



## Episode 756: Was Margaret Thatcher a Libertarian Hero?

Guest: Sean Gabb

**WOODS:** I wanted to talk about Margaret Thatcher because of her importance in history, but also because I have a lot of listeners who are either ambivalent toward Ronald Reagan or who think that in his own record there's more rhetoric than reality, and I wonder if there might be a parallel with the career of Margaret Thatcher. And since I've read your opinions on the subject, I thought you'd be the person to talk to about that. So why don't we start off by having you explain what the conventional wisdom, let's say among a lot of libertarians, the conventional wisdom tells us about the career of Margaret Thatcher?

**GABB:** Well, the conventional wisdom in England about Margaret Thatcher among conservatives and libertarians is that she was the British counterpart of Ronald Reagan. She humbled the left, she brought about fundamental changes in economic policy, she made her nation great and respected in the world again, and this is the conventional view of Margaret Thatcher that spreads far beyond conservatives and libertarians. Indeed, when she died it was on this set of assumptions that conservatives in England went into ostentatious mourning and the various kinds of leftists rejoiced.

Now, I am older – we're all older than we'd like to be, I'm sure, and I remember the whole of Margaret Thatcher's term in office. Indeed, I joined the Conservative Party before she became prime minister and entirely because she was the leader of the Conservative Party, and I adored the things that she was saying, and I adored her. But it is now 37 years since she became prime minister, and it is 26 years since she stopped being prime minister, and bearing in mind that time has moved on it is possible to take a somewhat less positive view of her and her achievements on libertarian and conservative grounds.

**WOODS:** Let's think about the economy first, and let's think about the trade unions, because that's where she's become legendary on both sides of the Atlantic. The trade unions of various kinds in Britain had become impossible, had so much power that they exercised over the economy that it seemed necessary to have a tough person in power who would tell them no and who would put them in their place. Again, that's the conventional wisdom. Is there anything wrong with that, because that's my understanding of the situation?

**GABB:** Oh, I don't think there's any space between you and me on that. The trade unions in the 1970s in this country were decidedly out of control. They were

demanding continuous large increases in real earnings for their members, and these increases in real earnings were not justified by the specific circumstances of the companies concerned. They refused to allow necessary changes in the structure of British industry, changes without which any kind of increase in living standards would have been impossible. Indeed, I go further than that. We suspected at the time that some of the trade union leaders were in the pay of a hostile foreign power, and during the time when the Moscow archives were open to inspection during the 1990s, it became quite obvious that some of the trade union leaders were indeed on the Moscow payroll. And so the trade unions in the 1970s were a danger to the proper conduct of economic policy in Britain, and indeed, they were dangerous to the survival of Britain as a free country. I have no difference in that respect with any number of conservatives and libertarians.

My objection is the way in which Margaret Thatcher dealt with the trade union problem. What she did was effectively to nationalize the trade unions. She placed them in a legal straightjacket, which the older school of trade union leaders were simply not up to managing. They weren't up to navigating their way through these new legal controls on when strikes would be called, when picketing was legal and when it wasn't, and so on and so forth. And so during the 1980s, the trade unions were taken over increasingly by a new class of university graduates. These people wore suits, they drank mineral water, they had nice voices, and they didn't like to call to any strikes. Instead, they carried on their – they pursued their objectives for the cause.

And Margaret Thatcher and many other people said, we've done it; we've sorted out the trade unions; we've tamed them. Well, no. Margaret Thatcher was always very good at identifying her enemies and marking them out for destruction. The problem in this respect, and I suppose in others, is that she chose the wrong enemies. The old men who had fought in the Spanish Civil War and thought Soviet Russia was probably a good idea and that we should nationalize all supermarkets and control the price of bread, they were a nuisance, and undoubted nuisance, but they were not an existential threat.

The kind of people Margaret Thatcher enabled through her trade union reforms to become prominent in the labor movement became the friends of Tony Blair and Peter Mandelson. They were the beginnings of new labor. These people were already working their way through the media, through education, and through the general administration in my country. They were now enabled to take over the labor movement. Margaret Thatcher never regarded these people as any kind of threat, but as a nuisance, whereas we know from the history of the past 26 years that they were a much greater existential threat to Britain, and indeed I suppose to America by extension, than a few old communists. That is the problem with Margaret Thatcher's trade union reforms.

It would really have been much better if she had left the unions alone, left them to manage their internal affairs as they thought fit, but simply to remove their privileges in tort, so that they could be sued for the tort of induced breach of contract, so that they could be sued for damages when their picketing damaged other companies, and when they could be sued for breach of contract directly and for all the other damage that they might cause. That was the way to deal with the trade unions, to place them on the same legal basis as I or anybody else in the country. Instead, she left their

privileges largely in place but placed controls on their internal workings that led to the emergence of this new class of much more dangerous trade union bosses.

**WOODS:** What about something like the regulatory burden? I think the impression is that at the end of Thatcher's tenure, since she believed in laissez faire capitalism, the regulatory burden had been significantly reduced. What's the truth of that?

**GABB:** The truth is that her early years were a bonfire of controls. One of the first acts of her government was to abolish exchange controls, which had existed in one form or another since September 1939. Her government abolished price controls, which had been used on and off during the 1960s and '70s in a mistaken attempt to control inflation. She abolished a whole raft of controls over the financial sector. And so during her first term in office, her regulatory approach was generally positive in our terms, or perhaps you could say it was generally negative in the sense that the British economy was less regulated in 1983 than it had been in 1979.

Taking her term in office as a whole, however, what we see is a steady growth in health and safety legislation, and although this sounds innocuous and it sounds beneficial, health and safety laws do very little to protect the health and safety of people at work, but place enormous burdens on private business. There was the growth of money laundering legislation, a very serious and multifaceted attack on freedom of almost every kind. She began the global warming scare. Under her the tax authorities became increasingly rapacious and increasingly opaque in their working.

And so you could regard the Thatcher record in regulation as a bit like a U-bend on a graph. Started off by reducing it, and later – actually, you could regard it as a hockey stick. Yes, why not? Hockey sticks are sometimes popular. A hockey stick on a graph. The regulation came down in the early years, and then went up exponentially and hasn't come down since. It has gotten worse. But her record on regulation was negative on the whole.

**WOODS:** In the wake of the Brexit vote I have a question for you that I think is especially relevant, and I'll ask you that as soon as we thank our sponsor.

[Sponsored content]

So to everyone's surprise – well maybe not to your surprise, but to my surprise, the Brexit vote went through in favor of Exit, as opposed to Remain. And that's relevant to this conversation because of the role of Margaret Thatcher when it came to the EU. She was very much in favor of the EU. Can you tell us about that?

**GABB:** I want to be fair. I'm a polemicist by nature, but by inclination I try to be fair. And Margaret Thatcher campaigned during the 1975 referendum on European Union membership to stay in, and her reasons for staying in were that it was believed that the only way to bring about meaningful economic reforms in my country was to be part of what was in those days called the European Economic Community. In those days it was seen as a rather free market organization. You had to break down trade barriers with the other member states. There was talk of liberalizing financial services within the European Economic Community. And many of the people who were against

our continued membership were against it, because what they wanted was a Keynesian siege economy. They wanted to inflate the currency without limit in the interest of restoring full employment, and they wanted exchange controls and tariffs and quotas to prevent the obvious trade deficit that would open up because of the inflation. And so her advocacy of the European Union in the 1970s was not dishonorable. It was not disreputable. It was perhaps mistaken looking at the long term, but we must be fair.

In the 1980s, however, it was Margaret Thatcher who pushed through the Single European Act, which appears – the case law on this is rather ambiguous, so again I'll try to be fair. The Single European Act, 1986, appears to have placed the whole of British legislation and the whole of the common law under the supervision of the European Court of Justice in Strasbourg, and this was the biggest single advance the European Union ever made into the government of my country. I appreciate that once she was out of office – no, no. I appreciate that towards the end of her term in office, Margaret Thatcher became increasingly hostile to the European project, and that may have contributed to her downfall. And I certainly appreciate that after she was out of office she became increasingly anti-European. But in the days when she could have made a difference, she chose not to. Now, whether you choose to blame or for that or to accept that she was working in different times with different assumptions is for you to decide.

**WOODS:** Let me ask you, Sean, what your view is of people who even today would say that given that the ideological complexion of the UK is not in the direction of laissez fair capitalism, that it's at least conceivable that being in the European Union could actually mean as a practical result economic policies that are more in line with views that we hold? I did hear some libertarians arguing for Remain on precisely those grounds, arguing that to exit simple means that now we're in the hands of bureaucrats here who certainly are no better and in some cases may even be worse. What was your assessment of that claim?

**GABB:** On economic grounds I don't think in the short term there is anything to decide between staying in and coming out. The British ruling class has a sort of neoliberal mercantilist view of economics, which may be slightly more liberal than the view of the other European member states. It may be less liberal in some respects. But I don't see any short-term changes.

My own wobble over membership in the European Union was on the ground of civil liberties. The growth of the police state in my country – victim disarmament or gun control, the shredding of the common law protections, of our common law due process protections, the growth of electronic surveillance – none of that has been required by a membership of the European Union. It is an entirely domestic growth, or it is a growth inspired by changes in the United States. In this respect you can regard the British and American ruling classes as walking hand in hand toward a police state.

The benefit of remaining in the European Union is that before the British state could do anything particularly gross, it needed in some cases to have the agreement of the other 27 member states, and these 27 other member states were not all ruled by certifiable lunatics. And so in some cases things have slowed down; in other cases they were stopped. The most obvious example would be the data retention laws.

The British state wants ISPs to retain our emails. The law in question went to the European Court of Justice, the court of the European Union, and was ruled as incompatible with the European treaties, and so for the past few years the British state has wanted to do something rather unpleasant but has not been able to do it. Once we are out of the European Union there will be no means of taking this to an external court and having it struck down. And so I was – a couple of years before the referendum, I was wobbling on membership. Yes, I want out; I want out. On the other hand, perhaps not yet.

However, when it came to the referendum, the choice on the ballot paper was, do you want to stay in the European Union or do you want to come out. Do you want your country back? Do you want it to be an independent country? And I voted to come out. It is a leap in the dark, I accept, and I take full responsibility for my vote. It may perhaps not have been entirely wise, but I did it. I think on the whole it was the best decision. I do not think that we should re-run the referendum, and I would regard it as a serious breach of public faith if the government were to fail to take us out of the European Union. Indeed, I think we are leaving. For good or ill, we're going out.

**WOODS:** Well, let me close with this: you know better than almost anyone that in your country libertarianism is almost not even on the radar. It's highly unpopular, or you have – certainly in the US we're having at least some kind of a resurgence in these ideas, but we're somewhat unique. So do you sometimes feel conflicted in any way about your assessment of Margaret Thatcher? Do you maybe think, well, look, I should be glad that I at least got half a glass? I should be glad that at least we got something, because the landscape is otherwise so bleak that maybe I ought to cut Margaret Thatcher some slack. Does that thought ever cross your mind?

**GABB:** No, because she shredded the constitution, a very serious charge against her. We don't have a written constitution like you have; we do not defend our historic rights by saying, oh, but such and such an article, such and such a section of the constitution says the state can't do this. We can't do that, because we don't have the constitution. But we do have a constitution or did have a constitution, which was based on a set of customary rules and assumptions, which protected freedom in this country for about 500 years, which is a good – it's twice as long as the United States has existed, so I wouldn't write this off as some kind of witch doctory.

What Margaret Thatcher did during her 11 years in office was to bring about sweeping constitutional changes, all made with an almost gloating disregard for the proprieties, and by the end of her term in office it became effectively impossible to defend our ancient liberties on the grounds that they were ancient. They had always existed, and they therefore ought always to exist. She set in her 11 years of office virtually all the precedents which were used against us by the Blair and Brown governments. If we had more time to discuss this, I would go into much greater detail, but the worst assessment you could make of Margaret Thatcher is not her economic policies; it's not her trade union reforms. Those are things which may have been bad, may have been good in parts, but they are things which a country can survive. The true case against her is that she started the destruction of our ancient constitution. She unsettled everything, a very serious charge to make against a British politician, given the peculiar nature of our constitution.

**WOODS:** Sean, if people want to follow your work, what website would you direct them to?

**GABB:** My own website is [SeanGabb.co.uk](http://SeanGabb.co.uk). There is also the Libertarian Alliance blog, which is the most vigorous and probably the highest quality libertarian blog in the United Kingdom. Or if you would like to read the 2 or 3 million words of my fiction, there are my novels written under the name Richard Blake, which you'll find on Amazon, and if you look on the Internet you'll find my Richard Blake website, [RichardBlake.me.uk](http://RichardBlake.me.uk). Please feel free to look up any or all of those websites.

**WOODS:** Well, we will link to them at [TomWoods.com/756](http://TomWoods.com/756). I don't remember what number it was when I had you on last, but it was hundreds and hundreds ago, I have a feeling. But [TomWoods.com/756](http://TomWoods.com/756) is where I'll have all this stuff linked, so if you're driving around and you can't remember all these, just remember 756 and it'll be the Sean Gabb clearing house over on my site. Well, Sean, thanks for your time and for helping to clarify the legacy of Margaret Thatcher for us.

**GABB:** Thank you for having me. It was great pleasure.