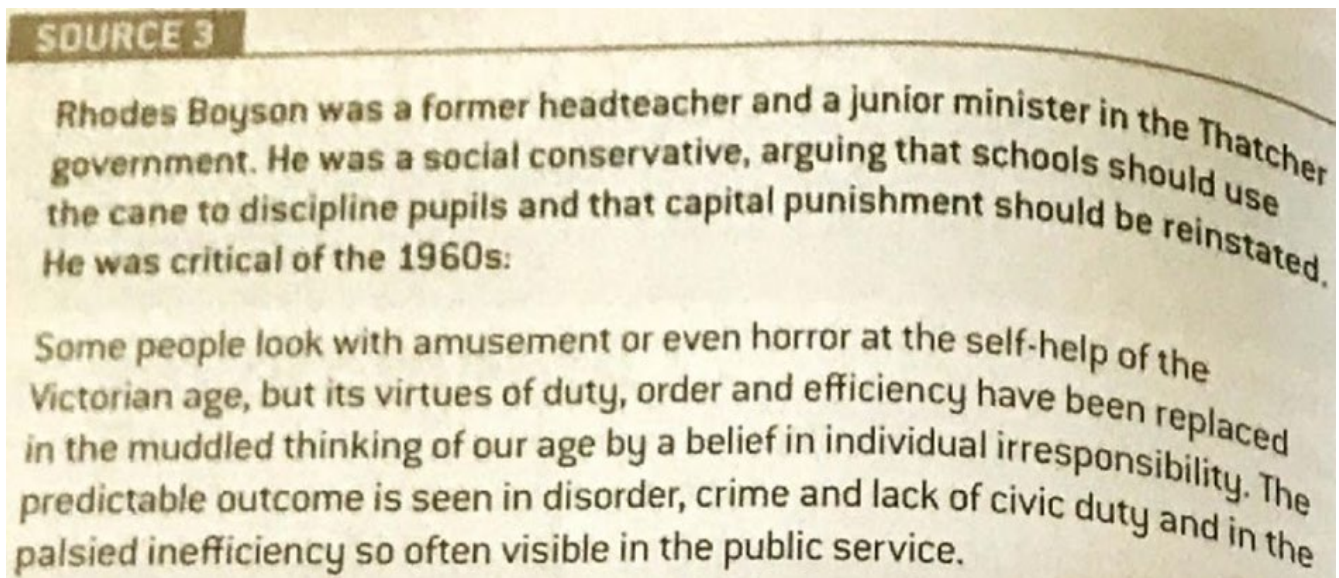
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**Lesson two - Thatcher as a leader: Character and ideology**

Complete the source evaluation for source three:



Content	
Provenance	
Language and tone	

L.O: To know how Thatcher's character and ideology would shape her premiership

### **Lesson two - Thatcher as a leader: Character and ideology**

**What does source three say about the problems of previous governments? What does it indicate about the Thatcher government?**

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This belief was echoed by Norman Tebbit, who in a lecture to the Disraeli Society in 1985 said 'The trigger of today's outburst of crime and violence lies in the era and attitudes of post-war funk which gave birth to the "Permissive Society" which in turn generated today's violent society: Thatcherites put a great deal of emphasis on order in society. They saw the family as the bulwark of this. When Thatcher famously said: 'Who is society? There is no such thing as that!' she went on to say: 'There are individual men and women and there are families: Therefore, to Thatcherites threats to the family were serious because they were threats to order in society.

For the same reasons Thatcherites were supportive of the police and tough on law and order issues. This was an important thrust of their manifesto in 1979 and continued throughout Thatcher's premiership. By the mid-1980s this led to accusations that the police had become politicised, especially during industrial disputes.

**Write a paragraph that explains how Thatcherism linked economic decline to moral decline.**

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However, when the Conservative Party won the 1979 election Thatcherism did not really exist and in many ways it is still a disputed term. It is perhaps unhelpful to think of Thatcherism as a political philosophy or ideology. It is tied too much to the personality of Margaret Thatcher, to the problems identified in the United Kingdom in the 1970s, and to the solutions brought to bear upon these in the 1980s, to be wholly transferable to other times or places.

**Write a paragraph that explains how Thatcherism linked economic decline to moral decline.**

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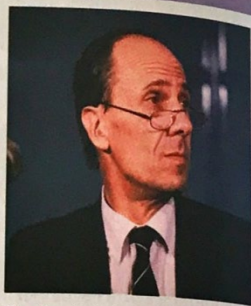
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L.O: To know who supported Thatcher's government  
**Lesson three- Thatcher's ministers – support and opposition**

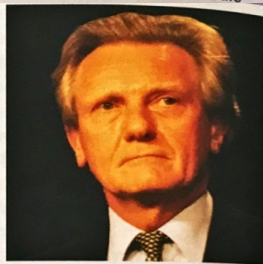
**KEY PROFILE**

**Norman Tebbit (b. 1931)** was an outspoken Essex MP who was appointed Trade Secretary in Margaret Thatcher's first cabinet and later became party chairman. His down-to-earth and abrasive style made him very popular with the new Thatcherites though not their opponents; Michael Foot described him as 'a semi-house-trained polecat'. In 1987, he left the government, though he remained loyal to Thatcherite ideals.



**Fig. 3** *Tebbit was always loyal to Thatcherite ideals*

**Michael Heseltine (b. 1933)** was a millionaire who became a leading Conservative politician in the 1980s. Because of his long hair and flamboyant style, his nickname was 'Tarzan'. His 'One Nation' and pro-European views brought him into conflict with Thatcher and he resigned from her cabinet in 1986 over the Westland affair. Many Thatcherites blamed him for the fall of Thatcher in 1990. He was later deputy prime minister to John Major.



**Fig. 6** *Heseltine was a prominent figure in the governments of Thatcher and Major*

**KEY PROFILE**

**Sir Geoffrey Howe (b. 1926)** served as trade minister in Heath's government until 1974 and was Mrs Thatcher's first Chancellor of the Exchequer from 1979 to 1983. He presided over the application of monetarist principles to economic policies. From 1983 to 1989, he was foreign minister but his views on Europe came into conflict with Thatcher's. His resignation speech in 1990 helped to cause her fall from power.



**Fig. 4** *Howe was Thatcher's longest-serving cabinet minister*

**Nigel Lawson (b. 1932)** served in Thatcher's first term as Howe's number two at the Treasury and replaced Howe as Chancellor in 1983. His expansionary budgets of 1987 and 1988 created the 'Lawson boom'. In 1989, Lawson resigned from the government, furious about the excessive influence wielded by Thatcher's private economic adviser, Professor Alan Walters.



**Fig. 5** *Lawson created the 'Lawson boom'*

**Using your own research, the profiles above and information on the next few pages add notes on the following important figures?**

Norman Tebbit

Sir Geoffrey Howe

Michael Heseltine

Nigel Lawson

L.O: To know who supported Thatcher's government

### **Lesson three- Thatcher's ministers – support and opposition**

Although the Conservative Party won the 1979 election it would be wrong to see the party as a Thatcherite one. There were still many senior Tories who were, what she termed, 'wets', and Thatcher's first cabinet contained several, for example, Willie Whitelaw was appointed Home Secretary. Thatcher did, however, ensure that most of the key posts, especially economy, were held by people she regarded as "one of us" 'dries'. Geoffrey Howe became Chancellor of the Exchequer and the Department of Industry went to Keith Joseph. Other key economic posts were given to John Biffen and Nigel Lawson, two men with a 'dry' approach to economy and finance. One exception was Jim Prior, a 'wet' who became employment minister.

#### **KEY TERM**

**wet:** a derisive nickname given to a member of the Conservative Party by Mrs Thatcher and her supporters for being soft and squeamish about the social consequences of monetarist economic policies; they could also be seen as one-nation Conservatives

#### **KEY TERM**

**dry:** a nickname given to Conservatives who were firm and uncompromising in their support for monetarism

**What were wets and dries? How did Thatcher balance this in her cabinet?**

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As might have been expected, there were disagreements between Prior and Thatcher; these were mainly over anti-union legislation as the Thatcherites believed that Prior was too friendly with trade union leaders. Prior was moved to the Northern Ireland Office in 1981 (a demotion) and replaced by Thatcherite Norman Tebbit.

Success at the 1983 general election consolidated Margaret Thatcher's position, as prime minister and as party leader. Most of the wets in her party were marginalised. Thatcher was now a commanding leader at the head of a team of Thatcherites, such as the Chancellor, Nigel Lawson, and Foreign Secretary, Geoffrey Howe.

**What issues did Thatcher find in her government? How was this overcome?**

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However, this does not mean that Thatcher did not face opposition from ministers. Some opposition was due to personal disagreements. Both Biffen and Tebbit eventually fell out of favour despite being Thatcherites. But the most serious challenge to Thatcher's authority was the Westland affair; Michael Heseltine stormed out of a cabinet meeting, resigning his position and claiming that Thatcher was acting unconstitutionally. Although Thatcher survived Westland, Heseltine became a focus of discontent for those Conservative MPs who were unhappy with Thatcher's rule.

**How did Thatcher see challenges to her authority?**

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### Lesson 4 -Thatcher – divided opposition

This led to catastrophic defeats in 1983 and 1987. Many commentators started to believe that the Labour Party would never win office again.

## What happened to the Labour party in the 1980s? Why did this happen?



The Social Democratic Party (SDP) was born at the end of January 1981, when a group of leading Labour politicians, the so-called 'Gang of Four', David Owen, Roy Jenkins, Shirley Williams and Bill Rodgers, issued their 'Limehouse declaration', announcing the formation of the Council for Social Democracy. The leaders of the new SDP and the 28 Labour MPs that followed them believed that they had been driven out of the Labour Party by the extremists who were now taking over. They believed that the best way to save the Labour Party was not to fight a losing battle against the 'Bennite' Left (supporters Of Tony Benn) within the Labour Party, but to build a new centrist alternative capable of appealing to the middle ground. The snapping point had come earlier in January 1981, at a special party conference held at Wembley, dominated by the Labour Left. The Wembley conference was notorious for the hostility shown towards speakers by hard-left hecklers. This helped to convince moderates such as Shirley Williams that it was time to give up on Labour.

**Explain the emergence of the SDP. Why were they unhappy with the Labour party?**



L.O: To know who supported Thatcher's government

### **Lesson 4 -Thatcher – divided opposition**

The new SDP soon made an impact on national politics. Shirley Williams won a sensational by-election in the Conservative seat of Crosby in November and the following March, Jenkins won Glasgow Hillhead. In another by-election, in the previously 'safe' working-class seat of Bermondsey in East London, Labour was resoundingly defeated by the Liberals, who claimed they had 'broken the mould' of the old two-party system.

The two centre parties forged a formal agreement known as the SDP- Liberal Alliance (which became known as 'the Alliance') and worked together in both the 1983 and 1987 elections. However, relationships between the two parties were often tense and there were differences between the leaders, the 'Two Davids; Steel and Owen. Even so, the Alliance seemed able to have overtaken Labour as the credible opposition to Margaret Thatcher's government until 1987. Labour was widely regarded as unelectable.

**How successful were the SDP?**

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**What was the Alliance? Was it successful?**

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### **Demographic changes**

As well as facing the Liberal revival, the new SDP, and internal bitterness, the Labour Party could no longer depend on its traditional working-class support. Press coverage of Labour was almost universally hostile. Whole sections of Labour's traditional political support leaked away. Some Labour voters became 'Thatcher Conservatives'; some voted Liberal or SDP. Some supported the far Left in attacking the Labour leadership from within. Some became apathetic and did not vote at all.

The collapse in Labour's popularity would not prove easy to turn around. The basic foundations of the Labour Party were crumbling as demographic change loosened the traditional loyalties of the working class. The unions were no longer such a source of strength. Many traditional Labour strongholds in local government were seen as having lost touch with the people they were supposed to serve. It seemed that the Labour Party might have passed the Point of no return and might cease to be a potential party of government. Pundits speculated about the 'fundamental realignment of British politics'.

**How did democratic changes create problems for the Labour party?**

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L.O: To know who supported Thatcher's government

### **Lesson 4 -Thatcher – divided opposition**

When Neil Kinnock replaced Michael Foot as Labour leader in 1983, Labour was in danger of being marginalised by Thatcherism and by the rise of the SDP, Kinnock played a big part in dragging Labour back into the political mainstream.

Although Kinnock had come from the Left of the Labour Party he took the extremists Militant Tendency and the 'Bennites', and the union leaders. He criticised Arthur Scargill for failing to hold a strike ballot during the miners' strike of 1984.

**Why did Labour divisions continue with the election of a new leader?**

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**How does Neil Kinnock show his anger about militant tendency in source four?**

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In 1986 Kinnock was successful in expelling Militant Tendency from the Labour Party but it was still perceived as dominated by the Left and the trade unions.

Militant Tendency derived its name from the Militant newspaper that promoted Trotskyite revolutionary socialism. Militant was an 'entryist' organisation, seeking to infiltrate the Labour Party from within. The Militant Tendency gained a foothold in Bradford and some London boroughs but its biggest success was in Liverpool, where it gained control of the city council, with Derek Hatton as deputy council leader. Their slogan was: 'Better to break the law than break the poor'.

**Why was militant tendency a problem for the labour party? What was it?**

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#### **A CLOSER LOOK**

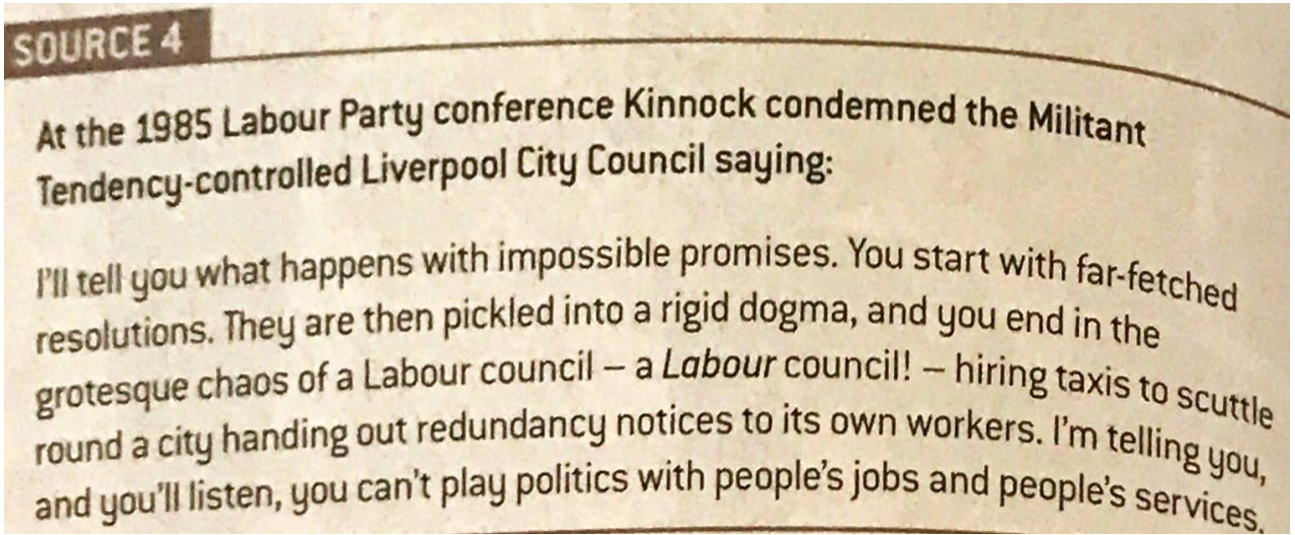
##### **Trotskyism**

Trotskyite is a term used to describe those on the Left who follow the ideas of Leon Trotsky. Trotsky was one of the leaders of the Russian Revolution in 1917. He was a Marxist who believed in a permanent international revolution of the working classes. He became involved in a power struggle with Stalin in the 1920s and was expelled from the Communist party in 1927 and from the Soviet Union in 1929. He was assassinated on Stalin's orders in 1940.



**Lesson 4 -Thatcher – divided opposition**

Complete the source evaluation for source four:



Content	
Provenance	
Language and tone	



L.O: To know how Thatcher was able to have electoral success.

### **Lesson 5 - Thatcher – Electoral success**

At the beginning of 1982, Margaret Thatcher was one of the most unpopular prime ministers in living memory. Yet in the 1983 general election the Conservative Party won a huge landslide victory. The Conservative party slumped in popularity again between 1983 and 1987 but won another big victory in 1987.

#### **The 1983 election**

The political landscape was transformed in 1982 by the impact of the war in the Falklands on domestic politics. The military regime in Argentina invaded the Falklands Islands in April 1982. Thatcher's immediate response was a full-scale military effort to recover the islands. This decision was a gamble that could easily have gone wrong but British forces achieved complete success. This decisive and relatively painless victory was seen as a vindication of Thatcher's bold leadership. There had been some opposition to the war, but largely, the war had unleashed a wave of patriotism around the country. There was approval from most of the national press and even most of the Labour party supported the recovery of the Falklands.

'Falklands factor' galvanised the grass-roots Conservative activists. Thatcher gained in self-confidence and began to dominate the party in a way she had not been able to before. Her ability to make tough but ultimately successful decisions meant that people believed that she could do the same at home as well. Without a doubt, victory in the Falklands conflict in 1982 helped to bring about a landslide victory for the Conservatives and it probably slowed the rise of about the Alliance. But victory in the Falklands for the Conservatives factor does not and wholly explain the result.

**Why was the Falklands war significant in the 1983 election? What happened? What did it show it British public?**

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The Labour leadership lacked credibility. Michael Foot struggled to deal with the divisions within the Labour Party and performed badly on television. Furthermore the Labour election manifesto was dominated by left-wing promises, including unilateral disarmament, withdrawal from the EEC and the abolition of fox hunting. One Labour MP, Gerald Kaufman, labelled the manifesto as 'the longest suicide note in history'.

**Explain the reasons why the Labour party lost the 1983 election.**

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L.O: To know how Thatcher was able to have electoral success.

### Lesson 5 - Thatcher – Electoral success

Another crucial factor was the splintering of political opposition as a whole. Even discounting the nationalist parties, the anti-Conservative vote totalled 16 million, 3 million more than the pro-Conservative vote, yet the conservatives had a huge majority of 144 seats. The 1983 result was an example of the distorting effect of the first-past-the-post system. The Alliance got only half a million fewer votes than Labour but had 186 fewer seats in Parliament.

**Why was the splintering of political opposition significant?**



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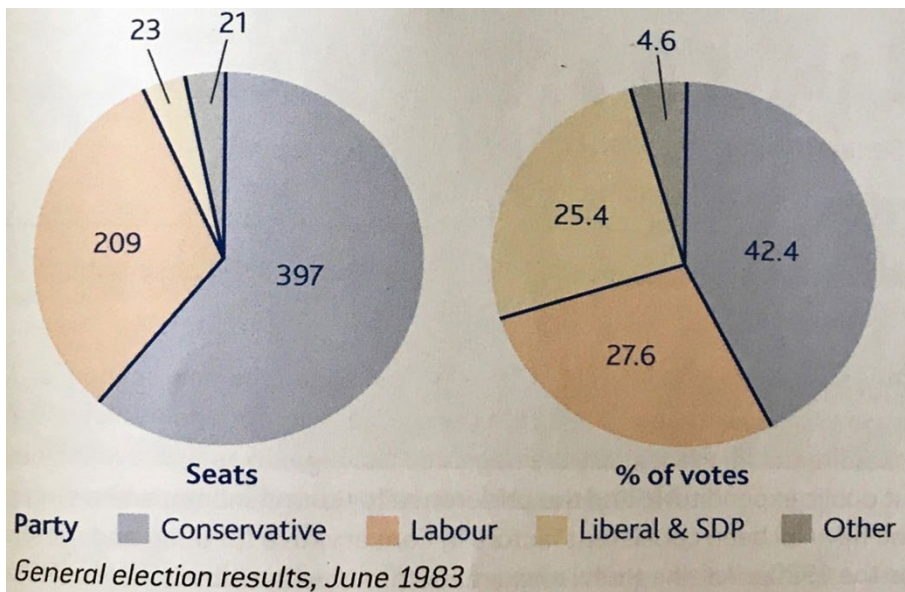
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**Analyse the June 1983 general election results:**

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L.O: To know how Thatcher was able to have electoral success.

### **Lesson 5 - Thatcher – Electoral success**

#### **The 1987 election**

The Conservative Party fought the election on the issues of a strong defence, a growing economy and promised lower taxes. They continued to have the backing of the majority of the press.

After its heavy defeat in 1983 the Labour party's new leader, Neil Kinnock, was determined to move the party along the long road back to political credibility but this was a huge task. By 1987, Kinnock's leadership had already done a lot to restore party discipline and to make the party organisation more efficient but, even so, Labour suffered yet another heavy defeat.

There was also a loss of momentum for the SDP-Liberal Alliance, which found it hard to keep the levels of support gained in 1981 and 1982. This was partly due to ideological differences; opposition to Thatcher was not enough to provide unity by itself. There were also personal differences between the two Davids. The Alliance got 24 per cent of the vote in the 1987 election, nowhere near the peak of 40 per cent it had polled just before the Falklands War.

The SDP began to shrink. It had only come into existence because the Labour Party of 1981 was increasingly seen as unelectable. Moderate socialists had felt compelled to leave the Labour Party to fight against hard left extremism. Now, as Neil Kinnock established his grip on the party, it seemed that moderate socialism was back in business and the SDP had no real identity or purpose.

**How did the Conservatives win the 1987 election?**

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In 1988, the Liberal Party and the SDP formally merged to form the Liberal Democrats. David Owen disagreed with the merger and resigned. Many other MPs switched their allegiance back to Labour. Liberal Democrats remained a force in politics especially through their slick campaigning in by-elections and local elections but the hopes of 'breaking the mould' melted away

**Explain how the Liberal democrats were created:**

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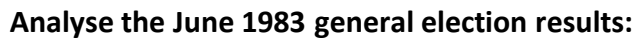
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## Lesson 5 - Thatcher – Electoral success



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**Lesson 5 - Thatcher – Electoral success**

**SOURCE 5**

In 1989 the left-wing academic Paul Hirst wrote about the Conservatives' electoral success:

Mrs Thatcher's governments since 1979 have blended the new economic doctrine with opportunism. The virtues of the free market and the private firm, the hostility to nationalisation, the opposition to high taxes and a willingness to cut public expenditure, and the preference for sound money and a strong pound have all been consistent factors in Conservative thinking and rhetoric since the 1920s. Yet she threw away monetarism when it became a political liability. She abandoned much of the substance of her economic ideas in order to seek the pragmatic goal of prosperity. For the beneficiaries of this boom it has indeed become the case that they 'had never had it so good' – in 1987 they voted with their wallets.

Content	
Provenance	
Language and tone	

L.O: To know how Thatcher managed the troubles in Northern Ireland.

### **Lesson 6 - Thatcher – Northern Ireland and the Troubles**

The Troubles in Northern Ireland continued. Thatcher had strong Unionist sympathies; in addition she was determined not to give in to terrorism. She soon faced a crisis over the ongoing campaign for Special Category Status by IRA prisoners held in H-Block of the Maze prison in Belfast. They wanted to be recognised, and treated, as political prisoners. Hunger strikes, led by Bobby Sands, began in 1980 as a protest. The hunger strikers gained a lot of attention and support. The death of an independent republican MP in Fermanagh South Tyrone presented Sinn Féin, the political wing of the IRA, with an opportunity. Still on hunger strike, Sands was nominated to stand in the by-election as the Anti-H-Block candidate and he won the seat. A few weeks later he died. Nine more hunger strikers died before the protest was called off in October 1981.

Margaret Thatcher claimed that the hunger strikes were a defeat for the IRA because their main aim, Special Category Status for IRA prisoners, was not granted. However, the hunger strikes did have a big impact.

**Explain the impact of hunger strikers? What happened? What did the strikers want?**

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**Read the key profile. Why was Bobby Sands a significant figure?**

#### **KEY PROFILE**

**Bobby Sands (1954–81)** joined the IRA as a teenager in 1972. He said he did this because of his experiences growing up in Belfast. His family was moved three times as Protestants used violence and intimidation to force Catholics out of their houses. The final straw came when he was forced by gunmen to leave his job. He was arrested in 1972 for possession of firearms; after his release in 1976 he was involved in the bombing of a furniture showroom and sentenced to 14 years in prison. While in prison he wrote poetry and articles about the IRA prisoners. His death, at the age of 27, made him a martyr for the republican movement.

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L.O: To know how Thatcher managed the troubles in Northern Ireland.

### **Lesson 6 - Thatcher – Northern Ireland and the Troubles**

Thatcher's intransigence meant that she became a hate figure for republicans in Northern Ireland, While Bobby Sands and the other strikers became republican heroes. Both unionists and republicans hardened their stances. Moreover, the electoral success in Fermanagh and South Tyrone meant that republicans such as Gerry Adams, who became president of Sinn Fein in 1983, began to see that there were advantages to using the 'ballot box and the gun as a twin-track strategy and Sinn Fein became more focused on winning parliamentary seats.

**Explain the twin-track strategy:**

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In October 1984, the IRA exploded a bomb in the Grand Hotel in Brighton during the Conservative Party conference. The main target of the Brighton bomb, Margaret Thatcher, was unhurt, but five people were killed. There was national outrage in Britain.



**Explain why this would have a significant impact:**

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L.O: To know how Thatcher managed the troubles in Northern Ireland.

### **Lesson 6 - Thatcher – Northern Ireland and the Troubles**

Despite Thatcher's public stance of never negotiating with terrorists, and despite the Brighton bomb, there were always secret contacts through go-betweens. At the same time the London and Dublin governments discussed proposals for a constitutional settlement in Northern Ireland. And in November 1985, the Anglo-Irish Agreement was signed at Hillsborough.

This set up permanent intergovernmental cooperation between the UK and the Republic of Ireland. The Conservative government hoped that this would enhance security cooperation between the Irish Republic and the UK. It also aimed to strengthen moderate nationalists against Sinn Fein and was supported by the SDLP and the Alliance. Republicans, however, opposed the Agreement because it confirmed that Northern Ireland was part of the United Kingdom.

The Hillsborough Agreement gave the Irish government an advisory role in Northern Ireland. This involvement of the Irish government in Northern Ireland caused a furious unionist and loyalist backlash. 200,000 people attended a protest rally in Belfast where the leader of the DUP, the Reverend Ian Paisley, addressed the crowd: 'Where do the terrorists operate from? From the Irish Republic! Where do the terrorists return to for sanctuary? To the Irish Republic! And yet Mrs Thatcher tells us that the Republic must have some say in our Province. We say never, never, never, never!' A new unionist paramilitary organisation, Ulster Resistance, was set up in response in 1986. there was a series of atrocities on both sides. There seemed to be no way out of the cycle of violence and retaliation.

**Read the information above. What was the Hillsborough agreement? Why was the agreement criticised?**

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A CLOSER LOOK	
A selection of events from the Troubles in 1979–87	
Jul 1982	Hyde Park/Regent Park bombings, London – 11 soldiers killed by IRA
Dec 1982	Droppin Well bomb, Ballykelly, N. Ireland – 11 soldiers and 6 civilians killed by INLA
Dec 1983	Harrods, London bombing – 6 people killed by IRA
Oct 1984	Brighton bomb at Conservative Party conference – 5 people killed by IRA
Feb 1985	9 RUC officers killed by an IRA mortar attack in Newry
May 1987	8 IRA volunteers and 1 civilian shot by SAS
Nov 1987	Remembrance Day bomb, Enniskillen, N. Ireland – 12 people killed by IRA

L.O: To know how Thatcher managed the troubles in Northern Ireland.

**Lesson 7 - Thatcher – Northern Ireland and the Troubles**



**Summary: Make a list of the reasons why the Conservatives were so electorally successful between 1979 and 1987. Decide which of these reasons are the most significant.**

L.O: To know how Thatcher managed the troubles in Northern Ireland.

**Lesson 7 - Thatcher – Northern Ireland and the Troubles**



**The Conservative government's policies in Northern Ireland between 1979 and 1987 made "the Troubles" worse'. Assess the validity of this view.**

Use the space below to plan an answer to the question



L.O: To know how Thatcher managed the troubles in Northern Ireland.

### Lesson 7 - Thatcher – Northern Ireland and the Troubles



With reference to these three sources and your understanding of the historical context, assess the value of these three sources to an historian studying the meaning of Thatcherism.

#### **SOURCE 2**

In an interview on London Weekend Television in January 1983 Thatcher explained how her beliefs and background affected her politics:

Compassion isn't determined by how much you get together demonstrations in the street to protest to government that government, which is other tax-payers, must do more. It's determined by how much you are prepared to do yourself. Of course we have basic social services, we will continue to have those, but equally compassion depends upon what you and I, as an individual, are prepared to do. I remember my father telling me that at a very early age. Compassion doesn't depend upon whether you get up and make a speech in the market-place about what governments should do. It depends upon how you're prepared to conduct your own life, and how much you're prepared to give of what you have to others.

#### **SOURCE 3**

Rhodes Boyson was a former headteacher and a junior minister in the Thatcher government. He was a social conservative, arguing that schools should use the cane to discipline pupils and that capital punishment should be reinstated. He was critical of the 1960s:

Some people look with amusement or even horror at the self-help of the Victorian age, but its virtues of duty, order and efficiency have been replaced in the muddled thinking of our age by a belief in individual irresponsibility. The predictable outcome is seen in disorder, crime and lack of civic duty and in the palsied inefficiency so often visible in the public service.

#### **SOURCE 5**

In 1989 the left-wing academic Paul Hirst wrote about the Conservatives' electoral success:

Mrs Thatcher's governments since 1979 have blended the new economic doctrine with opportunism. The virtues of the free market and the private firm, the hostility to nationalisation, the opposition to high taxes and a willingness to cut public expenditure, and the preference for sound money and a strong pound have all been consistent factors in Conservative thinking and rhetoric since the 1920s. Yet she threw away monetarism when it became a political liability. She abandoned much of the substance of her economic ideas in order to seek the pragmatic goal of prosperity. For the beneficiaries of this boom it has indeed become the case that they 'had never had it so good' – in 1987 they voted with their wallets.

L.O: To know how Thatcher managed the troubles in Northern Ireland.

**Lesson 7 - Thatcher – Northern Ireland and the Troubles**



**The electoral success of the Conservatives under Thatcher was due more to the divisions of the Labour party than to the ideology of Thatcherism'. Assess the validity of this view.**

Use the space below to plan an answer to the question



L.O: To know how Thatcher used monetarism to control the economy.

### Lesson 8 - Thatcher s economic policies - Monetarism

**SOURCE 1**

Thatcher looked back on the economic reforms of her premiership in her autobiography, *The Downing Street Years*, which was published in 1993:

The 1980s saw the rebirth in Britain of an enterprise economy. This was by and large a decade of great prosperity, when our economic performance astonished the world. Whereas most European economies in the 1980s grew more slowly than they had the previous decade, the British economy grew faster. Trade union power, training, housing and business regulation – were areas in which in varying degrees we made progress in strengthening the ‘supply side’ of the economy. But the most important and far-reaching changes were in tax reform and privatisation. Tax cuts increased incentives for the shop floor as well as the board room. Privatisation shifted the balance away from the less efficient state to more efficient private business. They were the pillars on which the rest of our economic policy rested.

Content	
Provenance	
Language and tone	

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**KEY TERM**

**monetarism:** an economic theory promoted by Milton Friedman and the 'Chicago School' of economists; they argued that the best way for governments to control inflation was by restraint of government spending and borrowing and, above all, by strict curbs on the money supply, i.e. the amount of currency in circulation

By 1980 the economy had plunged into a serious recession, hit both by inflation, above 15 per cent, and also by sharply rising unemployment, going above 2 million, 'Stagflation' was back. It is likely that the economy would have been in an even more disastrous state and there would have been a serious run on the pound but for the flow of North Sea oil and gas that saved Britain from what would otherwise have been a severe balance of payments crisis.

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L.O: To know how Thatcher used monetarism to control the economy.

### **Thatcher s economic policies - Monetarism**

Many people expected the government to reverse its policy. Instead the 1981 budget applied even further monetarist measures. Government borrowing went down. Grants to local councils were cut and benefits were frozen. A government economic advisor described the budget as the 'biggest fiscal squeeze of peacetime'. Howe called it 'the most unpopular budget in history'

However, there was another reason why Thatcherites wanted to cut public spending: they believed that individuals spent their money better than governments did.

The belief that people rather than governments spent money more efficiently led to a shift away from direct taxation, such as income tax, to indirect taxation such as VAT: i.e. away from taxes on people's incomes or property and towards taxes on the goods and services on which they chose to spend their money. Hence the top rate of income tax fell from 83 per cent to 40 per cent by 1988 and the standard rate fell to 25 per cent from 33 per cent over the same period, but VAT went up from 8 per cent to 15 per cent in 1979. Similarly, taxes on petrol, cigarettes and alcohol went up in almost every single budget between 1979 and 1987.

**Explain how budgets changed under Thatcher's premiership. Use clear examples:**

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Supporters argued that reducing direct taxation would incentivise wealth creation by allowing people to keep more of what they earned. Critics argued that transferring the burden onto an indirect taxation system was less progressive and hit poorer people harder.

Cutting public spending also led to a series of clashes between the Conservative central government and many Labour-controlled local councils. The Thatcher government saw left-wing local councils as enemies, both in terms of their ideology and because they blamed them for wasting resources. One of the fiercest battles was fought with the Greater London Council (GLC) headed by the left-winger Ken Livingstone. Margaret Thatcher treated many GLC policies in education and public transport as provocations. Ken Livingstone was demonised as the face of the 'loony left'.

**Make notes on the strengths/criticisms:**

Strengths	Criticisms

L.O: To know how Thatcher used monetarism to control the economy.

## Lesson 8 - Thatcher's economic policies - Monetarism

Read the information below and make notes on the loony left:

### **What was the 'loony left'?**

The 'loony left' was the name given by the right-wing press to left-wing local councils that promoted liberal and politically correct policies. These ranged from the promotion of multicultural initiatives and gay and lesbian rights to the creation of nuclear-free zones and support for controversial issues such as Irish republicanism and communism in Cuba and Nicaragua. Some of these stories were myths such as Hackney Council banning *Baa baa black sheep* for being racist; others are now ideas which are much more mainstream today; but there were examples, which even today might seem ridiculous, which harmed the Labour Party's electoral credibility.

### **Why was Ken Livingstone a significant figure?**

**Ken Livingstone (b. 1945)** made his name as a left-wing activist on Lambeth Borough Council. In 1981, he became leader of the GLC and remained leader until the GLC was abolished in 1986. He was the first elected Mayor of London from 2001 to 2008. Livingstone was regarded as an unreliable maverick by the Labour Party leadership, who tried to block his election in 2001. After he proved popular and successful, he was allowed to rejoin the party in 2005.

In order to control the overspending of Labour local authorities the Conservative government introduced rate capping. This limited the amount of money that a council was allowed to raise in local taxation. In 1985 a number of authorities, including Sheffield and Liverpool, tried to rebel against the cap and refused to set budgets. Eventually, threatened by bankruptcy, they had to back down. In 1986, the Local Government Act abolished the big metropolitan local authorities that had been set up by Heath's government; the powers of the central government were greatly increased at the expense of local government. In the short term, this was a clear victory against the 'loony left' but, in the longer term, it damaged local accountability. However, despite the rhetoric on controlling public spending, Thatcher in fact never managed to cut public spending in real terms, partly because spending on social security went up due to high levels of unemployment.

### **How did Thatcher try to deal with local councils? What was the impact of this?**

### **Make notes on the long and short term impacts:**

Strengths	Criticisms

L.O: To know how the importance of privatisation and deregulation in Thatcher's economic policies.

### Lesson 9 - Thatcher's economic policies – Privatisation and deregulation

The experiment with monetarism was effectively ended by Thatcher's second term. The final nail in the coffin was Lawson abandoning spending targets in 1986. But this did not mean a return to pre-Thatcherite economic policies. There continued to be a greater emphasis on supply side economics rather than a return to the demand side economics of the post-war consensus. This concentrated on market reforms such as privatisation and deregulation.

**Why did Thatcher move from monetarism economics by the end of her second term?**

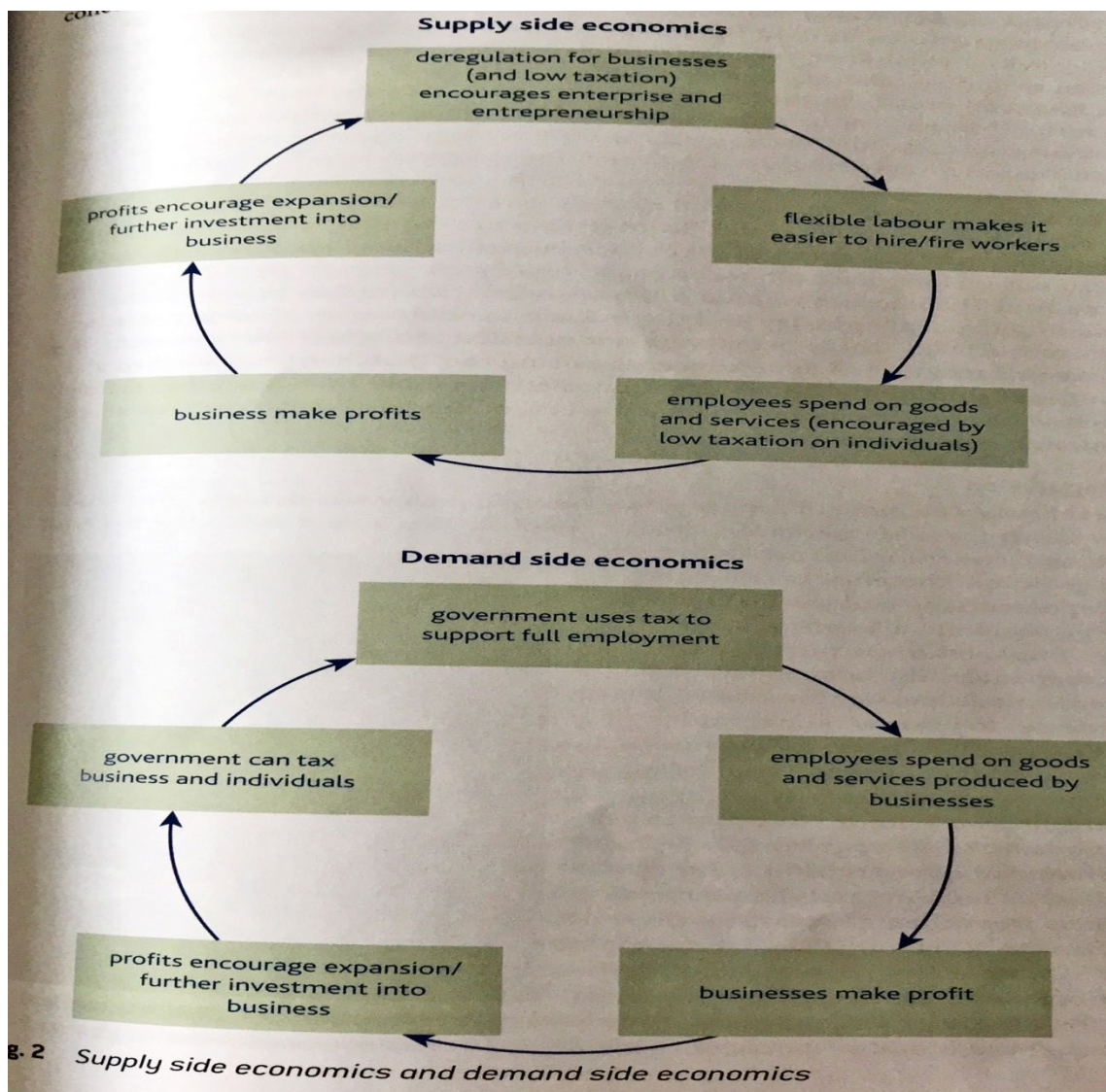
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### Lesson 9 - Thatcher's economic policies – Privatisation and deregulation

**What are the key differences between supply side economics and demand side economics.**

**What are the key differences between supply side economics and demand side economics.**

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L.O: To know how the importance of privatisation and deregulation in Thatcher's economic policies.

### **Lesson 9 - Thatcher's economic policies – Privatisation and deregulation**

#### **Privatisation**

Denationalisation, or privatisation, became central to Thatcherite economic policy. A few steps had been taken in this direction in the first term: BP had been privatised in 1979 and British Aerospace in 1980. But the drive for Privatisation gained momentum with the successful sale of British Telecom in 1984. The sale of British Gas in 1986 became the biggest share offer in history, and was accompanied by a high-profile advertising campaign seeking to maximise the purchase of shares by ordinary people. Between 1979 and 1990, the number of individuals owning stocks and shares went from 3 to 9 million.

**What was privatisation? How did Thatcher's government use it?**

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Privatisation was driven by an anti-socialist ideology. Just as Thatcherites believed that private individuals were better at spending money than government, it was also a core belief that the private sector was more dynamic and efficient than the public sector at running and delivering goods and services. Businesses would compete with others, which would encourage improvement and innovation. At the same time the financial pressures that local government was under also led to a 'rolling back the frontiers of the state'. 'Outsourcing', private companies take on contracts to deliver goods and services previously provided by the State, became increasingly widespread: for example, in refuse collection.

**Why did Thatcher's government believe privatisation was necessary? How did it impact on local governments?**

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Privatisation brought a lot of revenue for the government. Critics argued that privatised enterprises were sold off cheaply in order to ensure all shares were taken up. And it sometimes made life insecure for employees; some lost jobs as the privatised enterprises cut back on staff; others found that they no longer had job security and a reliable pension. Radical Thatcherites wanted to push ahead with further privatisations, including the coal industry and the railways, and planned to privatise parts of the NHS. These plans were not pursued until the 1990s but, the privatisation of State concerns during the Thatcher years marked a significant shift in the British economy. Perhaps more than any other factor, the drive for privatisation signalled the end of the post-war consensus about economic management.

**Explain the strengths and criticisms of privatisation.**

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L.O: To know how the importance of privatisation and deregulation in Thatcher's economic policies.

### **Lesson 10 - Thatcher's economic policies – Privatisation and deregulation**

#### **Deregulation**

The other key element of supply side economic policy was deregulation. The government would interfere as little as possible. This meant removing 'red tape', making it easier for business to trade and grow and therefore encouraging entrepreneurship and wealth creation. The government also introduced other measures to encourage start up companies. Loan Guarantee Scheme made it easier for small businesses to borrow money and the Enterprise Allowance Scheme encouraged the unemployed to start up their own businesses by giving them £40 a week for up to a year to get their business off the ground.

**What was deregulation? How did Thatcher's government use it?**

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Financial deregulation freed up the City of London and the financial markets from the tight controls of the Bank of England. The 'Big Bang' on 27 October 1986 deregulated the London Stock Exchange, opening the way for computer screen trading and replacing the 'old boys' network' with free competition. Foreign banks could now operate as stockbrokers. It blew away old tradition and is credited with restoring London's position as a world financial centre. A new breed of dealers and speculators took over. The 'yuppie' became an iconic image of the 1980s and the City became a place where bigger risks were taken and bigger fortunes could be made. It made London one of the financial capitals of the world and allowed it to compete with Wall Street. Financial services became one of the UK's most important export industries.

**What impact did deregulation have on Britain's economy?**



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There is no doubt that the economy grew during Thatcher's premiership. However, productivity did not increase by much. And overall, at 2.2 per cent, with in GDP (Gross Domestic Product) during the 1980s was no better than in the 1970s. This was because the growth in the second half of the decade was balanced by the underperformance at the beginning of the decade.

**Why was deregulation not entirely successful?**

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L.O: To know how the importance of privatisation and deregulation in Thatcher's economic policies.

## Lesson 10 - Thatcher's economic policies – Privatisation and deregulation

### KEY TERM

**financial deregulation:** the loosening of controls on banks and financial markets, which led to a massive boom in investment banking and financial speculation; the issue of deregulation became very controversial in the Great Crash of 2008

### KEY TERM

**the City or the Square Mile:** shorthand for the financial district of London in which the London Stock Exchange and the Bank of England are based, as well as the headquarters of many multinational corporations; the City is governed by the City of London Corporation which is headed by the Lord Mayor and it has its own police force separate to the Metropolitan Police

### KEY TERM

**Yuppie:** short for young urban professional; in the 1980s it was used to describe people working in cities with large amounts of disposable income which was spent on consumer goods such as cars and the very first mobile phones

Key word	Definition	Sentence
Financial deregulation		
The city or square mile		
Yuppie		

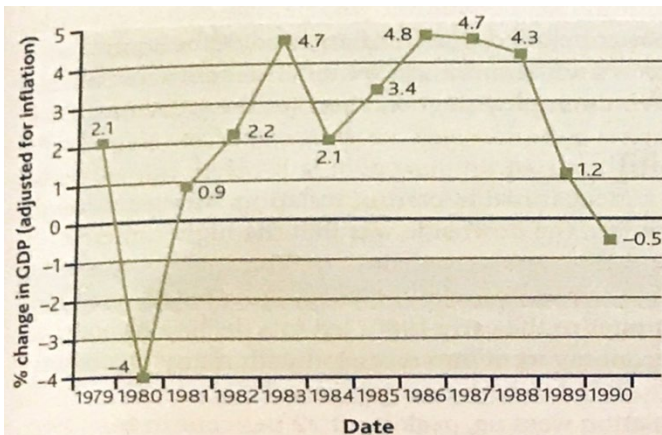


Fig. 4 Annual percentage growth rate

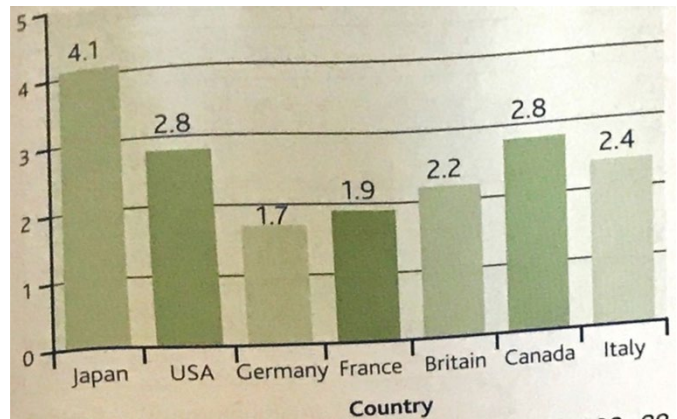


Fig. 5 Average annual percentage growth rate 1980-88

What conclusions about the success of Thatcher's economic policies would you come to from these graphs?

L.O: To know how the importance of privatisation and deregulation in Thatcher's economic policies.

### Lesson 10 - Thatcher's economic policies – Privatisation and deregulation

#### **SOURCE 2**

The Conservative manifesto at the 1987 election boasted that the Conservative government had reversed the decline of the British economy:

For the first time in a generation this country looks forward to an era of real prosperity and fulfilment. A vast change separates the Britain of today from the Britain of the late 1970s. Is it really only such a short time ago that inflation rose to an annual rate of 27 per cent? Remember the conventional wisdom of the day. The British people were "ungovernable". We were in the grip of an incurable "British disease". Britain was heading for "irreversible decline". Well, the people were *not* ungovernable, the disease was *not* incurable, the decline *has* been reversed. What matters is the feel of the country – the new enthusiasm for enterprise, the new spirit that Britain can make it, that we can prosper with

the best. Investment in British industry is rising strongly. Our services sector, employing almost two-thirds of our workforce, generates a vast surplus of foreign earnings. And our manufacturers are travelling the globe with a new confidence born of the knowledge that Britain is internationally competitive again.

Content	
Provenance	
Language and tone	

L.O: To know how the issues around inflation, unemployment and economic realignment in Thatcher's economic policies.

### **Lesson 11 - Thatcher's economic policies – Issues of inflation, unemployment and economic realignment**

Thatcherites, following the ideas of the New Right and the principles of monetarism, believed that inflation was a threat to the economy. They looked back to the recurring problems that the British economy had faced in the post-war period and blamed Keynesian economic policies which had allowed inflation to rise. This analysis concluded that if inflation could be controlled then the economy would grow and be more successful. This was a reversal of the post-war consensus when unemployment was seen as the greater evil.

**How were the views of Thatcherites on economy different to post-war consensus?**

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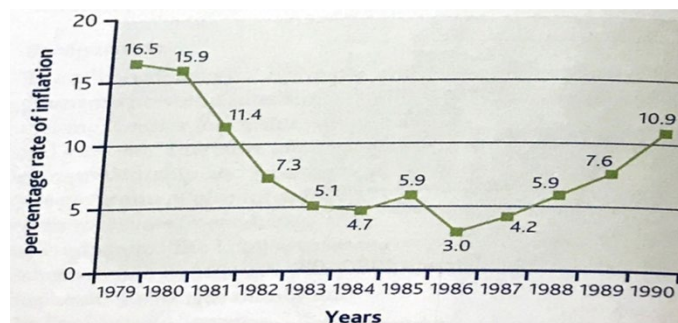
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### **The control of inflation**

Interest rates were used as a mechanism to control inflation; they were raised to 17 per cent in 1979. However, the downside was that the higher interest rates made it more expensive for businesses to borrow. They also increased the value of the pound which made it more difficult for businesses to export. Therefore the high interest rates of the early 1980s led to a decline in both output and demand. The economy went into recession with many businesses going bankrupt, which in turn led to high unemployment.

Even worse, initially inflation went up, peaking at 22 per cent in May 1980. Thereafter it fell, reaching a low of 2.5 per cent in 1986. Attempts to control inflation in the later 1980s led to a further recession and eventual entry into the European Exchange Rate Mechanism (ERM). By 1990 it had again reached double figures.

**What were the problems with the controlling of inflation?**



**Fig. 6** Inflation 1979–90

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L.O: To know how the issues around inflation, unemployment and economic realignment in Thatcher's economic policies.

### **Lesson 11 - Thatcher's economic policies – Issues of inflation, unemployment and economic realignment**

#### **Unemployment**

Because the Thatcher government saw the control of inflation as the key economic threat to the British economy, maintaining low levels of unemployment was no longer seen as the primary aim. Instead British industry had to be prepared to be more competitive and if this led to a rise in unemployment then that had to be accepted. In fact the impact of monetarist economic policies in the early 1980s on industry was drastic. Many industrial plants closed down permanently. The worst hit areas were the Midlands, the North, central Scotland and South Wales. Areas in the south and southeast were not hit as badly. Some commentators described what was happening as the 'deindustrialisation of Britain'. Manufacturing output fell by 15 per cent in 2 years. In the West Midlands production fell by a quarter. Steel production alone was cut by 30 per cent, to less than 14 million tons.

**What was the Thatcherites view of unemployment? What was the impact of this?**

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By 1983 unemployment rose to over 3 million, the highest it had been in the post-war period. This was 13.5 per cent of the total workforce. The government did introduce some policies to combat this. Youth Employment schemes were created whereby employers received a subsidy to take young people on, and employer National Insurance rates were reduced for lower paid jobs. Nevertheless the unemployment rate did not fall below 3 million until 1987. The government remained firm in its conviction that controlling inflation was more important than controlling unemployment.

**What controls did the government bring in to try and combat unemployment? Were the successful?**

Year	Number employed (millions)
1979	7.1
1981	6.1
1984	5.3
1987	5.1
1990	5.0

**Table 1** *Employment in manufacturing, 1979–92*

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L.O: To know how the issues around inflation, unemployment and economic realignment in Thatcher's economic policies.

### **Lesson 11 - Thatcher's economic policies – Issues of inflation, unemployment and economic realignment**

In some areas which had been dependent on heavy industry, such as Liverpool, the employment rate went as high as 25 per cent and remained in double figures throughout the 1980s. In particular, far fewer people were being employed in manufacturing industry. Workers found their traditional skills were not in demand because they had been rendered out of date by mechanisation or by flexible working practices. The economic realignment towards service industries also meant that men were hit harder than women and in many homes women became the main breadwinners.

**Why were some areas more impacted than others? How did working practices start to change?**

#### **KEY TERM**

**service industry:** an industry that offers a service rather than a physical product – these services can be in a wide variety of areas including travel, finance, media and retail

Date	% of workforce unemployed	Number of people unemployed
Apr-Jun 1979	5.3	1,405,000
Apr-Jun 1980	6.3	1,700,000
Apr-Jun 1981	9.6	2,588,000
Apr-Jun 1982	10.6	2,841,000
Apr-Jun 1983	11.4	3,049,000
Apr-Jun 1984	11.9	3,265,000
Apr-Jun 1985	11.4	3,152,000
Apr-Jun 1986	11.3	3,159,000
Apr-Jun 1987	10.7	3,021,000
Apr-Jun 1988	8.7	2,490,000
Apr-Jun 1989	7.2	2,083,000
Apr-Jun 1990	6.9	2,002,000

**Table 2** Unemployment, 1979–90

**Analyse table two. What points of significance can you analyse?**

L.O: To know how the issues around inflation, unemployment and economic realignment in Thatcher's economic policies.

## **Lesson 12 - Thatcher's economic policies – Issues of inflation, unemployment and economic realignment**

### **Economic realignment**

Even without the government's economic policies, long-term economic trends were already affecting Britain's old industries. These old, labour intensive industries were facing challenges from foreign competition and from technological innovation. Britain's economy was moving away from being based on manufacturing and heavy industry and becoming based on services. The Thatcher governments embraced this shift.

### **How was the economy changing in Britain?**

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However, in areas that had never known anything else but coal mines, shipyards and steelworks. people faced painful adjustments. The foundations of the working class and of the communities they lived in were crumbling. This sharpened the north-south divide, as old traditional industries contracted, leaving behind large tracts of dereliction in the Midlands, the northwest, the northeast, Scotland and South Wales.

### **What was the north-south divide? Why was this significant?**

#### **KEY TERM**

**north-south divide:** a term frequently used to express the difference between the prosperous South of Britain and the less prosperous North

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	Unemployment level as % of population (May 1986)	Job losses or gains (1979–86)	Average weekly household income (1985)	Owner-occupiers as % of population (1985)
Scotland	15.8	–149,000	198	41
Wales	12.3	–130,000	187	62
Northern Ireland	21.7	–64,000	179	61
North/Northeast	19.1	–215,000	170	62
Northwest	16.3	–278,000	183	65
Yorkshire and Humberside	15.8	–266,000	173	55
West Midlands	15.5	–301,000	187	63
East Midlands	12.9	–118,000	203	66
Southwest	12.2	–39,000	209	69
East Anglia	11.2	+23,000	205	66
Southeast	10.1	–73,000	248	64

**Table 3** Regional trends during the Thatcher years

### **What can be learned about the north-south divide from table three?**

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L.O: To know how the issues around inflation, unemployment and economic realignment in Thatcher's economic policies.

**Lesson 12 - Thatcher's economic policies – Issues of inflation, unemployment and economic realignment**

**SOURCE 3**

The left-leaning journalist Peter Jenkins wrote his book, *The Thatcher Revolution: the death of the Socialist Era*, in 1987 just after the Conservative election victory. In it he commented on the impact of economic realignment in the 1980s:

It is impossible exactly to disentangle the positive (or negative) effects of Thatcherism from changes that were already in train. Unemployment was already rising when she came to power, the trend towards a greater inequality of income already well established, and the new underclass of the cities was already growing. We call this 'Mrs Thatcher's Britain' but it is not a Britain of her making. What is described here is not a dislocation brought about by Thatcherism. However, the process of polarisation between the People and the Underclass was exacerbated by policies designed to speed the adjustment rather than to soften its economic and social pains. It was a tougher regime she ushered in and she presided over some of its consequences, it may be thought, with too great an equanimity. This polarisation was qualitative as well as quantitative. The Britain of the peripheral council estates, planning disasters on a vast scale, and of the declining inner city areas has become increasingly another country.

Content	
Provenance	
Language and tone	

L.O: To know how the issues around inflation, unemployment and economic realignment in Thatcher's economic policies.

## **Lesson 12 - Thatcher's economic policies – Issues of inflation, unemployment and economic realignment**

**How useful is source three for understanding the economic realignment of Britain during the 1980s?**

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This economic realignment could also be seen in the urban decay of many inner city areas. There were increased problems of ill health and depression, and also alcoholism and drugs. Young people could no longer expect to follow their parents into work. Many were forced to move away. Long-term trends were shifting economic activity towards London and the south, changing the face of many towns and cities. In 1981 Howe advised Thatcher that cities such as Liverpool could be left to 'managed decline'.

**How did economic realignment impact on inner city areas?**

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In 1981 there were a series of riots between April and July in Brixton, London; Handsworth, Birmingham; Toxteth, Liverpool; and Chapeltown, Leeds. The Scarman Report was commissioned to examine the causes of the 1981 riots. It identified poverty and race as the key components. The areas in which riots had happened were suffering high levels of unemployment and deprivation. This was exacerbated by the fact that these were also areas where young black and Asian people felt the 'sus law' meant that the police unfairly targeted them. Despite the Scarman Report, and subsequent changes in policing policies, there were further riots in 1985.

**What was the Scarman report? What did it conclude?**



Fig. 7 Rioting in the Toxteth district of Liverpool, July 1981

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**Lesson 12 - Thatcher's economic policies – Issues of inflation, unemployment and economic realignment**

**A CLOSER LOOK**

The 'sus law' gave police officers permission to stop and search suspected persons if they thought they might commit a crime. Black people and those from ethnic minorities believed that the police unfairly targeted them. Shortly before the Brixton riots Operation *Swamp*, which aimed to reduce street crime, stopped 1000 people in 6 days. Sus law was repealed later that year.

**What was the sus law?**

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This economic realignment did also lead to investment and regeneration in some of these areas. Michael Heseltine, who continued to argue for greater government intervention, spearheaded redevelopment projects in the dockland areas of both London and Liverpool. In London, the Canary Wharf development on the old West India Docks became the second most important financial district in the country after the City of London; a symbol of the shift to the service industries.

**How did economic realignment improve some areas?**

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**Summary**

Overall the economic realignment that resulted from Thatcher's economic policies depended on perspective. Britain looked a different place depending on whether you were in Sheffield or Swindon.

**Imagine you are one of the following people. What is your view of the economic changes in the period 1979 to 1987?**

- A factory worker in Scotland
- A stockbroker in London
- A young person in Manchester

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L.O: To know how the issues around inflation, unemployment and economic realignment in Thatcher's economic policies.

**Lesson 12 - Thatcher's economic policies – Issues of inflation, unemployment and economic realignment**

Use an outline map of the British Isles. Mark on it the following areas:

- where there was a lot of traditional manufacturing industry which was in decline in the 1980s
- Where there were new economic activities growing during the 1980s
- Where there was social unrest

What does this tell you about the north-south divide?



**Complete a table which summarises the success and failure of Thatcher's economic policies.**

Economic policy	Successes	Failures
Inflation		
Employment		
Privatisation		
Deregulation		
Growth		



**Lesson 12 - Thatcher's economic policies – Issues of inflation, unemployment and economic realignment**



With reference to these three sources and your understanding of the historical context, assess the value of these three sources to an historian studying the impact of Thatcher's economic policies.

**SOURCE 1**

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The 1980s saw the rebirth in Britain of an enterprise economy. This was by and large a decade of great prosperity, when our economic performance astonished the world. Whereas most European economies in the 1980s grew more slowly than they had the previous decade, the British economy grew faster. Trade union power, training, housing and business regulation – were areas in which in varying degrees we made progress in strengthening the 'supply side' of the economy. But the most important and far-reaching changes were in tax reform and privatisation. Tax cuts increased incentives for the shop floor as well as the board room. Privatisation shifted the balance away from the less efficient state to more efficient private business. They were the pillars on which the rest of our economic policy rested.

**SOURCE 2**

The Conservative manifesto at the 1987 election boasted that the Conservative government had reversed the decline of the British economy:

For the first time in a generation this country looks forward to an era of real prosperity and fulfilment. A vast change separates the Britain of today from the Britain of the late 1970s. Is it really only such a short time ago that inflation rose to an annual rate of 27 per cent? Remember the conventional wisdom of the day. The British people were "ungovernable". We were in the grip of an incurable "British disease". Britain was heading for "irreversible decline". Well, the people were *not* ungovernable, the disease was *not* incurable, the decline *has* been reversed. What matters is the feel of the country – the new enthusiasm for enterprise, the new spirit that Britain can make it, that we can prosper with the best. Investment in British industry is rising strongly. Our services sector, employing almost two-thirds of our workforce, generates a vast surplus of foreign earnings. And our manufacturers are travelling the globe with a new confidence born of the knowledge that Britain is internationally competitive again.

**SOURCE 3**

The left-leaning journalist Peter Jenkins wrote his book, *The Thatcher Revolution: the death of the Socialist Era*, in 1987 just after the Conservative election victory. In it he commented on the impact of economic realignment in the 1980s:

It is impossible exactly to disentangle the positive (or negative) effects of Thatcherism from changes that were already in train. Unemployment was already rising when she came to power, the trend towards a greater inequality of income already well established, and the new underclass of the cities was already growing. We call this 'Mrs Thatcher's Britain' but it is not a Britain of her making. What is described here is not a dislocation brought about by Thatcherism. However, the process of polarisation between the People and the Underclass was exacerbated by policies designed to speed the adjustment rather than to soften its economic and social pains. It was a tougher regime she ushered in and she presided over some of its consequences, it may be thought, with too great an equanimity. This polarisation was qualitative as well as quantitative. The Britain of the peripheral council estates, planning disasters on a vast scale, and of the declining inner city areas has become increasingly another country.

L.O: To know how the issues around inflation, unemployment and economic realignment in Thatcher's economic policies.

**Lesson 12 - Thatcher's economic policies – Issues of inflation, unemployment and economic realignment**



**To what extent were Thatcherite economic policies different from those followed by previous Conservative governments? Assess the validity of this view.**

Use the space below to plan an answer to the question

L.O: To know what the impact of the right to buy policy was.

### Lesson 13 - Thatcher's impact on society- council houses

#### **SOURCE 1**

Edwina Currie was the Conservative MP for South Derbyshire between 1983 and 1997. In her autobiography, published in 1989, she commented on how the lives of her constituents had changed:

In the early 1980s he would have worked underground, led by a demagogue who once stood for election carrying the banner of the Young Communist League. He would have come home dirty on a bike to a house he did not own. His idea of a night out would have been darts in the local on a Saturday night, and his idea of a holiday was a week in Skegness. He expected his son would leave school at the earliest opportunity and follow him down the pit. And he took it for granted that everybody round here votes Labour. Now he works somewhere else, cleaner, safer, better paid, where he isn't obliged to be a member of a union. Perhaps he is even in his own small business. He drives home in a smart car with a foreign name to the house he bought a couple of years ago. He takes two weeks holiday a year with everyone else in Marbella. He's using his British Telecom shares as collateral for a loan. His son is in college and wants to design cars for Toyota. And nobody takes their votes for granted anymore.

Content	
Provenance	<b>KEY PROFILE</b> Edwina Currie (b. 1946) was elected as a Conservative MP for Derbyshire South in 1986. She was a strong supporter of Thatcher and served as junior health minister between 1986 and 1988. She was famous for making controversial statements and had to resign her ministerial post after claiming that most egg production was affected with salmonella; it was later shown that she was right. She lost her seat at the 1997 election.
Language and tone	

How valuable is an autobiography of Edwina Currie as a historical source for gaining an understanding of society in the early 1980s?

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L.O: To know what the impact of the right to buy policy was.

### Lesson 13 - Thatcher's impact on society- council houses

#### **Sale of council houses**

A key aim of the Thatcher government was to turn Britain into a property-owning democracy. The Housing Act of 1980 gave council tenants the right to buy their council house. They received a discount of between 33 and 50 per cent depending on how long they had lived in the house. By 1988, approximately 2 million new homeowners had taken advantage of the scheme to buy the homes they had previously rented. It became a symbol of the success of Thatcherism. The Labour party initially opposed the Right to Buy scheme but later dropped its opposition because it was so popular with the public, particularly in the south of the country.

**What was right to buy? Why was this a popular policy?**

#### **A CLOSER LOOK**

**Right to Buy** was not a new idea in 1980. Councils had always had the power to sell council houses to tenants but it was rarely used. In the late 1960s Horace Cutler, the leader of the Greater London Council (GLC), promoted the idea of large-scale council housing sell-offs. Cutler's scheme was halted in the 1970s, when the GLC was under Labour control until Cutler returned as leader in 1977. In 1980, Right to Buy became a key policy of Margaret Thatcher's government.



**Fig. 1** Thatcher visiting a family who bought a council house under the Right to Buy scheme

On the other hand, Right to Buy did have many negative consequences. The sale of council housing was predominantly in better-off areas and did not have a great impact in less desirable estates. Councils were ordered to use the profits from council house sales to reduce debts not to build new council housing. The number and quality of homes available for rent was sharply reduced and waiting lists for rented homes got longer. Many people were housed in emergency B & B accommodation which was expensive for councils to provide and not always suitable for the families involved.

**Explain the negative consequences of right to buy?**



L.O: To know what the impact of industrial disputes on Britain.

## Lesson 14 - Thatcher's impact on society- Industrial disputes

### The miners' strike and other industrial disputes

Thatcher's economic reforms aroused hostility from a number of trade unions. Unions representing public sector workers, such as COHSE (Confederation of Health Service Employees) and NUPE (National Union of Public Employees), became more militant and the teachers' unions, which had never previously been associated with industrial unrest, carried on a lengthy dispute over working conditions in the mid-1980s.

**Why were strikes seen in the 1980s? What groups of people went on strike?**

#### A CLOSER LOOK

Nurses, ambulance workers, teachers, steelworkers as well as miners and print workers all went out on strike during the 1980s. Much of the time it was because of pay disputes, especially during the early 1980s when inflation was high. Some of these disputes, especially those involving NHS workers, enjoyed high levels of public support and the government did sometimes agree to their demands.

The role of the unions was constrained by new laws. In 1980 secondary picketing was outlawed and in 1984 unions were put under pressure to hold ballots before strike action was called. In addition more employers tried to keep the unions out of their workplaces. Newspaper proprietors, led by the Australian press baron Rupert Murdoch, tried to reduce the power of the print unions and there was a major confrontation at Murdoch's Wapping plant starting in January 1986. The print unions failed to prevent the publication or distribution of any newspapers and the strike collapsed after 13 months. The longest and most symbolic episode in the industrial struggles of this period was the miners' strike in 1984 to 1985. Thatcher compared the dispute to the Falklands conflict with the striking miners as 'the enemy within'.

**How did new laws impact on strikes? What does the example of the print unions highlight?**

#### KEY TERM

**secondary picketing:** picketing a location not directly involved in the dispute i.e. it might supply or sell the products involved

#### KEY PROFILE

**Rupert Murdoch (b. 1931)** was already famous before the rise of Sky satellite television in the 1990s. He had made a fortune in Australian and American newspapers when he started to build up his British newspaper empire in the 1980s. He took over *The Sun* and made it the fastest-selling tabloid. He also bought *The Times*, *The Sunday Times* and the *News of the World*. The Murdoch press became very influential politically, mostly giving very strong support to Margaret Thatcher, not least against the unions. In the 1990s, support from the Murdoch press was crucial for the rise of New Labour.

L.O: To know what the impact of industrial disputes on Britain.

**Lesson 14 - Thatcher s impact on society- Industrial disputes**

**SOURCE 2**

Liz Marshall was a canteen assistant at a colliery in Scotland and stayed out on strike for the whole duration. Her memories were recorded for an exhibition put together by the National Union of Mineworkers (NUM) which collected memories of the strike on the twentieth anniversary in 2005:

I worked as a canteen assistant in Killoch Colliery. It worried me going in through these picket lines. I tossed and turned on the Friday night and thought no, I'm not doing it. I phoned the canteen manageress to say I would not be going back to work on Monday. We lived a lot on sausages and spam. One old woman was in every week with £1, £2 or £3, other folk gave in baking, scones, pancakes. It wasn't charity, you wouldn't have wanted that, it was a means of survival. As a 'striking miner' with two children I got £17.95 per week in child benefit. The after Christmas folk (miners who went back to work in 1985) don't have the same stigma attached to them because folk were on their knees, there's no two ways about it. Today we have a generation of young people who have never seen their parents working and we have all the ills of society – they were not here twenty years ago.

Content	
Provenance	
Language and tone	



L.O: To know what the impact of industrial disputes on Britain.

**Lesson 14 - Thatcher s impact on society- Industrial disputes**

**Use source two to identify the short term and long term consequences of the miners strike and its aftermath.**

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**Use source two. Does Liz Marshall offer a valuable source of information about the miners strike? Explain your answer.**

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**The miners' strike, 1984—85**

In 1981, the National Coal Board (NCB) warned of the need to close 23 pits. The government had not felt ready for a rerun of the events of 1973 to 1974 and had compromised, reducing the amount of coal imported and protecting the subsidy to the NCB, and had thus prevented the closures. Now, in 1984, the government was fully prepared and confident. Stocks of coal had been built up at power stations. The flow of North Sea oil made it less likely that there would be an energy crisis as had happened in 1973. Moreover, Ian McGregor, the new chairman of the NCB, had government backing for taking a tough line. In 1984 the NCB announced the need to close 20 pits. Arthur Scargill, the President of the NUM, claimed he had seen a secret plan to close 70 pits. MacGregor rejected this but cabinet papers released under the 30-year rule in 2014 showed that there was indeed a strategy to close 75 pits over the following 3 years.

**Why had the government not closed the pits in 1981? Why did they feel more confident in 1984?**

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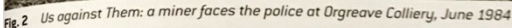
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## Lesson 15 - Thatcher s impact on society- Industrial disputes

**Why did Scargill not have complete support? Explain what happened.**

### What was the Battle of Orgreave? How did the strikers view the police? Why?



In June 1984, there was a mass picket of the coke plant at Orgreave in South Yorkshire by 5000 miners. They were faced by up to 8000 police officers assembled from all over the country. The result was a series of violent confrontations. More than 50 picketers (including Arthur Scargill) and more than 70 police officers were injured. The result of the battle was a long-lasting controversy over accusations of police brutality – in 1991, South Yorkshire Police was ordered to pay compensation – but the immediate outcome was a defeat for the NUM because the lorries kept rolling in and out of Orgreave.

L.O: To know what the impact of industrial disputes on Britain.

### **Lesson 15 - Thatcher s impact on society- Industrial disputes**

Another key factor in the defeat of the NUM was probably Arthur Scargill himself. Scargill alienated moderates; he never got the support of the Labour Party leadership. Many people felt sympathy for the mining communities but it was easy for Mrs Thatcher and her allies in the press to demonise Scargill as a dangerous revolutionary challenging the democratically elected government. Neil Kinnock later commented: 'The miners didn't deserve him, they deserved much, much better. My view is Margaret Thatcher and Arthur Scargill deserved each other. But no-one else did.'

**Why did Scargill contribute to the defeat of the NUM?**

The last months of the strike were particularly demoralising. There was a steady drift back to work while the hard core of strikers determined to stick it out to the end depended on charitable handouts. The outcome of Scargill's campaign to prevent pit closures was failure. In 1979, the coal industry employed 200,000; by 1990, the total was 60,000 and still falling. But the results of the miners' strike went beyond the coal industry. The power of the unions was dramatically reduced. By 1990, total union membership was two thirds of what it had been in 1979. Other state industries, British Steel and British Airways, were reorganised, with massive job losses. The ability of the unions to intimidate governments was gone for good. Margaret Thatcher was quick to draw comparisons between her bold actions and the weakness of Edward Heath in 1973 to 1974, or Jim Callaghan in the winter of discontent. Many Thatcherites saw the defeat of the strike as the defining moment of Thatcherism. Norman Tebbit, reflecting on the strike in his autobiography in 1988, wrote 'Had the Thatcher government been broken and the craven Mr Kinnock been installed in office by Scargill's thugs Britain would have been a grim place indeed.'

**What was the impact of the strike?**

**Make a list of reasons that explain why the unions were less successful than they were in the 1970s.**

L.O: To know what the impact of the poll tax on Britain.

### **Lesson 16 - Thatcher s impact on society- The Poll tax**

#### **The poll tax**

Community Charge, or the 'poll tax' as it was better known, was Thatcher's final attempt to reform local government finances. Its aim to make local councils more accountable to their electors by ensuring that everyone contributed. Previously, under the old rates system, local taxation was based on property and so was only paid by homeowners. Thatcherites believed that if everyone contributed it would be fairer, and they thought that councils would be forced to be more efficient and responsible in their spending. What became quickly clear is that even under Conservative councils local taxation was likely to go up. In addition ministers found it difficult to justify why a poor pensioner would pay the same as a millionaire.

**How did Thatcher change taxation? Why did this change happen? What did critics say?**

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The poll tax was introduced into Scotland in 1989. It was extremely unpopular from the outset. The Conservatives' reputation in Scotland had already been damaged by deindustrialisation and recession of the early 1980s; this further harmed the Conservative Party. Despite its unpopularity it was introduced into England and Wales the following year. Thatcher's unwillingness to alter course seemed to highlight her increasing aloofness and a failure to connect with ordinary people. Anti-Poll Tax Unions were set up across the country urging people not to pay. In some areas up to 30 per cent of people were non-payers. The police, courts and councils were unable to enforce payment.

**What happened when the poll tax was introduced in Scotland, England and Wales?**

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In March 1990 there was an anti-poll tax demonstration in Trafalgar Square which more than 200,000 people attended. By the evening the demonstration had turned into a riot. Nearly 5000 people were injured, mostly rioters but also police officers and bystanders. Cars were overturned and set on fire. Shop windows were smashed, followed by extensive looting. Over 300 arrests were made. The police were seen to have lost control. Many comparisons were made with the Battle of Orgreave in 1984 and there was, once more, criticism of the politicisation of the police.

**What was the impact of the poll tax?**



Fig. 3 A riot waiting to happen: the anti-poll tax demonstration in Trafalgar Square, just before the outbreak of violent rioting in the West End, March 1990

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L.O: To know who society challenged Thatcher's government.

## **Lesson 17 - Thatcher's impact on society- Extra-parliamentary opposition**

### **Education and the arts**

Oxford University voted against giving Thatcher an honorary degree, an honour it had given to every other Oxford-educated post-war prime minister, because of public spending cuts to higher education. Similarly, the artistic establishment tended to be anti-Thatcher, partly because of cuts in public spending to the arts. Playwrights such as Caryl Churchill, David Hare and Alan Ayckbourn wrote plays that satirised Thatcherism. Red Wedge was a musical collective including Billy Bragg, Paul Weller and Madness who campaigned against Thatcher in the late 1980s; they were also joined by 'alternative' comedians such as Alexei Sayle and Ben Elton. There were also a number of TV programmes which showed the social consequences of Thatcherite policies such as *Boys from the Blackstuff*.

**Make notes on education and the arts.**

#### **A CLOSER LOOK**

#### ***Boys from the Blackstuff***

The author, Alan Bleasdale, was a former Liverpool teacher turned dramatist. *Boys from the Blackstuff* was a black comedy, funny but bitter, following the adventures of casual labourers and their hand-to-mouth existence. One character, Yozzer, had a catchphrase, 'Gizzajob', that seemed to strike a chord in Thatcher's Britain.

### **The Church**

The Church of England published a report in 1985 called *Faith in the City* which called on the government to do more to help deprived communities, and bishops such as David Jenkins in Durham and David Sheppard in Liverpool were outspoken in their criticism of Thatcherite policies and their impact on society.

**Make notes on the church.**

**Is a commissioned report, such as, Source three, valuable to historians? Explain your answer.**

L.O: To know who society challenged Thatcher's government.

**Lesson 17 - Thatcher s impact on society- Extra-parliamentary opposition**

**SOURCE 3**

An adapted extract from *Faith in the City*, a report commissioned in 1985 by the Archbishop of Canterbury to examine the situation in the inner cities and to make recommendations about changes:

The main assumption on which present economic policies are based is that prosperity can be restored if individuals are set free to pursue their own economic salvation. The appeal is to economic self-interest and individualism, and freeing market mechanisms through the removal of 'unnecessary' governmental interference and restrictive trade union practice. Individual responsibility and self-reliance are excellent objectives. But pursuit of them must not damage a collective obligation and provision for those who have no choice, or whose choices are at best forced ones. If it is by their outcomes that economic policies must be judged, we are united in the view that the costs of present policies, with the continuing growth of unemployment, are unacceptable in their effect on whole communities and generations. A degree of hardship may be needed but it is unacceptable that the costs of transition should fall hardest on those least able to bear them.

Content	
Provenance	
Language and tone	



L.O: To know who society challenged Thatcher's government.

## **Lesson 17 - Thatcher's impact on society- Extra-parliamentary opposition**

### **Pressure groups**

There were many protest movements that worked outside the traditional framework of parliamentary politics, some of which tried to involve people in direct action. Among these movements were charities such as Shelter which campaigned against the increasing homelessness problem and Age Concern which campaigned against pensioner poverty.

From 1958, the most significant protest movement in Britain had been the Campaign for Nuclear Disarmament (CND). CND continued to attract a lot of support and was given a new lease of life by Margaret Thatcher's determined backing for the policy of deterrence and stepping up the arms race against the USSR in the so-called New Cold War of the early 1980s.

**Make notes:**

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### **Pacifism and feminism: The Greenham women**

In 1979, the decision was taken to station American Cruise missiles at bases in Britain. In reaction to this, CND organised mass protest marches reminiscent of the Aldermaston marches twenty years earlier.

In September 1981 a group of women protestors set up a camp outside the Greenham Common base, where the Cruise missiles were to be based. Other women joined them there as the camp became a focal point for feminism as well as pacifism; the camp was to remain in place for 19 years.

In April 1983, when the Cruise missiles were due to arrive, 70,000 protesters formed a 14-mile human chain of protest stretching from Greenham to Aldermaston. In 1984, the Newbury local council evicted the women and demolished the camp. The women returned after dark and rebuilt it. The camp remained a powerful symbol during the 1980s. Even after Cruise missiles left the site in 1991 the Greenham women kept their camp going to protest against Trident. It was not finally closed until 2000.

**Make notes on pacifism and feminism:**

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Fig. 4 'Cruise missiles out!' The Greenham women protesting at Greenham Common airbase, 1984

L.O: To know who society challenged Thatcher's government.

## **Lesson 17 - Thatcher's impact on society- Extra-parliamentary opposition**

### **Environmentalism**

An awareness of environmental concerns continued to grow in the 1980s.

This was partly because of a series of disasters: industrial accidents such as the 1984 Bhopal gas leak in India and the Chernobyl nuclear accident in Russia in 1986; a growing understanding of the long-term implications of pollution such as the 1985 discovery of the Antarctic ozone hole caused by CFCs in the atmosphere, and the damage done to limestone buildings and freshwater lakes by acid rain.

Environmental pressure groups such as Greenpeace and Friends of the Earth grew in strength.

**Make notes:**

#### **A CLOSER LOOK**

##### **Environmental disasters**

**Bhopal, India:** In December 1984 a gas leak at a pesticide factory killed between 3000 and 8000 people. Thousands more suffered long-term health effects, many disabling.

**Chernobyl, Soviet Union:** There was an explosion and fire at the Chernobyl nuclear power plant in April 1986 in Ukraine (which was part of the USSR). This released radioactive particles into the atmosphere. Although the number of people who died at the time was relatively small, thousands have gone on to develop cancers from the radiation cloud.

#### **A CLOSER LOOK**

CFCs or chlorofluorocarbons are chemical compounds which deplete the ozone in the upper atmosphere of the earth. This means that harmful radiation from the sun is not filtered out as effectively. To combat this the United Nations agreed the Montreal Protocol of 1987, which phased out the use of CFCs. By 2009 it had been ratified by all members of the United Nations and was considered one of the most successful environmental changes ever made by the international community.

Choose one of the pressure groups. Find out more about their campaigns in the 1980s:

L.O: To know who society challenged Thatcher's government.

## Lesson 17 - Thatcher's impact on society- Extra-parliamentary opposition



With reference to these three sources and your understanding of the historical context, assess the value of these three sources to an historian studying divisions in society during the 1980s.

### SOURCE 1

Edwina Currie was the Conservative MP for South Derbyshire between 1983 and 1997. In her autobiography, published in 1989, she commented on how the lives of her constituents had changed:

In the early 1980s he would have worked underground, led by a demagogue who once stood for election carrying the banner of the Young Communist League. He would have come home dirty on a bike to a house he did not own. His idea of a night out would have been darts in the local on a Saturday night, and his idea of a holiday was a week in Skegness. He expected his son would leave school at the earliest opportunity and follow him down the pit. And he took it for granted that everybody round here votes Labour. Now he works somewhere else, cleaner, safer, better paid, where he isn't obliged to be a member of a union. Perhaps he is even in his own small business. He drives home in a smart car with a foreign name to the house he bought a couple of years ago. He takes two weeks holiday a year with everyone else in Marbella. He's using his British Telecom shares as collateral for a loan. His son is in college and wants to design cars for Toyota. And nobody takes their votes for granted anymore.

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### SOURCE 3

An adapted extract from *Faith in the City*, a report commissioned in 1985 by the Archbishop of Canterbury to examine the situation in the inner cities and to make recommendations about changes:

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L.O: To know who society challenged Thatcher's government.

**Lesson 17 - Thatcher s impact on society- Extra-parliamentary opposition**



**How successful was the Conservative government's handling of industrial disputes in the period 1979 to 1987?**

Use the space below to plan an answer to the question



**Lesson 18 - Thatcher's foreign affairs- The Falklands**

**SOURCE 1**

**Margaret Thatcher in a speech at a Conservative rally in Cheltenham after the victory in the Falklands conflict in June 1982:**

We have ceased to be a nation in retreat. We have instead a newfound confidence – born in the economic battles at home and tested and found true 8000 miles away. And so today we can rejoice at our success in the Falklands and take pride in the achievement of the men and women of our task force. But we do so, not as at some flickering of a flame which must soon be dead. No – we rejoice that Britain has rekindled that spirit which has fired her for generations past and which today has begun to burn as brightly as before. Britain found herself again in the South Atlantic and will not look back from the victory she has won.

Content	
Provenance	
Language and tone	

## Lesson 18 - Thatcher's foreign affairs- The Falklands

## The Falklands

### Why did Argentina want the Falklands islands? What was the problem with negotiation?

**Why did Argentina feel confident that they could invade the Falkland islands? Why was this not the case?**

**KEY TERM**

62



L.O: To know why there was a Falklands war.

### **Lesson 18 - Thatcher's foreign affairs- The Falklands**

The British government faced a dilemma. Winning back the islands by force would be very difficult and dangerous; in any case, the government had already seemed to show that it was willing to negotiate over the islands' future. Despite this, Thatcher's response was the immediate announcement that a naval task force would be sent to remove the Argentine forces and assert the right of the Falkland Islanders to self-determination.

**Explain Thatcher's response:**

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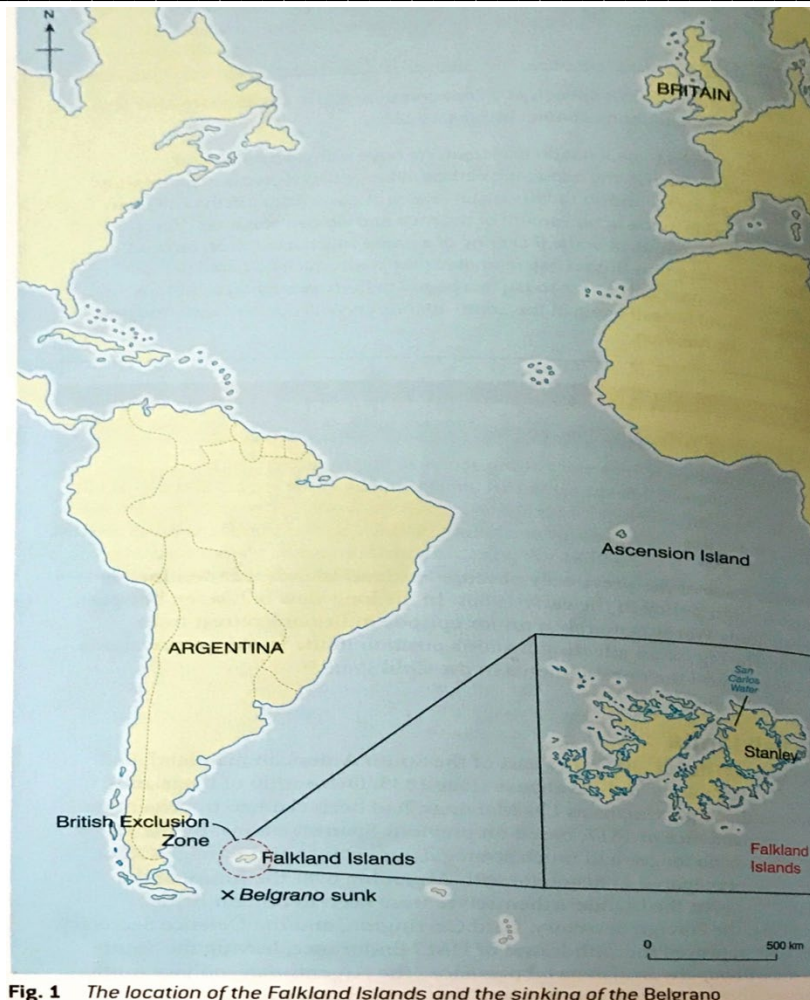
This decision was the making of Thatcher, sending her previously unpopular government soaring in the opinion polls. It was, however, a very risky gamble that could have ended in a disaster of Suez Proportions. The patriotic national mood took most people, including TV reporters at the scene, completely by surprise. The headline in the American magazine Newsweek was 'The Empire Strikes Back'.

**Thatcher's response was a gamble. How did it help her government?**

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**Fig. 1** The location of the Falkland Islands and the sinking of the Belgrano

L.O: To know why there was a Falklands war.

### **Lesson 19 - Thatcher's foreign affairs- The Falklands**

Although a task force had been sent, there were still diplomatic efforts being made to get Argentina to pull its troops back. On 2 May, the last chance of a peaceful settlement disappeared, when a British submarine sank the Argentine battleship, General Belgrano, causing heavy loss of life. The sinking was controversial, as the Belgrano was heading away from the battle zone at the time. Many applauded the action (the headline in The Sun the next day was: 'GOTCHA!') but anti-war protesters claimed that the sinking had been unnecessary and was designed to finish off the chances of a peaceful outcome.

**Why was the sinking of the Belgrano controversial?**

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It was also necessary to get assurances of support from the United States. It would be impossible to fight battles 8000 miles from home without the use of American bases like Ascension Island. Unlike Suez in 1956, the Americans gave the green light to go ahead. This strengthened the special relationship and the personal ties between Thatcher and Reagan.

**Why was the support of the USA needed? How did this strengthen the special relationship?**

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Victory did not take long but it was a close-run thing. On 4 May, an air-launched Exocet missile destroyed the British warship HMS Sheffield. American diplomatic intervention was crucial in preventing the Argentine forces from obtaining enough missiles to severely weaken the British task force. On 21 May, British troops landed at San Carlos Water, the passage between East and West Falkland. Once the landings were secured, however, victory was certain. The Argentine forces surrendered on 14 June.

**How were Britain able to win? Why was it a close run thing?**

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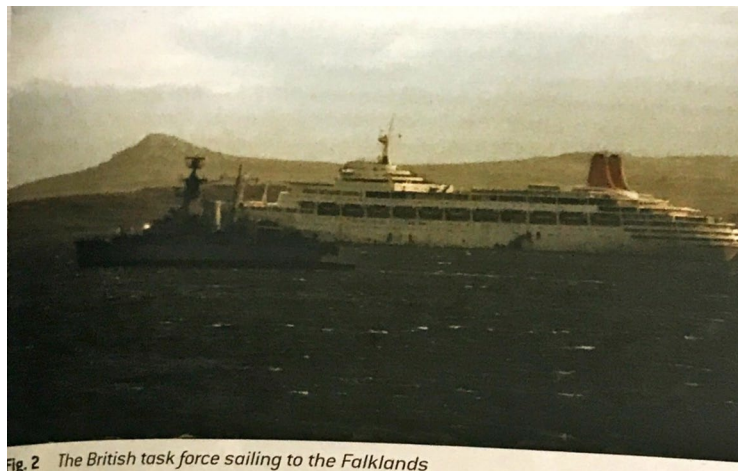


Fig. 2 The British task force sailing to the Falklands

L.O: To know why there was a Falklands war.

### **Lesson 19 - Thatcher's foreign affairs- The Falklands**

The impact on Britain's foreign position was less clear-cut. Thatcher's critics believed that the war was unnecessary because Britain would sooner or later end up negotiating a deal with Argentina over the Falklands. On the other hand, the psychological impact was important. In the 1970s, Britain's international position had seemed to be in decline; now there was a resurgence of national pride in Britain. This was not true for everyone: some objected to the gloating of the tabloids and what they saw as Thatcher's triumphalism in celebrating victory as if it was the Second World War all over again.

**Explain the impact:**

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In the wider context, the Falklands War made it even less likely that Britain would force the people of Gibraltar to accept being handed to Spain. Otherwise, the war proved to be a stand-alone event. It did not stop the continued tidying up of Britain's imperial legacy. Diplomatic relations with Argentina reopened in 1989. Overall, the Falklands was merely a blip in world affairs.

**What was the wider impact?**

#### **A CLOSER LOOK**

##### **Britain's imperial legacy**

In the 1980s there were still a number of British territories across the world. The Falkland Islands can be seen as an example of this. Gibraltar, situated at the southern end of the Iberian peninsula, has been a British territory since the early eighteenth century but its location means that it has been claimed by Spain; the Gibraltarians have repeatedly confirmed their wish to remain a British territory. Hong Kong became a British colony in the nineteenth century. In 1984 the Sino-British Declaration agreed that Hong Kong would be handed over to China in 1997.

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**Reasons for the Falklands war:**

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**Reasons against the Falklands war:**

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L.O: To know how the special relationship changed under Thatcher.

## **Lesson 20 - Thatcher's foreign affairs- The special relationship with the USA**

### **The special relationship' with USA**

There was a strong bond between Margaret Thatcher and Ronald Reagan both personal and ideological. Both were from the generation whose lives had been shaped by the Second World War. Thatcher was particularly influenced by her wartime memories. Her special hero was Winston Churchill. Her view of twentieth-century history revolved around the idea that American armies had twice ridden to the rescue after 'those Europeans' had made a mess of things

**Why was the special relationship with the USA important to Thatcher personally?**

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Throughout the 1980s, on issues such as the Falklands War, deploying Cruise missiles and being tough with the USSR, the Thatcher—Reagan link was powerful. In 1986 Thatcher gave permission for the US to use British air bases to bomb Libya despite it being an unpopular decision in Britain. However, there were still some differences. In 1983 the US invaded Grenada after a Communist coup against the advice of Thatcher.

**Why was the special relationship important for both countries?**

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The Thatcher-Reagan bond lasted long after they were out of politics. At Ronald Reagan's funeral in 2004, Lady Thatcher's eulogy was played on videotape: 'We have lost a great president, a great American and a great man. And I have lost a dear friend. We here still move in twilight. But we have one beacon to guide us that Ronald Reagan never had — his example.'

**What does the Thatcher-Reagan bond show?**

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#### **KEY PROFILE**

**Ronald Reagan (1911–2004)** was the President of the USA from 1981 to 1989. He had been a Hollywood actor in the 1930s and 1940s before entering politics. He served as the Governor of California from 1967 to 1975. Like Thatcher, he supported the extension of supply side economics and his economic policies were nicknamed 'Reaganomics' in the USA. He also shared Thatcher's dislike of trade unions.



*A very special relationship: Margaret Thatcher and Ronald Reagan, Camp David, 1984*

L.O: To know how Thatcher was involved as the Cold war moved to a conclusion.

## **Lesson 21 - Thatcher's foreign affairs- Moves to the end of the Cold War**

### **Moves to end the Cold War**

By the late 1970s the West seemed to be losing the Cold War. When Soviet forces invaded Afghanistan in 1979, it was thought in the West that this was a dangerous threat to Western interests. In reality, it was a disastrous venture bleeding away what was left of Soviet military might. After the opening of Soviet archives from 1991, it became obvious that the Soviet Union was on its last legs by the early 1980s, an overstretched militarily, led by a generation of old men stretching out their last days of power.

### **Why was the Soviet invasion of Afghanistan a turning point?**

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### **Thatcher and the second Cold War 1979—85**

Nobody in the West knew how weak the Soviet Union was at this time. Between 1979 and 1981, three new 'cold warriors' emerged, a British prime minister, a Polish Pope and an American president, each determined to challenge Soviet power, both militarily and ideologically. The new Cold War began. It was marked by tough rhetoric and rising tension.

### **Why was this mix of 'warriors' significant?**

#### **KEY PROFILE**

**Pope John Paul II: Karel Wojtyła (1920–2005)**, Archbishop of Cracow, was elected Pope in 1979. John Paul II was a staunch anti-communist and his influence was greatly feared by the communist leaderships in Poland and the USSR. His official visit to Poland in 1980 drew enormous crowds and greatly strengthened the demands for reform from the Polish Solidarity movement – a trade union led by Lech Walesa.

Thatcher's willingness to support the USA can be seen by her agreement to the deployment of US cruise missiles in Britain. International tension meant that there was genuine fear that nuclear war between the East and West was likely. The government published Protect and Survive booklets which told people what to do in a nuclear attack. These fears were also reflected in popular culture. The BBC drama Threads (1984) was a documentary-style account of the aftermath of a nuclear conflict in a British city. When The Wind Blows was a cartoon book by Raymond Briggs (1986), which showed an elderly couple preparing for a nuclear conflict. There were pop songs about the possibility of nuclear war including by Kate Bush, Frankie Goes to Hollywood, and Sting. In 1983 200,000 people marched with CND in London to oppose nuclear weapons. Similar demonstrations were held across Europe, including one with 600,000 people in West Germany.

### **How did society reflect its fear of nuclear war?**

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#### **A CLOSER LOOK**

##### **The new Cold War, 1979–87**

1979	Soviet invasion of Afghanistan
1981	Election of Ronald Reagan who believed USSR an 'evil Empire' and committed USA to the development of SDI
1983	Cruise missiles based at Greenham Common
1984	First meeting between Thatcher and Gorbachev
1985	Gorbachev becomes leader of the USSR
1986	Gorbachev launches perestroika and glasnost and summits with USA begin
1986	Reagan and Gorbachev meet in Reykjavik, Iceland

#### **A CLOSER LOOK**

##### **Cruise missiles**

Cruise missiles were remote-controlled rockets carrying powerful warheads and capable of hitting targets from many hundreds of miles away. They were later to play a prominent part in the First Gulf War of 1991. Stationing the missiles in Britain was part of the deliberate policy of deterrence: stoking up the pressure on the USSR and convincing the Brezhnev regime that it was impossible to keep pace with the West in the new high-technology arms race.



L.O: To know how Thatcher was involved as the Cold war moved to a conclusion.

## **Lesson 21 - Thatcher's foreign affairs- Moves to the end of the Cold War**

### **Thatcher's involvement in ending the Cold War 1985—87**

Margaret Thatcher's contribution to ending the Cold War rested on three pillars: her combative style and determination to confront the USSR in the early 1980s; her willingness to negotiate with the new reformist Soviet leader, Mikhail Gorbachev, from 1985; and above all, the fact that Thatcher's foreign policy was founded on Britain's special relationship with the United States.

Gorbachev became leader of the Soviet Union in 1985. He was 30 years younger than his predecessors who had led the USSR until 1985. He was a realist who knew things could not go on as they were. His favourite saying as he promoted reform of the USSR was: 'If not us, who? If not now, when?'.

Gorbachev made a remarkable impression on the hard-line conservatives Thatcher and Reagan.

Thatcher met Gorbachev for the first time in 1984 and declared herself to be impressed. 'I like Mr Gorbachev', she said, 'He and I can do business together'.

**Why was Thatcher able to contribute? Why was Gorbachev a significant figure?**

#### **KEY PROFILE**

##### **Mikhail Gorbachev (b. 1931)**

was the man who tried to reform the Soviet communist system in order to save it. He emerged as leader of the USSR in 1985 and from 1987 he promoted his key ideas of perestroika (restructuring and modernisation) and glasnost (openness). In trying to reform the USSR, Gorbachev was willing to end the Cold War and let the Soviet satellite states in east Central Europe go their own way. Gorbachev succeeded in ending the Cold War, but could not prevent the total collapse of communism.

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**How valuable is Source 2 for an historian studying Thatcher's relationship with the USSR and the USA?**

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Thatcher encouraged Reagan to negotiate with Gorbachev and in 1986, at the Reykjavik summit, Reagan and Gorbachev discovered that each was prepared to make compromises. Although that meeting ended without agreement, it paved the way for future progress. In 1987 the Intermediate Range Nuclear Forces Treaty was signed in Washington. This historic treaty limited short-range weapons and began a process of mutual disarmament. The Cold War had not yet ended but for the first time in many years it appeared an end might be possible.

**Why was Thatcher able to contribute? Why was Gorbachev a significant figure?**

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L.O: To know how Thatcher was involved as the Cold war moved to a conclusion.

### Lesson 21 - Thatcher's foreign affairs- Moves to the end of the Cold War

#### **SOURCE 2**

**Margaret Thatcher set out her attitude to the Cold War in a speech to the Conservative Party conference in 1981:**

Had it not been for the magnanimity of the United States, Europe would not be free today. One thrust of Soviet propaganda is concerned to persuade the world that the West, and the United States in particular, is the arms-monger, not the Soviet Union. Nothing could be further from the truth. Until we negotiate multilateral disarmament we have no choice but to retain sufficient nuclear weapons to make it clear to any would-be aggressor that the consequences of an attack on us would be disastrous for them. To those who want us to close down the American nuclear bases in this country, let me say this. We in Britain cannot honourably shelter under the American nuclear umbrella and simultaneously say to our American friends 'You may defend our homes with your home-based missiles, but you may not base those missiles anywhere near our homes.' The cost of keeping tyranny at bay is high but it must be paid, for the cost of war would be infinitely higher and we should lose everything that was worthwhile.

Content	
Provenance	
Language and tone	

L.O: To know how about Thatcher's relationship with Europe.

## **Lesson 22 - Thatcher's foreign affairs- Relationship with Europe**

### **Thatcher and Britain's relationship with Europe**

Thatcher's relations with the EEC were marked by many contradictions. There were occasions when her 'handbag diplomacy' caused consternation and ruffled the consensual politics favoured by other European leaders, but there were also many issues on which Britain cooperated closely with Europe.

**What was handbag diplomacy? Why was this different to before?**

#### **KEY TERM**

'handbag diplomacy': a term used to describe Thatcher's more abrasive style of negotiation in comparison to the more measured and patient negotiations that was more usual for Foreign Office diplomats

**How valuable is source 3 for an understanding of Thatcher's view of Britain's position in Europe?**

Thatcher's first priority in Europe was to secure a better deal for Britain over financial contributions to the EEC. Britain was paying in much more to the EEC than was being returned in benefits. Thatcher's persistent campaign for Britain to be given a rebate eventually achieved success in 1984. It played well to her supporters at home but irritated some of her European partners.

**Why would people at home support this? Why would it anger some European partners?**

Thatcher established a good working relationship with the French president, Francois Mitterrand (president from 1981 to 1995). They cooperated closely over the Channel Tunnel project, which was agreed in 1986 (opening in 1994). Sharing in the creation of such a symbolic link between Britain and France was hardly proof of any anti-Europeanism on Mrs Thatcher's part.

**Why was the channel tunnel project a significant link? Why was it important that Thatcher had a good relationship with the French president?**

L.O: To know how about Thatcher's relationship with Europe.

## **Lesson 22 - Thatcher's foreign affairs- Relationship with Europe**

### **SOURCE 3**

In her final speech as prime minister to the House of Commons in November 1990, Thatcher reflected on her government's relationship with Europe:

During the past 11 years, this Government have had a clear and unwavering vision of the future of Europe and Britain's role in it. It is a vision which stems from our deep-seated attachment to parliamentary democracy and commitment to economic liberty, enterprise, competition and a free market economy. For us part of the purpose of the Community is to demolish trade barriers and eliminate unfair subsidies, so that we can all benefit from a great expansion of trade both within Europe and with the outside world. The fact is that Britain has done more to shape the Community over the past 11 years than any other member state.

Britain is leading the reform of the common agricultural policy, getting surpluses down, putting a ceiling on agricultural spending. We have been the driving force towards the single market which, when it is completed, will be the most significant advance in the Community since the treaty of Rome itself. With all this, we have never hesitated to stand up for Britain's interests.

Content	
Provenance	
Language and tone	

L.O: To know how about Thatcher's relationship with Europe.

## **Lesson 22 - Thatcher's foreign affairs- Relationship with Europe**

In 1986 Thatcher negotiated the Single European Act with the other members of the EEC. This was the most important piece of European legislation since the United Kingdom had joined. Thatcher was enthusiastic about the Single European Market when it was negotiated in 1985 to 1986. It changed the Assembly into the European Parliament and mentioned the possibility of future European monetary union. For Thatcher and her supporters it would make a free market in Europe a reality. But at the same time, in hindsight, it is obvious that it also surrendered some elements of British sovereignty. The European Court became an important arbiter in disputes between members. At the time either Thatcher did not seem to realise this, or she ignored these implications. She recommended support for the Act and it was passed with little controversy. In 1987 it was clear that the Conservative Party still appeared to be a broadly pro-European party and Britain's future was clearly within the EEC.

**What was the different elements of the Single European act? Why was this criticised? What does this show about the Conservative party?**

### **KEY TERM**

**European monetary union:** a shared currency across the European Union. The Maastricht Treaty (covered in Chapter 20) set out the conditions for this. It came into being in 1999 (covered in

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**How successful was the Conservative government's handling of industrial disputes in the period 1979 to 1987?**

Use the space below to plan an answer to the question

L.O: To know how about Thatcher's relationship with Europe.

## **Lesson 23 - Thatcher's foreign affairs- Conservative divisions over Europe**

### **Divisions within the Conservative Party over Europe**

When Thatcher first became prime minister the divisions in the Conservative party were between the 'wets' and the 'dries'. As the decade progressed the 'dries' started to dominate the Conservative Party. Thatcherite ideas had prevailed. Electoral successes in 1983 and 1987 and the improvements in the economy vindicated Thatcher's leadership. The Conservative Party appeared united behind their leader. Certainly it was not apparent that a serious schism would emerge over Europe. During the early 1980s most cabinet ministers were pro-European and favoured its expansion. The creation and strengthening of a free market across the members of the European Economic Community was in line with Thatcherite economic goals.

However, already there were starting to be some visible differences. For example, the Westland affair was, in part, about whether European ties should be encouraged above other ties.

However, when the Single European Act was debated, there were only a few Conservative backbenchers such as Enoch Powell who spoke against it. Even some MPs who became serious Eurosceptics in the 1990s voted for it without complaint. But the seeds for later discord were being sown.

**What did the Conservative party look like toward the end of the period? How had this changed?**

#### **A CLOSER LOOK**

##### **The Westland affair, 1986**

On the surface, the Westland affair was about who would take over the failing British helicopter company Westland. However, what this dispute really showed was deep divisions about the role of government in economic decisions. Thatcher's style of leadership and Britain's relationship with Europe. Michael Heseltine, the Defence Secretary, favoured a takeover from a European consortium. Thatcher favoured no interference from government even if that meant the company would go to the US company Sikorsky. Heseltine believed that Thatcher blocked discussion about the decision in cabinet and would not let concerns about a US takeover be made public. He stormed out of a cabinet meeting and resigned. Thatcher later said that this crisis was the closest she ever came to resigning.

**What was the Westland affair? Why was it significant?**



Fig. 5 Michael Heseltine leaving his home the day after his resignation over Westland in 1986

## Lesson 23 - Thatcher's foreign affairs- Thatcher as an international figure

Margaret Thatcher was not very experienced in foreign affairs when she became prime minister. By 1987 she was a respected stateswoman. Her tough stance against the Soviets earned her the nickname 'the Iron Lady' and she gained admiration across the world for being instrumental in bringing Gorbachev and Reagan together. Supporters pointed to her revival of the 'special relationship' with the USA. Other people thought she would not stand up to Reagan; the Labour politician Denis Healey called her 'Reagan's poodle' and Enoch Powell, for example, feared the UK was becoming a satellite of the USA. Her combative style in Europe won Britain a rebate, although this style also limited her allies. But at the same time she had shown herself willing to work with her European allies in strengthening the EEC.

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L.O: To know how about Thatcher's place as an international figure.  
**Lesson 23 - Thatcher's foreign affairs- Thatcher as an international figure**



**With reference to these three sources and your understanding of the historical context, assess the value of these three sources to an historian studying Thatcher's foreign policy.**

**SOURCE 1**

**Margaret Thatcher in a speech at a Conservative rally in Cheltenham after the victory in the Falklands conflict in June 1982:**

We have ceased to be a nation in retreat. We have instead a newfound confidence – born in the economic battles at home and tested and found true 8000 miles away. And so today we can rejoice at our success in the Falklands and take pride in the achievement of the men and women of our task force. But we do so, not as at some flickering of a flame which must soon be dead. No – we rejoice that Britain has rekindled that spirit which has fired her for generations past and which today has begun to burn as brightly as before. Britain found herself again in the South Atlantic and will not look back from the victory she has won.

**SOURCE 2**

**Margaret Thatcher set out her attitude to the Cold War in a speech to the Conservative Party conference in 1981:**

Had it not been for the magnanimity of the United States, Europe would not be free today. One thrust of Soviet propaganda is concerned to persuade the world that the West, and the United States in particular, is the arms-monger, not the Soviet Union. Nothing could be further from the truth. Until we negotiate multilateral disarmament we have no choice but to retain sufficient nuclear weapons to make it clear to any would-be aggressor that the consequences of an attack on us would be disastrous for them. To those who want us to close down the American nuclear bases in this country, let me say this. We in Britain cannot honourably shelter under the American nuclear umbrella and simultaneously say to our American friends 'You may defend our homes with your home-based missiles, but you may not base those missiles anywhere near our homes.' The cost of keeping tyranny at bay is high but it must be paid, for the cost of war would be infinitely higher and we should lose everything that was worthwhile.

**SOURCE 3**

**In her final speech as prime minister to the House of Commons in November 1990, Thatcher reflected on her government's relationship with Europe:**

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Britain is leading the reform of the common agricultural policy, getting surpluses down, putting a ceiling on agricultural spending. We have been the driving force towards the single market which, when it is completed, will be the most significant advance in the Community since the treaty of Rome itself. With all this, we have never hesitated to stand up for Britain's interests.

L.O: To know how about Thatcher's place as an international figure.

**Lesson 23 - Thatcher's foreign affairs- Thatcher as an international figure**



**The Falklands conflict had a greater impact domestically than it had on Britain's position internationally. Assess the validity of this view.**

Use the space below to plan an answer to the question