

A British Perspective on Democratic Capitalism and Socialism: Winston Churchill and Margaret Thatcher

Gary Scott Smith Ph.D.

Winston Churchill and Margaret Thatcher are two of the most prominent figures in 20th century British politics and world history. Churchill served as Britain's prime minister from 1940 to 1945 and 1951 to 1955, while Thatcher held this position from 1979 to 1990. The accolades accorded Winston Churchill are seemingly endless. He allegedly almost single handedly slayed the dragon of totalitarianism and saved Western civilization from the diabolical plans of Adolf Hitler. Not only did this indispensable man preserve the West's culture and institutions, but after World War II, he foresaw and warned the world about the communist menace. Numerous historians have hailed him as "the man of the 20th century." Thatcher, political commentator George Will contends, was "the most formidable woman in 20th century politics and England's most formidable woman since its greatest sovereign, Elizabeth I."¹ Nicknamed the "Iron Lady" because of her impressive leadership qualities, determination, decisiveness, and staunch opposition to communism, Thatcher's faith strongly shaped her political ideology and policies. A disciple of University of Chicago professor Milton Friedman and Austrian economist Friedrich Hayek, Thatcher strove to restore capitalism in Britain.

Although Thatcher was much more orthodox in and outspoken about her faith than Churchill, both prime ministers believed in the importance of preserving Christian civilization and biblical moral values. Both of them argued that democratic capitalism was much more consistent with scriptural principles and conventional moral norms and much more conducive to

¹ George Will, "Margaret Thatcher and Her Vigorous Virtues," April 8, 2013, https://www.washingtonpost.com/opinions/george-will-margaret-thatcher-and-her-vigorous-virtues/2013/04/08/94ce596c-a066-11e2-9c03-6952ff305f35_story.html?utm_term=.476311578dcf.

advancing human welfare than socialism. Examining the views of Churchill and Thatcher on democratic capitalism and socialism in the context of 20th-century British society can help us gain a better understanding of the impact of these ideologies in the world and American history.

Winston Churchill

British scholar Martin Gilbert maintains that Churchill's political philosophy consisted of "three interwoven strands": "ending class bitterness in Britain, reducing hatred and antagonism abroad, and defending Parliamentary democracy in Britain, Western Europe, and the British empire."² Politically pigeonholing Churchill is difficult. During his 64-year political career, he belonged to six different parties, ranging from the left wing of the Liberal Party to the right wing of the Conservative Party. No matter which party to which he belonged, however, Churchill believed that "competitive capitalism was the mainspring of economic and social progress." He promoted free trade, rejected protectionism, and denounced socialism.³ Moreover, in numerous speeches, especially during World War II and the early stages of the Cold War, most notably his "Sinews of Peace" speech at Fulton, Missouri, in 1946, Churchill strengthened Westerners' faith in the moral superiority of democratic capitalism and the inevitability of its triumph.

Churchill repeatedly accused socialists of misconstruing human nature, portraying a world that could not actually be created, and espousing schemes that would harm the economy and make people's lives worse. Socialism, he insisted, was "contrary to human nature"; it was a "philosophy of failure, the creed of ignorance and the gospel of envy."⁴

² Martin Gilbert, *Churchill's Political Philosophy* (Oxford: Oxford University Press, 1981), 82.

³ Paul Addison, "The Three Careers of Winston Churchill," *Transactions of the Royal Historical Society* 11 (2001), 188.

⁴ Winston Churchill, "The Evils of Socialist Government," May 28, 1948, *CS 7*: 7657.

Socialism sounded like a coherent theory to many, Churchill declared in 1908, but it was built on a flawed foundation and would not work in the real world. One of socialism's fundamental problem was its faulty understanding of human nature. In their efforts to reconstruct the world, socialists unwisely proposed to give everyone the same reward regardless of the service they rendered. Their motto was "you shall work according to your fancy; you shall be paid according to your appetite." Socialists, he protested, denied the existence of "a world beyond this [one] when all its transitory pleasures and perils shall have passed away, a hope that carries serene consolation to the heart of men." What motive, Churchill asked, would induce people, "not for a day, or an hour, or a year, but for all their lives, to make a supreme sacrifice of their individuality?" The socialist argument that people would do so "for the sake of society" was delusional. Socialism was a utopian fantasy, "a monstrous and imbecile conception" that "could find no real foothold in the brains and hearts of sensible people."⁵

Socialism, Churchill contended, was vastly inferior to democratic capitalism. Churchill wanted the state to assume new functions, especially to take control of "those spheres of activity" characterized by monopolistic tendencies. He appealed to the leaders of industry and education to support policies that promoted "the welfare of the masses."⁶ Socialism, Churchill avowed, sought to "pull down wealth," while democratic capitalism sought "to raise up poverty." Socialism strove to "destroy private interests," while democratic capitalism strove to preserve private interests in the only way in which they can be safely and justly preserved, namely by reconciling them with public right." While socialism "would kill enterprise," democratic

⁵ Winston Churchill, "Liberalism and Socialism," May 4, 1908, Kinnaird Hall, Dundee, <https://winstonchurchill.org/resources/speeches/1901-1914-rising-star/liberalism-and-socialism/>. Cf. Churchill, "Election Address: Devonport, February 9, 1950, in Randolph S. Churchill, ed., *In the Balance* (London: Cassell), 192.

⁶ Churchill, "Liberalism and Socialism." "In our view," Churchill explained, "the strong should help the weak. In the Socialist view the strong should be kept down to the level of the weak in order to have equal shares for all."

capitalism would rescue it “from the trammels of privilege and preference.”⁷ Churchill urged the British to construct their social order wisely, surely, and faithfully; “let us build not for the moment, but for the years that are to come, and so establish here below what we hope to find above—a house of many mansions [referring to John 14:2], where there shall be room for all.”⁸

Churchill continued his assault on socialism in the 1920s. Socialists, he objected in an April 1924 newspaper article, urged people to turn their eyes “from this world of sin and vice” and instead picture a “delectable” “new order, where everyone will receive more and give less, where sublime wisdom and godlike efficiency will inspire the rulers, where self-interest, private profit, [and] private possession will play no part in human action, and where all will dwell together in perfect equality and brotherhood.” How could this goal be achieved, Churchill asked, when socialists could not even eliminate “selfishness, self-seeking, [and] self-interest” from their own ranks? In fact, socialists were “often more quarrelsome, more envious, less good comrades, [and] less good citizens, than the average man and woman.”⁹

A month later, Churchill lectured on the “Present Dangers of the Socialist Movement” at two workers’ organizations in Liverpool. “The great danger” to England’s national trade and prosperity, he insisted, was the rapid growth in numbers, prestige, and influence of citizens who believed “the false doctrines of Socialism, which, if ever seriously put into practice, would reduce this island to chaos and starvation.” The conflict between liberals and conservatives, he complained, had enabled a socialist minority to govern Britain. Citing Luke 12:27, Churchill contended that socialists were distributing surplus goods to citizens for which they “had neither

⁷ Winston Churchill, *Manchester Guardian*, May 5, 1908.

⁸ Churchill, “Liberalism and Socialism.”

⁹ Winston Churchill, “Socialism and Sham,” *Sunday Chronicle*, April 6, 1924; reprinted in *Northern Advocate*, June 28, 1924, <https://paperspast.natlib.govt.nz/newspapers/northern-advocate/1924/06/28/12>. Socialists often posed “as representatives of Christianity and brotherhood,” Churchill observed, but in practice they were the most quarrelsome of people” (Churchill, “Socialism,” December 9, 1927, in Robert Rhodes James, ed., *Winston S. Churchill: His Complete Speeches*. 8 vols. New York, Chelsea House Publishers, 1974), 4: 4341) [hereinafter CS].

toiled nor spun.” He censured socialists for using contradictory arguments to win and retain supporters. They employed “every argument of Christianity and altruism” to appeal to some followers, while others received “instruction in the Socialist Sunday school in the vilest garbage of atheism and revolution.”¹⁰

Churchill’s “gravest accusation” against socialists was that they were “deliberately and wantonly corrupting the character of the British nation.” If their goal was to achieve “practical reforms without revolution or disorder” why did they teach the masses “to perform the antics and grimaces of Continental Socialism” and “to mouth the exploded doctrines of Karl Marx”? Almost one-third of the electorate had accepted these “foreign” doctrines and had been taught to regard Britain’s institutions, history, accomplishments, and extensive empire as “odious means of oppression to be repudiated or swept away at the earliest possible moment.”¹¹

In 1926, Churchill praised socialists for seeking to provide an “improved standard of living [and] to stand against monopolies and vested interests,” but he insisted that “their assumptions, methods, and admiration of Marx and continental socialism” were misguided. Churchill exhorted socialists to “abandon the utter fallacy, the grotesque, erroneous, fatal blunder of believing that by limiting the enterprise of man, by riveting the shackles of a false equality upon the efforts of all the different forms and different classes of human enterprise, they will increase the well-being of the world.”¹²

¹⁰ Winston Churchill, “Present Dangers of The Socialist Movement,” May 7, 1924, Liverpool, <https://winstonchurchill.org/resources/speeches/1915-1929-nadir-and-recovery/present-dangers-of-the-socialist-movement/>. Two decades later, Churchill quipped, “The inherent vice of capitalism is the unequal sharing of blessings. The inherent virtue of Socialism is the equal sharing of miseries.” (Winston Churchill, “Demobilisation,” October 22, 1945, CS 7: 7235).

¹¹ Churchill, “Present Dangers of The Socialist Movement.”

¹² Winston Churchill, “Socialism,” January 21, 1926, CS 4: 3821

Churchill also argued that adopting socialism would abolish individual liberty. “The Socialist Party,” he warned, was a menace to personal and political liberty.¹³ “Socialism and liberty,” he asserted, “cannot coexist. Socialism means the death of personal liberty.”¹⁴ Whenever socialism had been implemented, Churchill contended, it had destroyed liberty, productivity, and prosperity.¹⁵ The slogan, “Let us eat, drink and be merry, for to-morrow we die,” he asserted, was both the inspiration for socialism and “the mortal disease by which the Socialist philosophy is affected.”¹⁶

Defending capitalism, Churchill declared in the House of Commons in 1949:

I was brought up to believe that taxation is a bad thing, but the consuming power of the people a good thing. . . . I was brought up to believe that trade should be regulated mainly by the laws of supply and demand and that, apart from basic necessities in great emergencies, the price mechanism should adjust and correct undue spending at home. . . . I was also taught that it was one of the first duties of Government to promote that confidence on which credit and thrift . . . can alone stand and grow. I was taught to believe that these processes, working freely within the limits of the well-known laws for correcting monopoly . . . would produce a lively and continuous improvement in prosperity. I still hold to those general principles.¹⁷

Socialists, by contrast, Churchill protested, “regard taxation as good in itself and as tending to level our society.” They did everything possible to “discourage and stigmatize the inventor.”¹⁸

¹³ Winston Churchill, “Socialism and Liberty,” March 5, 1926, *CS* 4: 3850.

¹⁴ Winston Churchill, “Government Policy,” February 16, 1927, *CS* 4: 4148.

¹⁵ Winston Churchill, “Socialism,” December 9, 1927, *CS* 4: 4341. Churchill continued his assault on socialism throughout his political career. Campaigning for reelection in 1945, for example. He insisted that “socialism is inseparably interwoven with totalitarianism and the abject worship of the State No Socialist system can be established with a political police.... They would have to fall back in some form of *Gestapo*” (Winston Churchill, “Party Politics Again,” June 4, 1945, *CS* 7: 7172). Many scholars argue that this claim contributed significantly to Churchill’s loss of the election. See Richard Toye, “Winston Churchill’s ‘Crazy Broadcast’: Party, Nation, and the 1945 Gestapo Speech,” *Journal of British Studies* 49 (July 2010), 655-80.

¹⁶ Winston Churchill, “Finance Bill,” House of Commons, May 19, 1927, *CS* 4: 4223.

¹⁷ Winston Churchill, “The Economic Situation,” House of Commons, October 27, 1949, *CS* 7: 7877-78.

¹⁸ Churchill, “The Economic Situation,” 7878-79.

Although Churchill repeatedly derided socialism, he played a major role in expanding the British welfare state, especially by helping create a universal healthcare system. Churchill, Robert J. Lacey maintains, was “a Burkean conservative” who sought to balance tradition and change and to use the power of the state to solve social problems. While serving as President of the Board of Trade from 1908 to 1910, Churchill studied various German government programs and published *Liberalism and the Social Problem*, which contended that state welfare programs were needed to remedy “the excesses of capitalism.” He argued that Britain should establish a safety net or minimum standard below which no one should be allowed to fall. Competitive selection, Churchill asserted, drove social progress. He did not want the “vigour of competition” to be impaired, but he insisted that “we can do much to mitigate the consequences of failure.”¹⁹

These convictions led Churchill to work with members of the Liberal Party, including David Lloyd George (Britain’s prime minister from 1916 to 1922), to pass the National Insurance Act of 1911. He spearheaded the government’s provision of unemployment insurance and strongly supported the creation of National Health Insurance for British workers. Convinced that this act “bolstered Britain’s market economy and militated against the dreaded socialist alternative,” Churchill backed limited expansions of Britain’s welfare measures between the world wars. He championed laws that aided families, increased funding for public schools, and provided pensions for orphans and widows. Churchill strove to prevent a socialist revolution by satisfying the material needs of members of the working class and solidifying their commitment to “the traditional British economic and social framework.”²⁰

¹⁹ Winston Churchill, “Speech at Glasgow,” August 14, 1908, CS 2:1085.

²⁰ Robert J. Lacey, “Churchill’s Compassionate Conservatism,” August 16, 2018, <https://www.theamericanconservative.com/articles/churchills-compassionate-conservatism/>.

Unlike many others, Churchill did not lose faith in capitalism during the Great Depression. He called the suggestion that capitalism was collapsing “mush” and insisted that it would “right itself.”²¹ Meanwhile, he strove to make capitalism more humane to prevent the fabric of British society from being “torn asunder by class warfare.” Doing this, he believed, required protecting and providing for the most vulnerable members of society.²² As prime minister, Churchill endorsed the 1942 Beveridge report that advocated substantially expanding national insurance to provide “every British citizen comprehensive protection from the vagaries of life, including poverty, unemployment, and illness.”²³

From 1945 to 1951, however, Churchill, as the leader of the opposition, criticized the ruling Labour Party’s economic policies. Its members, he protested, subscribed to “doctrinaire Socialism” which had inhibited the nation’s economic growth and produced a fiscal crisis. Churchill especially denounced the socialist quest to nationalize substantial sectors of the economy.²⁴ “We reject entirely the Socialist doctrine that the State should own and manage all the industry and commerce of the country,” he declared in 1948. Although the state should play a significant role in the nation’s economy, he insisted, “the mainspring of our industrial life must still be that free competition upon which our commercial greatness has been founded.”²⁵ “Unless we free our country . . . from the perverse doctrines of Socialism,” Churchill warned, Britain had no hope of economic and social recovery.²⁶ Despite Churchill’s opposition, the Labour government, led by Prime Minister Clement Attlee, nationalized several major industries—

²¹ Paul Addison, *Churchill on the Home Front 1900-1955* (London: Jonathan Cape, 1992), 300.

²² Lacey, “Churchill’s Compassionate Conservatism.”

²³ “I personally am very keen that a scheme for the amalgamation and extension of our present incomparable insurance system should have a leading place in our Four Years’ Plan” (Winston Churchill, “Postwar Planning,” March 21, 1943, *CS 7*: 6759).

²⁴ Lacey, “Churchill’s Compassionate Conservatism.”

²⁵ Winston Churchill, “Britain ‘Floundering and Sinking,’” *CS 7*: 7675-76; quotations in that order.

²⁶ Churchill, “The Evils of Socialist Government,” 7657.

including coal, iron and steel, electricity and gas, railways, civil aviation, and healthcare. This prompted Churchill to inveigh in 1951, “Nationalization. What an awful flop!” “Show me the nationalized industry which has not become a burden on the public either as taxpayers or consumers or both.”²⁷ Because it had significantly increased the size and scope of government, he complained, the Labour Party had used “crushing taxation” to raise revenue, which had produced “financial bankruptcy” and “undermined individual initiative and enterprise.”²⁸ The economic stagnation and rising unemployment, which sparked extensive disgruntlement and helped bring the Thatcher revolution, occurred in part because “many of these industries had become woefully inefficient and lethargic.”²⁹

Margaret Thatcher

Margaret Thatcher, Kenneth Harris argues, saw her “mission as saving Britain” from “the all-pervading deadening hand of Socialist planning.” For her, “the free economy was not” simply a set of “economic devices but a moral system.” If substituted for the socialist society, it could “set the people free.” She led “a moral crusade to save the nation.”³⁰ Peter Jenkins agrees: Thatcher’s mission was “to arrest and reverse her country’s ineluctable decline and save it from a fate worse than death—socialism.” She viewed her task as not merely to postpone or mitigate the advance of collectivism but to reverse it. To achieve this goal, Thatcher avowed, a profound change in people’s attitudes, a moral regeneration, was needed; an entrepreneurial spirit must

²⁷ Randolph S. Churchill, ed., *Stemming the Tide: Speeches 1951 and 1952* (London: Cassell and Co., 1953), 95.

²⁸ Lacey, “Churchill’s Compassionate Conservatism.”

²⁹ Lacey, “Churchill’s Compassionate Conservatism.”

³⁰ Kenneth Harris, *Thatcher* (Boston: Little, Brown, and Co., 1988), 91-92; first quotation from 91, second and third from 92.

replace the collectivist mentality that had dominated Britain since the beginning of World War II.³¹

Thatcher explicitly connected Christianity, democracy, individualism, and political conservatism. She insisted that democracy “safeguards the value of the individual, and, more than any other system, restrains the abuse of power by the few,” which “*is a Christian concept.*”³² Thatcher contended that “a deep and providential harmony” existed between her political and economic views and “the insights of Christianity.”³³ The Iron Lady staunchly promoted capitalism, and like Churchill, she lambasted socialism. Its core principles, including the idea that humans are perfectible, Thatcher insisted, were not merely folly but heresy.³⁴ She repudiated Marxism because it ignored people’s spiritual dimension and focused on the material aspect of life.³⁵ Socialism assumes, Thatcher protested, that “if we get our social institutions right—if we provide properly for education, health and all other branches of social welfare—we shall have exorcised the Devil. This is bad theology and it also conflicts with our own experience.”³⁶

Democracy and capitalism, Thatcher avowed, were closely connected. “A free enterprise economy,” she insisted, “is a necessary condition of democracy.” Western capitalism prevented the politically powerful from using their positions to exploit others; instead, they were compelled

³¹ Peter Jenkins, *Mrs. Thatcher’s Revolution: The Ending of the Socialist Era* (Cambridge, MA: Harvard University Press, 1988), 81 (quotation), 168, 173.

³² Margaret Thatcher, “Speech to General Assembly of the Church of Scotland,” May 21, 1988, www.margaretthatcher.org/document/107246. See also Thatcher’s interview with *Woman’s Own*, October 31, 1986, <http://www.margaretthatcher.org/document/106689>; Thatcher, “Speech to the Greater London Young Conservatives,” July 4, 1977, <http://www.margaretthatcher.org/document/103411>.

³³ Margaret Thatcher, *The Path to Power* (London: HarperCollins, 1995), 554-55.

³⁴ Clare Berlinski, “*There Is No Alternative*”: *Why Margaret Thatcher Matters* (New York: Basic Books, 2008), 25.

³⁵ Thatcher, “Speech to the Greater London Young Conservatives,” July 4, 1977, <http://www.margaretthatcher.org/document/103411>.

³⁶ Margaret Thatcher, “St. Lawrence Jewry,” in Robin Harris, ed., *The Collected Speeches of Margaret Thatcher* (New York: HarperCollins, 1997), 75.

to respect “fairness, decency and the common good.” Capitalism could function only where everyone, including government, was answerable to “a strong and just rule of law.” Both capitalism and democracy, Thatcher asserted, gave “real power to the people.” “Free enterprise capitalism,” she added, “is *economic* democracy. It limits the power of government by maximizing the power of the people.”³⁷

More than any other British leader since Churchill, Thatcher made the Cold War a conflict about ideas and values, a campaign to defeat godless communism that was most evident in her resolute support for Solidarity in Poland.³⁸ “It is not by force of weapons but by force of ideas,” she proclaimed in 1983, “that we seek to spread liberty to the world’s oppressed.”³⁹ For the Iron Lady, the battle against “socialism at home and Communism abroad was a fight” to preserve liberty and individual free will.⁴⁰

Thatcher repudiated the socialist claim that “the avalanche of goods” capitalist societies produced was “available only to the well-to-do.” This contention misconceived “the very essence of capitalist achievement.” As Austrian economist Josef Schumpeter argued, the typical products of capitalism—cheap cloth, fabric, and boots and automobiles—meant little to the rich while they greatly enhanced the life of the masses. The material benefits of free societies, Thatcher asserted, flowed to the very people socialists claimed to cherish.⁴¹

³⁷ Margaret Thatcher, “Address to the Senate of the Polish Republic, Warsaw, 3 October 1991,” Harris, ed., *Collected Speeches*, 505 (first quotation), 506 (remainder of the quotations).

³⁸ Filby, “Margaret Thatcher’s Politics.”

³⁹ Margaret Thatcher, “Speech at the Winston Churchill Foundation Award Dinner,” September 29, 1983, <https://www.margaretthatcher.org/document/105450>.

⁴⁰ Eliza Filby, “God and Mrs. Thatcher: The Battle for Britain’s Soul,” <http://www.nationalreview.com/article/426379/god-and-mrs-thatcher-battle-britains-soul-eliza-filby>. See also Eliza Filby, *God and Mrs. Thatcher: The Battle for Britain’s Soul* (London: Biteback, 2015), 267-306.

⁴¹ Margaret Thatcher, “Speech to the Zurich Economic Society, University of Zurich, 14 March 1977,” in Harris, ed., *Collected Speeches*, 52.

The key to increasing people's material benefits, Thatcher averred, was innovation which drove economic progress; only a free economy provided the conditions that enabled innovation to flourish. As Alfred Marshall, professor of political economy at Cambridge University, contended, capitalism "frees constructive genius." The central planners who directed socialist societies, by contrast, Thatcher maintained, could not foresee from where the next innovation would come. Collectivists insisted that wise central planners could make better decisions and waste fewer resources "than a myriad of individual decision-makers and independent organizations all over the country." Events in Britain had shown, however, that central planners lacked "the knowledge, foresight and imagination required" to effectively manage the economy.⁴²

The main issues facing society, Thatcher maintained, were moral rather than material, and here capitalism was also vastly superior to socialism. The Western world's economic success was "a product of its moral philosophy and practice." Its economic results were much better than those of other regions because its "moral philosophy is superior."⁴³ "It is not just that capitalism works," Thatcher declared. "It is not just that capitalism is morally right. What we have to recognize and proclaim with the most intense conviction is that capitalism works *because* it is morally right."⁴⁴ "Experience has shown," she added, that "socialism corrodes the moral values" that underlie free society. Excessive regulations threatened traditional values because the more the state strove to impose its authority, the less respect people had for it.⁴⁵

Capitalism is morally superior, Thatcher insisted, because it started with the uniqueness, responsibility, and capacity to choose of individuals. "The socialist-statist philosophy, by

⁴² Thatcher, "Zurich Economic Society," 52 (first two quotations) 53 (third quotation).

⁴³ Thatcher, "Zurich Economic Society," 53.

⁴⁴ Thatcher, "Address to the Senate of the Polish Republic," 508.

⁴⁵ Thatcher, "Zurich Economic Society," 54.

contrast, established a centralized economic system to which the individual must conform, which subjugates him, directs him and denies him the right to free choice.” Choice, Thatcher avowed, is the essence of ethics; without choice, “there would be no ethics, no good, no evil.” In democratic societies, individuals are “not the servant of the state and its objectives”; instead, they could make the best use of their talents and abilities. Capitalist societies encouraged people’s self-reliance; they enabled individuals to play roles in their families, own property, and pay their own way, which helped them to be responsible citizens and stimulated them to do more for themselves and others. The material success of free societies, she argued, empowered their citizens to display “a degree of generosity to the less fortunate unmatched in any other society.”⁴⁶

Britain’s struggling economy could be improved, Thatcher contended, only if adopting democratic capitalism helped transform its citizens’ values.⁴⁷ Since World War I, she argued, Britain had spent huge sums “on policies designed to make people better and happier,” but this had not fundamentally improved their moral condition. People’s material comfort had improved, but crime and many other social maladies continued.⁴⁸ The free enterprise system, Thatcher asserted, could not automatically make human beings upright and happy. Economic freedom, she declared, “is a necessary but not a sufficient condition of our own national recovery and prosperity.” The moral dimension had a pivotal role to play. A nation could excel in industry, honesty, responsibility, and justice only if its citizens had “a purpose and an ethic. The State

⁴⁶ Thatcher, “Zurich Economic Society,” 53.

⁴⁷ Filby, “God and Mrs. Thatcher.”

⁴⁸ Margaret Thatcher, “I Believe: A Speech on Christianity and Politics,” March 30, 1978, <https://www.margaretthatcher.org/document/103522>.

cannot provide these—they can only come from the teachings of a Faith,” which the church alone could supply.”⁴⁹

For Thatcher, the proper tasks of government included ensuring that money maintained its value, breaking up monopolies and replacing them with competition, protecting investors, establishing consumer and safety standards, and providing “a safety net of social benefits for those genuinely unable to cope for themselves.” The government must also encourage the enterprise of its citizens to help create wealth as countries with few natural resources including Switzerland, Japan, Hong Kong, Taiwan, and Singapore demonstrated.⁵⁰

Thatcher argued in 1977 that socialism had produced a crisis in Britain characterized by “economic failure, social and political tensions; a decline in freedom of choice in education, health [and] economic activity.”⁵¹ Socialism, she protested, had been a “real curse.” It had led citizens to expect the state to satisfy all their needs and had “gravely impeded the natural forces of economic growth by discouraging the small entrepreneur.”⁵² “No theory of government,” Thatcher asserted, had ever been “given a fairer test or a more prolonged experiment in a democratic country than democratic socialism received in Britain. Yet it was a miserable failure in every respect.” It had accelerated Britain’s economic decline in relation to its leading competitors. By 1979, Britain was widely viewed as the Ottoman Empire had been earlier as “the sick man of Europe.”⁵³

When she became prime minister that year, Thatcher feared that socialism had proceeded so far in Britain that it would be very hard to overturn. By then “so many people and so many

⁴⁹ Margaret Thatcher, “I Believe: A Speech on Christianity and Politics,” March 30, 1978, <https://www.margaretthatcher.org/document/103522>. See also Thatcher, “St. Lawrence Jewry,” 121-30.

⁵⁰ Thatcher, “Address to the Senate of the Polish Republic,” 507.

⁵¹ Thatcher, “Zurich Economic Society,” 54.

⁵² Quoted in Hugo Young, *The Iron Lady: A Biography of Margaret Thatcher* (New York: Farrar Straus Giroux, 1989), 320.

⁵³ Margaret Thatcher, *The Downing Street Years* (New York: HarperCollins, 1993), 7.

vested interested significantly depended on the state”—for jobs, Social Security benefits, health care, education and housing—that economic freedom seemed “to pose an almost unacceptable risk to their living standards.”⁵⁴ Socialism, she protested, was “built into the institutions and mentality of Britain.” Almost 30 percent of the nation’s housing was in the public sector, the ethos in classrooms and colleges training teachers “remained stubbornly left wing,” and almost half of the workforce was unionized.⁵⁵ Campaigning for reelection in 1983, Thatcher declared, “the choice facing the nation is between two totally different ways of life. And what a prize we have to fight for: no less than the chance to banish from our land the dark, divisive clouds of Marxist socialism.”⁵⁶ For many years, Thatcher explained in 1985, “excessive reliance on the state” had blunted Britain’s economic vitality by nationalizing, controlling, and subsidizing industries.⁵⁷ The Labour government’s adoption of socialism “had created two complementary phenomena: sluggish, inefficient, subsidized state-owned industries, and people with little prospect of accumulating capital.”⁵⁸ Moreover, “the poorer, weaker members of society” had suffered the most as a result of socialism’s failure.” Socialism “had played on the worst aspects of human nature.” It had “demoralized communities and families,” brought dependency, and subjected “traditional values to sustained derision.”⁵⁹

Thankfully, however, socialism had not destroyed the “vivacity, verve, the energy, the vigour, the dynamism, [and] the merchant ventures” of the British people. Their commitment to

⁵⁴ Thatcher, *The Path to Power*, 440.

⁵⁵ Thatcher, *The Downing Street Years*, 306.

⁵⁶ Margaret Thatcher, “Speech to the Scottish Conservative Party Conference,” May 13, 1983, <https://www.margaretthatcher.org/document/105314>.

⁵⁷ Margaret Thatcher, “Address to a Joint Meeting of the American Congress, 20 February 1985,” in Harris, ed., *Collected Speeches*, 242.

⁵⁸ Thatcher, “Speech to the CNN World Economic Development Congress, Washington D.C., 19 September 1992,” in Harris, ed., *Collected Speeches*, 543.

⁵⁹ Thatcher, *The Downing Street Years*, 625.

hard work and entrepreneurial activity remained.⁶⁰ Meanwhile, her government was “carrying out the largest programme of denationalization” in British history.⁶¹ By privatizing state industries such as steel and airlines “we created millions of new shareholders, new homeowners, new entrepreneurs. This brought, she argued, a profound change in people’s social, political, and spiritual attitudes—“they became more self-reliant, more responsible, more independent, more forward looking.” People gained a stake in the future and became “more resistant to the tenets of socialism.”⁶² During her years as prime minister, Thatcher contended, Britain became the first country in history “to reverse the onward march of socialism.” To achieve her goals, Thatcher attacked the bastions of the Labour Party’s power—the trade unions, the council estates, and the socialist control of local government. She sold council houses to their tenants and nationalized industries.⁶³ When she left office, the sector of industry owned by the state had been reduced by 60 percent. More than 600,000 jobs had been moved from the public to the private sector and about 25 percent of Brits owned stocks.⁶⁴ Thatcher argued that her policies had spread the fruits of Britain’s growing prosperity more widely. Britain’s standards of living were the highest in its history. “Home ownership, second pensions, share ownership, choice in education,” all of which previously were “the privileges of the few,” had been “extended to the many.” Income taxes had been lowered. More assistance had been provided to the disabled, sick, and elderly.⁶⁵

In 1991, the year after her tenure as prime minister ended, Thatcher contrasted the results produced by capitalism and socialism in Britain and Eastern Europe. Capitalism, she argued, had made the British people prosperous and had enabled them to help feed millions of hungry people

⁶⁰ Thatcher, “General Press Conference,” June 10, 1987.

⁶¹ Thatcher, “American Congress,” 242.

⁶² Thatcher, “World Economic Development Congress,” 543.

⁶³ Jenkins, *Mrs. Thatcher’s Revolution*, 168.

⁶⁴ Thatcher, *The Downing Street Years*, 687.

⁶⁵ Margaret Thatcher, “General Election Press Conference,” June 10, 1987, <https://www.margaretthatcher.org/document/106882>.

in other countries. Socialism, by contrast, had been “the road to poverty and serfdom.” As Eastern Europe emerged “from the darkness,” she declared, “the truth is now fully known.” While economic growth rates in communist nations “soared on paper, people queued for hours to buy goods.” “As five-year plan followed five-year plan, command economies turned out products no one wanted to buy and created an environment in which no one wanted to live.”⁶⁶ These communist regimes had been “the ultimate expression, unconstrained by democratic and electoral pressures,” of the socialist ideal: the state owned all property and the government controlled all enterprises; “the state was everything and individual [was] nothing.” Socialists incorrectly believed that only state ownership and regulation could remove injustices and solve social ills. The lessons of history, politics, and economics, however, proved otherwise.⁶⁷ Thatcher rejoiced that around the globe—in Central Europe, Latin America, and even China—industries and utilities were being privatized. “For practical purposes,” she claimed, “the world economy is almost entirely capitalist.”⁶⁸ By the time she left office, George Will contends, individualism and nationalism had been revitalized in Britain and the political argument had shifted from how to redistribute wealth to how to produce economic growth.⁶⁹ Peter Jenkins credits Thatcher with playing a major role in producing “a profound intellectual change.” By the late 1980s, throughout much of Western Europe for the first time in the 20th century, “the governing classes no longer assume that socialism in some form is what history has in store.”⁷⁰

Conclusion

⁶⁶ Margaret Thatcher, “Speech at a Lunch Sponsored by the Hoover Institution, the National Review, the Heritage Foundation and the American Enterprise Institute, Washington DC, 8 March 1991,” in Harris, ed., *Collected Speeches*, 461.

⁶⁷ Thatcher, “Hoover Institution,” 462.

⁶⁸ Thatcher, “World Economic Development Congress,” 544.

⁶⁹ Will, “Margaret Thatcher.”

⁷⁰ Jenkins, *Mrs. Thatcher’s Revolution*, 375.

Winston Churchill and Margaret Thatcher, arguably Britain's two greatest 20th century political leaders, were staunch opponents of communism and strident critics of socialism. They both denounced Soviet communism for oppressing millions of people by abrogating their political rights, exploiting their labor, and preventing them from freely practicing religion. Churchill and Thatcher also insisted that life in a democratic capitalist nation was much better than life in a socialist state. By allowing political, economic, and religious liberty and promoting individual initiative, democratic capitalism created a society where people had ample opportunities to use their talents. It produced a higher standard of living, permitted people to govern themselves, and enabled religion to flourish. Socialism, by contrast, often inhibited individual ingenuity, stifled self-government, and restricted religion. Both Churchill and Thatcher strove to create "a free and responsible society." They insisted that God allowed individuals to make choices and that society should grant people as much freedom as possible in political, economic, social, and religious matters. Moreover, as Thatcher declared, freedom helped promote a nation's greatness by imposing significant responsibilities on individuals, requiring self-discipline, and encouraging morality. And as Proverbs teaches, "Righteousness Exalteth a Nation."⁷¹

⁷¹ Thatcher, "St. Lawrence Jewry," 76-77; both quotations from 76.